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OFFICE OF THE VICE PRESIDENT

WASHINGTON

June 30, 1992

MEMORANDUM FOR: **RICHARD PORTER**

FROM: **MICHAEL SUMMERSGILL**

SUBJECT: CHARLES HIRSCH'S PROPOSALS

You should read the first proposal; the one concerning enterprise zones etc.

The capital gains tax cut should be greater for the economic empowerment corporations (companies in the enterprise zones who are partially owned by the disadvantaged) than it should be for those who simply invest in those companies. This would encourage a more serious entrepreneurial commitment in these zones.

There should, however, as the proposal suggests, be a capital gains cut for those who invest in the economic empowerment corporations as long as the two year minimum investment period remains.

3-5 years is an awfully long time for companies to meet only a 5-10 percent disadvantaged ownership level. The Democrats would have a field day with this. If capital gains cuts are substantial enough, there will be sufficient incentive for companies to participate in the enterprise zones even if they must have a 10% disadvantaged ownership level much earlier. Then when the Democrats complain about the capital gains cut, we will be defending the disadvantaged.

These ideas have real potential but can they take root in the gang plagued, drug infested war zones which are now characteristic of many of our urban centers?

What if the empowerment funds are not successful - who covers the losses?

Can we realistically expect substantial private investment in these funds if investors can, at best, gain "modest interest." But if private investors were to gain more than "modest interest," we would be supporting a politically difficult position in which the rich were apparently making money off the poor?

The second proposal, concerning Fort Dix, leaves many questions unanswered. What is the curriculum, how will the program be funded, what do the students do after their one year program when they must return to their "disadvantaged communities" etc. The paper addresses these questions but only provides vague answers.

6/17

Amelior Foundation
310 South Street, Morristown, New Jersey 07960

Charles L. Hirsch
Executive Vice President

Telephone 201-540-9148
Telecopy 201-540-0519

June 16, 1992

Mr. Richard Porter
Counsellor to the Vice President
Office of the Vice President
Room 200
The Old Executive Building
The White House
Washington, DC 20501

Dear Mr. Porter:

I write at the suggestion of Dr. Buster Soaries, who I understand met with you and Vice President Quayle yesterday. Attached please find materials relating to two ideas that we would very much appreciate having the opportunity to discuss with you:

- o Fort Dix Academy; and
- o Ownership Empowerment ideas related to Capital Gains reductions and Enterprise Zones.

We have been working on these issues for some time and have had extensive conversations with members of the Administration (I believe you have spoken with my friend and colleague, Jeff Gates, on our ownership empowerment ideas).

We look forward to having the opportunity to discuss these timely ideas with you at your earliest convenience. Thank you in advance for your support.

Sincerely,



CLH:umt
Enclosure:
cc:Dr. Buster Soaries
2598

OWNERSHIP OPPORTUNITIES

Targeting Investment Incentives

Unless capital ownership opportunities are channeled into our inner cities, we run the very real risk of creating a permanent underclass among those who feel alienated from the system because they see no way of ever gaining a stake in society. By encouraging investments and skills development in distressed areas, jobs can be created and ownership opportunities can be enhanced, thereby increasing economic self sufficiency and decreasing dependence on governmental subsidies.

This paper outlines an approach for stimulating employment and ownership opportunities for those most economically disadvantaged and for those living in our most economically distressed urban areas. This is accomplished by providing incentives for the private sector to make investments in these areas or to employ the disadvantaged and to include them as co-owners of those investments.

* Economic Empowerment Corporations. Permit a reduction in the capital gain tax rate to the extent that proceeds resulting from the sale of a capital asset are reinvested in corporations wherein a minimum percentage of the outstanding shares (e.g., 5-10%) is owned by employees who are residents of an accredited state or Federal enterprise zone, those considered disadvantaged for purposes of the targeted jobs tax credit and/or those earning less than half the median income. These corporations could be located either in or outside enterprise zones provided jobs and ownership are created for those listed.

* Economic Empowerment Funds. Permit a similar reduction for proceeds reinvested in non-profit entities in which a least 70% of the net investment income is dedicated to programs designed to provide entrepreneurial skills training and ownership opportunities for those residing in urban enterprise zones, members of the targeted jobs tax credit group and/or those earning less than half the median income.

For those corporations demonstrating a commitment to economically empowering the nation's most disadvantaged, this proposal would provide access to capital markets that would otherwise not be available. To benefit from this reduced capital gain tax, investors would be required to hold their stock in an "economic empowerment corporation" for at least two years. ✓

This proposal would also attract investors to funds designed to provide our most disadvantaged with skills training and

*Greater reduction
of cap. gains
in ent. zones
would be more
practical, feasible
and would
create more
incentive
to invest*

ownership opportunities that would otherwise not be available. For example, one program presently being organized is designed to offer mentoring relationships for inner city "at risk" youth, to provide them with entrepreneurial skills training and to enable them to accumulate capital ownership in return for fulfilling agreed-to personal goals such as graduating from high school, remaining in a mentoring relationship and participating in community service activities.

These two proposals suggest an "ownership empowerment agenda" for our inner cities, an agenda that promotes entrepreneurial opportunity alongside social responsibility. The agenda also combines the dignity and motivation of personal capital accumulation with the advantage of providing to inner city businesses a way to attract private sector funds to address urgent public needs.

Any projected short-term loss of revenue will be more than offset within a short period of time through less dependence on government subsidies and through the increased productivity and profitability stemming from newly-created jobs, entrepreneurs and employee-owners.

The long-term systemic decline in our inner cities can only be corrected with sustained private sector investment that creates jobs, develops skills and fosters broad-based local business ownership. Only in this way can urban policy strengthen the moral, social and economic fabric of these communities, promote self-sufficiency and break the cycle of dependency and costly government subsidies.

ECONOMIC EMPOWERMENT CORPORATIONS

Targeting Investment Incentives

Unless capital ownership opportunities are channeled into our inner cities, we run the very real risk of creating a permanent underclass among those who feel alienated from the system because they see no way of ever gaining a stake in society. By encouraging investments and skills development in distressed areas, jobs can be created and ownership opportunities can be offered, thereby enhancing economic self sufficiency and decreasing dependence on governmental subsidies.

This paper outlines an approach for stimulating employment and ownership opportunities for those most economically disadvantaged and for those living in our most economically distressed urban areas. This is accomplished by providing incentives for private sector corporations to make investments in these areas or to employ the economically disadvantaged and to include them as stockholders of these corporations.

Capital Gains Reinvestment. An investor would be allowed a reduction in the capital gain tax to the extent that the proceeds from the sale of a capital asset are reinvested in an "Economic Empowerment Corporation" located in a state or Federal enterprise zone. That reduction would be allowed only where the proceeds are reinvested in corporations in which a minimum percentage of the outstanding shares (e.g., 5-10%) is owned by employees who are residents of an enterprise zone, those considered disadvantaged for purposes of the targeted jobs tax credit and/or those earning less than half the median income. These corporations could be located in or outside enterprise zones provided jobs are created for those listed.

For those corporations demonstrating a commitment to economically empowering the nation's most disadvantaged, this proposal would provide access to capital markets that would otherwise not be available. In order to benefit from the reduced capital gain tax rate, the taxpayer would be required to hold stock in such an "Economic Empowerment Corporation" for at least two years. This ownership-sharing element could be accomplished through a variety of means, including the use of an employee stock ownership plan.

Empowerment Agenda. This proposal suggests an "ownership empowerment agenda" for our inner cities, an agenda that promotes jobs creation and ownership opportunity alongside social responsibility. Rather than focus solely on jobs creation, this approach directly addresses the division in America between a class of property owners and a class of the dispossessed.

This empowerment agenda also combines the dignity and

motivation of personal ownership with the advantage of attracting privately-provided capital to address the economic needs of our most disadvantaged. Government funds, make-work jobs and other stop-gap measures are insufficient to address the long-term, systemic decline in our urban areas. Any long-term solution must attract substantial and sustained private sector investment leading to real, private sector jobs, skills development and broad-based local business ownership. Empowerment, not handouts, must be the policy prescription. ✓

The long-term systemic decline in our inner cities can only be corrected with private sector investment that creates jobs, develops skills and fosters broad-based local business ownership. Only in this way can urban policy strengthen the moral, social and economic fabric of these communities, promote self-sufficiency and break the cycle of dependency and costly government subsidies.

Commonly-asked questions concerning this proposal include:

- * What are the goals of this empowerment proposal?

Building on existing enterprise zone proposals, the goals are to create private sector jobs for and offer ownership opportunities to residents of these areas. This proposal would attract private investment capital to address these needs.

- * Why does this proposal include both state and Federal enterprise zones?

Although much well-deserved attention is being paid to the creation of a Federal enterprise zone program, 36 states already have more limited enterprise zone programs in operation. This proposal suggests that Federal incentives could be keyed either to Federal or to state-designated zones. By grafting certain Federal incentives to existing state enterprise zone programs, a relatively simple pilot project could be created quickly. This approach provides the Federal government with broad flexibility to implement programs in a variety of ways working in partnership with the states and cities to innovatively address pressing local needs.

- * Why the three categories of participants (i.e., zone residents, those qualified for the targeted jobs tax credit and those earning less than half the median income)?

The proposal is intended to benefit most those most in need:

-- Zone Residents -- It is anticipated that the focus of enterprise zones will be on

urban, inner city areas where many of our most disadvantaged reside and where others should be encouraged to relocate.

Before this can
work, urban
"war zones"
must be
purged of drugs
and violence

-- Targeted Jobs Tax Credit -- This existing program targets tax relief to those considered to be among the nation's most disadvantaged and those having the most difficulty in making the transition to the mainstream. A person is a member of a targeted group for purposes of the targeted jobs tax credit if such individual is: (a) a vocational rehabilitation referral, (b) an economically disadvantaged youth, (c) an economically disadvantaged Vietnam veteran, (d) an SSI recipient, (e) a general assistance recipient, (f) a youth participating in a cooperative education program, (g) an economically disadvantaged ex-convict, (h) an eligible work incentive employee, (i) an involuntary terminated CETA employee, or (j) a qualified summer youth employee.

- Those earning less than one-half the median income now comprise approximately 17.1% of the population. Many of these may be recently long-term unemployed, including those whose unemployment benefits have expired.

* Why extend this program to companies located outside enterprise zones?

It is important that incentives be provided for "bricks and mortar" investments in our distressed inner cities. By targeting corporations located within enterprise zones, this proposal addresses that long-term need. At the same time, however, this proposal addresses a short-term, urgent need: that jobs be created for our most economically distressed regardless whether an employer's operations are located within an enterprise zone. This proposal also encourages those living outside enterprise zones to relocate to these areas.

Can do this
as well as
red. cap-
gains for
comp. in
ent. zone
and then
get
benefit
of
both

* What mechanism(s) could be used for employees to gain their shares?

Companies could use any of a variety of means for achieving the requisite level of employee stock ownership. Employee stock ownership plans offer one method; ESOPs qualify for certain tax incentives and may be adapted to this purpose. Companies may prefer to award bonus stock or otherwise include stock as a

component of employee compensation.

* What determines whether a corporation is an "Economic Empowerment Corporation"?

A company must employ those considered most economically disadvantaged and must include those employees as owners of a minimum amount of shares.

* Is 5-10% the right amount?

Corporations may not currently have on their payroll large numbers of zone residents, employees qualified for the targeted jobs tax credit and/or those making less than the median income. The 5-10% minimum ownership requirement recognizes that employers will certainly need to share stock ownership with employees other than those considered disadvantaged. Thus, any minimum ownership level for this targeted group must represent a feasible threshold for companies to attain if the program is to be successful. In addition, a period should be considered (such as 3-5 years) for companies to comply with the ownership requirement. *3-5 is too long*

* What is the expected revenue expenditure associated with this change in tax policy?

Because this is a new proposal, static revenue estimates have not yet been determined. It is suggested that, on a dynamic basis, any projected short-term revenue loss will be more than offset within a short period of time through a lessening of dependence on governmental subsidies and through the increased productivity, profitability and tax revenues stemming from newly-created jobs, entrepreneurs and employee-owners.

* What anti-abuse provisions are proposed?

Those taxpayers wishing to claim a reduced capital gain tax would be required to hold their shares in an Economic Empowerment Corporation for a minimum period (2 years is suggested).

* Why use a reduction in capital gain tax as the incentive?

Given the fiscal constraints facing any government proposal designed to address urban problems, means must be found to attract private investment capital into areas where such capital does not currently flow. A cut in the capital gain tax has been mired in political posturing

for several years, largely over disputes regarding the revenue impact and the beneficiaries of any such tax cut. This approach provides a method for linking that tax cut to investments that address pressing public needs while also creating capital ownership among the nation's most disadvantaged.

* How does this proposal differ from other enterprise zone-related capital gain tax cut proposals?

The Administration's bill (introduced in the House by Rangel, Weber and others and in the Senate by Rosten Lieberman and others) eliminates the capital gain tax on any gain realized on the sale of an investment in an enterprise zone. The Rostenkowski bill permits a 10-year deferral in the payment of capital gain tax due to the sale of a capital asset regardless of its location provided the proceeds are reinvested in an enterprise zone for at least 5 years. Neither of these provisions links capital gain tax relief to the creation of ownership among zone residents. This proposal draws upon the latter approach as the most promising method for encouraging such investments and adds both a broader job-creation element as well as an ownership empowerment element. A substantial deferral in the payment of capital gain tax may be equally as effective as a reduction in the tax rate.

ECONOMIC EMPOWERMENT FUNDS

Targeting Investment Incentives

People living at or near the poverty level comprise the fastest growing class in America. Children are particularly hard hit by this tragic phenomenon, particularly those living in our inner cities. Breaking this cycle of poverty and dependency is one of the most challenging tasks now facing the nation.

In addition to providing these people with education and enabling them to gain relevant job skills, it is essential that they also be provided with the training, the opportunity and the incentive to begin to accumulate a personal net worth with which to begin to gain a stake in the society from which growing numbers of them are now alienated.

Access to the ownership of capital is an important ingredient in helping the disadvantaged escape from the despair of hopeless poverty. In addition, providing an opportunity to gain a stake in our free enterprise system provides a powerful means for learning about our system and for gaining respect for private property and the rule of law.

A combination of mentoring, education, job training and capital accumulation can, over time, make a major contribution to enabling the disadvantaged to gain the skills, the means and the motivation to increase their economic self reliance, thereby strengthening the moral, social and economic fabric of our nation.

Economic Empowerment Funds. An investor could be allowed a reduction in the capital gain tax provided the proceeds from the sale of a capital asset are reinvested in funds ("Economic Empowerment Funds") that would use their net investment income to provide ownership opportunities for those residing in urban enterprise zones, those considered disadvantaged for purposes of the targeted jobs tax credit and/or those earning less than half the median income.

One such fund presently being organized (the "One to One Charitable Fund, Inc.") will utilize its investment proceeds (after the payment of modest interest to Fund investors) to provide capital accumulation opportunities to inner city "at risk" youth who participate in mentoring relationships and fulfill agreed-to personal goals.

what is
modest
interest?

As an example, participation in this particular fund is expected to begin in grade school, encourage graduation from high school and extend until age 23. At various levels of involvement, participants would earn equity in a fund (and be able to borrow against that

equity) by meeting personal goals such as graduating from high school, maintaining a mentoring relationship and participating in community service activities. During their participation in the program, young people would participate in a qualified mentoring program which will be designed to include training in entrepreneurship and business skills. Upon successful completion of the program, participants could be permitted to liquidate their fund account (accumulated on the basis of "achievement awards") in order to start a business, further their education, buy a home or other activities. Or they could reinvest their equity in a fund for later use.

Monies invested in the "One to One Charitable Fund, Inc." will be invested in the global futures markets by established futures industry professionals and will be overseen by leading institutional advisory firms. The principal in the Fund will be guaranteed by a major investment firm and transactions will be cleared at cost. These firms will provide their expertise and services pro bono. The difference between the modest interest paid to the investors and the additional profits generated by the Fund will be available to support the Fund's achievement awards (i.e., capital accumulation for participants). For outstanding behavior and to provide additional short-term incentives, participants will also receive non-monetary awards (such as athletic equipment, book store certificates, etc.).

It is expected that other funds could be organized along similar lines, investing in equities, for example, and focusing participation on disadvantaged or low income adults who might benefit from business skills mentoring and entrepreneurship training.

Empowerment Agenda. This proposal suggests an "ownership empowerment agenda" for our inner cities, an agenda that promotes skills training and ownership opportunity alongside social responsibility. In addition, rather than focus solely on jobs creation, this approach directly addresses the division in America between a class of property owners and a class of the dispossessed.

This empowerment agenda also combines the dignity and the motivation of personal capital accumulation with the advantage of providing access to privately-provided capital to address the most glaring weaknesses in our urban areas. The long-term systemic decline in our inner cities can only be remedied by rebuilding on a foundation of skills development and through means that can strengthen the eroded social fabric of our inner cities.

Fort Dix Academy, Inc.

310 South Street, Morristown, New Jersey 07960

Saul Cooperman
Charles L. Hirsch
Co-Directors

Phone: (201) 540-9148
Fax: (201) 540-0519

November 11, 1991

The Honorable G. Kim Wincup
The Assistant Secretary of the Army
for Manpower and Reserve Affairs
The Pentagon
Room 2E594
Washington, DC 20313

Dear Mr. Wincup:

Please accept this letter as a formal request for the allocation of space at Fort Dix to operate the "Fort Dix Academy," a residential school for disadvantaged boys and girls between the ages of 16 and 21.

If appropriate space can be allocated at Fort Dix, and if funding requested from other agencies of the United States Government and private sources can be obtained, our intention, as you know from discussions with you and your staff, would be to occupy the allocated space on or around January 1, 1993. If the Army has a different preference for an occupancy date, we anticipate that we can accommodate a range of possibilities up to twelve months later.

Our initial space requirement will be for dormitory quarters equal to some three hundred and thirty beds. (Three hundred students plus 30 resident advisors.) We would like to have an option on expanding the program over a number of years to between two and three thousand beds. Ideally these facilities will be situated in the same area -- perhaps in battalion configuration. We understand, however, that planning for Fort Dix is uncertain and that other priorities may intervene for the Department of the Army. We understand, also, that mobilization or other national emergency needs might make it desirable for the Army to specify that leased facilities would be returnable to the Army on short notice. Such a provision would be acceptable to us.

The Honorable G. Kim Wincup

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November 11, 1991

In conjunction with this space, please treat this as a request also for classroom and dining facilities of comparable size, i.e., approximately 300 seats. Dining facilities may be subdivided or common, but the classroom space would optimally include at least 12 rooms seating 20-30 students each and one common indoor assembly area capable of accommodating the entire population of 330.

As we have discussed, it would be important to us that use of these facilities be sustained by support services otherwise continuing at Fort Dix. In conjunction with other tenants at the Fort we would anticipate support from utilities, telephone, sewage, security and health services and access on a compatibly programmed basis to athletic, recreational and religious facilities otherwise maintained at the Fort.

As the Department of the Army develops its plans for Fort Dix, we anticipate that details as to residential and classroom sites and the availability of support services and collateral facilities will be discussed with appropriate personnel at the Fort and on your staff.

As we have discussed, the funding for Fort Dix Academy is still under discussion with other agencies of the Federal Government and with potential private funders. While we do not anticipate requesting operational funding for this activity from the Department of the Army, we do, however, anticipate -- if provision of these facilities and services is compatible with the Army's planning -- that the Army will provide them to Fort Dix Academy without charge. Should the Army be interested in providing additional support, beyond what we agree upon for the first year of operations, we would obviously welcome any such assistance at that time.

When particulars of the funding are determined, they will no doubt affect the structure of the Fort Dix Academy. For planning purposes, however, Fort Dix officials can presume that the Signor of a lease on behalf of the Academy will be a 501(c)3 corporation in good standing with insurance and capitalization arrangements sufficient to meet the Army's requirements for a lessee.

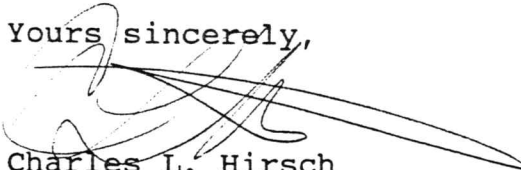
The Honorable G. Kim Wincup
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Finally, as we have discussed, our planning will include possibilities for reserve or active duty personnel who may be on duty at the Fort to serve as mentors or supervisors for students at the Academy. We will also be looking to incorporate structured opportunities for students at the Academy to donate labor that may be useful to maintenance of the Fort. These ideas will be the subject of meetings with your staff after the availability of facilities and the Army's plans for manning and maintaining Fort Dix have been developed.

We very much appreciate the encouragement you and your staff have given this project from the outset. We think it opens wonderful possibilities for both the Army and our nation's youth. We very much look forward to working with you in the time ahead.

If you have any immediate questions, please feel from to call either of us at the above number or to contact Richard Danzig who is working with us in Washington. Richard may be reached at (202) 637-2219. We thank you for your consideration of this request and look forward to your response.

Yours sincerely,


Charles L. Hirsch


Saul Cooperman

/umt
cc:R. Danzig
1986

MATCHING THE NEEDS OF THE ARMY AND AMERICA'S AT-RISK YOUTH

REPORT TO THE ASSISTANT SECRETARIES
OF THE U.S. ARMY FOR MANPOWER AND RESERVE AFFAIRS
AND FOR INSTALLATIONS, LOGISTICS AND ENVIRONMENT

Determined NOT to be
National Security Classified Marking
By RL (NLGB) on 09/04/25

~~CONFIDENTIAL~~

Submitted by
FORT DIX ACADEMY, INC.
330 South Street
P.O. Box 1975
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(201) 540-0362
June, 1990

This report suggests ways in which some assets and aspects of the mission of the U.S. Army might be directed to help educate and train at-risk youth, to the advantage of both the Army and the young men and women it would help.¹

Specifically, we recommend that by Fall of 1991 a residential educational and vocational training pilot program be established, in partnership with the Department of Defense and Department of the Army, on a portion of Fort Dix, targeted to an initial population of youth who have dropped out of inner city schools.

The report builds upon observations made in discussions among representatives of the Offices of the Army's Assistant Secretaries for Installations and for Manpower and representatives of Fort Dix Academy, Inc., the Carnegie Corporation, the Ford Foundation and a number of public service organizations concerned with training and service programs for at-risk youth.² The views presented here are also based on independent research by

¹ Though this report is directed to the Army, we note that many of its points may also be applicable to the other services.

² Organizations, and the individuals representing them, that participated in a New York meeting sponsored by Fort Dix Academy, Inc. on this topic are listed in Appendix I.

Fort Dix Academy, Inc. and are presented as solely the views of Fort Dix Academy, Inc. It is hoped, however, that they will form the basis for a consensus as to national policy in this regard.

It is the hope of Fort Dix Academy, Inc. that this report will facilitate dialogue already begun within the Secretariat of the Department of the Army concerning establishment of residential at-risk youth education and training programs on military bases. Most specifically, we propose development, in partnership with the Department of the Army and other Federal and State agencies as well as private foundations and corporations, of a pilot program -- Fort Dix Academy. Through establishment of such a program at Fort Dix it is believed that significant benefits for at-risk youth can be documented, allowing for replication of this model program and approach at other military installations as they become available, nation-wide.

The report is divided into five sections:

Section 1 sketches two problems that are salient for America in the 1990's. These are, first, the great need of many of the nation's youth for environments in which the skills and characteristics necessary for participation in mainstream American life can be developed; and, second, the need to establish programs and missions that will maintain the U.S. Army as a vital force at a time when external threats are receding,

but may recur. This section suggests that these two demands can be matched by having the Army play an active role in programs for at-risk youth. This initiative would generate important benefits both for the Army and for the youths involved.

Section 2 addresses the principal reasons that this role has sometimes been resisted and suggests that these reasons are not persuasive. Going beyond a merely logical exposition, it documents that there has been vastly more participation by the Army in programs of this sort than is now normally recognized. This section concludes that the Army's interest is very much in the direction of recognizing and encouraging such participation.

Section 3 suggests some alternative methods of effecting the initiative that is recommended. It describes five types of participation that the Army might undertake in programs for at-risk youth. With respect to each of these approaches, it recommends that the Army Assistant Secretaries for Installations and for Manpower adopt steps to implement the strategies urged in this report.

Section 4 presents a general discussion outline for "Fort Dix Academy" -- including ideas for a suggested pilot program including involvement of Department of Defense Dependent School system teachers, facilities, educational curriculum, vocational program, specific requests for Army personnel participation, timetable, and possible funding sources.

Section 5 recapitulates the specific requests for assistance made of the Department of Defense and Department of the Army.

SECTION 1

TWO PROBLEMS, TWO OPPORTUNITIES

Very high, perhaps at the top, of America's list of domestic problems in the 1990's are the difficulties this society confronts in creating opportunities for deprived youth and integrating them into the mainstream population. The characteristics of teen-age at-risk youth have often been recited: the archetypal such teenager is an unemployed school drop-out, from a single parent (or no parent) family, living in substandard housing well below the poverty line. He or she has frequent exposure to violence and the drug culture, but little opportunity to observe or participate in the world of business, government, higher education or service activity. He or she typically has low self-esteem, limited literacy, few skills and fewer opportunities. Confronted by closed doors and dead-ends, members of this class, estimated to encompass millions of American teenagers, are drawn to lives of crime or dependence upon welfare or drugs.

Very high, perhaps at the top, of America's external challenges in the 1990's, is determining the proper role and structure for the United States Army in the wake of the demise of the Warsaw Pact and the diminution of the Soviet threat. This concern must be addressed by all services, but it is most

pressing for the U.S. Army because this service, more than any other, has derived its raison d'être in the twentieth century principally from concern about deterring or fighting a major European land war. Indeed, throughout the world new alliances are being formed, altering -- perhaps forever -- historic U.S. rationale concerning the need for certain military bases and personnel. At the same time, however, our Armed Services' mission will remain -- to be prepared to defend the U.S. against any and all threats. The challenge for the Army, in this light, is to find supplemental roles and missions that permit it to maintain the structure and mobilization capacity that it must have if it is to maintain its vital role in preserving the national security.

These two problems can be brought together to generate opportunities. Military facilities, military manpower and military values can help to provide at-risk youth with an environment starkly contrasting with those in which they now find themselves. At the same time, if properly structured, programs for at-risk youth can:

- be run in a manner that preserves and maintains military facilities that might otherwise be irrevocably altered or closed;
- be structured so as to make the facilities they use immediately available for reversion to the Army in a time of emergency;
- sustain an Army training establishment that would be needed at a time of mobilization, but cannot be kept efficiently in operation for Army recruits given lower manpower numbers in the 1990's;

- positively influence potential recruits who may, in some cases, be recruited into the reserve or active duty military after graduation from the program;
- sustain active duty and civilian support personnel in a variety of logistical and support roles; and
- open possibilities for the transition of Department of Defense School System teachers and regular Army personnel into a meaningful, Army-related role in civilian life.

Moreover, when these two areas of endeavor are combined, each benefits from the psychology and standing of the other. Programs for at-risk youth become more credible and attractive to inner-city youth when associated with the military because of the military's emphasis on no nonsense discipline, its glamour and its distance from the welfare establishment. For decades the Army has been a well recognized and often used route to success in American society. Indeed, one of the costs of a smaller Army will be a lessening of this traditional opportunity for America's disadvantaged youth.³ Much of that advantage can be restored by securing military participation in civilian youth programs.

At the same time, by participating in such programs, the Army, for its part, can gain support from a constituency in American life that is often unfamiliar with and hostile to military goals and military budgets. Moreover, by working with at-risk youth the Army can address imperative, achievable missions that its own personnel are likely to find gratifying.

³ For a commentary noting this effect, see "As Armed Forces Cut Back Some Lose a Way Up In Life", New York Times, May 7, 1990, p.1

These observations lead one naturally to ask: Why, if this match is attractive, has it not been made sooner? And, if the principle is good, how is it to be put into practice? The succeeding sections of this report address these questions in turn.

SECTION 2

THE MILITARY MISSION AND AT-RISK YOUTH

The strongest apparent impediment to engaging the military in helping at-risk youth is a perception among Pentagon policy-makers that the military mission is soldiering, and that anything other than a pure dedication to that mission undermines that mission. By this view, a proposed non-defense activity is at best a potential diversion of scarce resources. Worse, any given activity risks being infectious: if the line between military needs and national domestic needs cannot be drawn, then perceived domestic needs are likely to multiply and further subvert military missions and budgets. This view is then reinforced by some domestic policy-makers who fear the involvement of the military in domestic matters.

The inference that the Army or the Nation would suffer from participation in programs for at-risk youth is not, however, perceptive about the Army's past, its present, or its future.

The Past. The Army has, in the past, accepted an important role in helping address America's domestic problems and in so doing has made itself stronger and more able to confront foreign contingencies.

The most vivid example of this tactic arose in the 1930's, when the Army played a critical role in the development of Roosevelt's Civilian Conservation Corps. In this employment program, the Army used its recruitment, processing and training facilities to screen virtually all of the 1.5 million males who participated in the CCC. It then inducted them into the CCC program with one to two week conditioning programs run at Army facilities, including Fort Dix, the site of the pilot project proposed in Section 4. The Army Corps of Engineers cleared the ground for and constructed many of the CCC camps to which volunteers were sent after their initial training. As a general rule it was Army logisticians (often reservists) who directed the administrative aspects of these camps. Though most training and work projects were run by civilians, the Corps of Engineers ran a substantial number of larger CCC projects, including two enduring examples in the Washington area, construction of portions of National Airport and George Washington Parkway.

More generally, the Corps of Engineers has throughout its history wisely recognized that the skilled personnel for its wartime missions are better obtained, trained and retained if the organization vigorously pursues peacetime missions. (For

analogous reasons, the military medical establishment has developed a substantial peacetime mission, though it is mainly directed to military personnel and retirees.)

This history suggests that when foreign threats are not perceived as being so substantial as to justify and preoccupy a full-fledged Army, both the Army and the nation profit from the Army's participation in peacetime tasks. The same infrastructure that maintained the CCC, built National Airport and continues to dredge American harbors was used to defend the nation in World War II. In fact, when required, the CCC camps were converted to military mobilization and training facilities.

The Present. The impression that the Army would suffer from entanglement in youth programs overlooks the extent to which the Army, in scores of instances on dozens of installations, is already involved with and supportive of such programs. Thus, a 1983 study prepared for the Ford Foundation by the Manpower Development Corporation stated:

...MDC's general conclusion is that the participation of military installations in employment related programs for civilian youth is a more prevalent phenomenon than had previously been suspected... We were convinced during our monitoring effort that the use of military resources in civilian youth programs was not only feasible, but -- at least at the sites MDC had monitored -- an accomplished fact.⁴

⁴ MDC Inc., "Developing the Youth Initiatives of the 1980's: The Military and Youth Training Programs," A Report Prepared for the Ford Foundation (October, 1983), pp. ii and v.

Apparently, there is no survey of Department of Defense participation in Department of Labor, Department of Education or other private programs intended to help at-risk youth. Nor has there been any promulgation, by any service, of high-level policy or coordination in this regard.⁵ Nonetheless, the MDC study found that "[m]ost responding military installations have voluntarily established linkages with educational agencies, employment and training bodies, and community-based organizations without having been directed to do so by higher military authorities."⁶ In fact,

a substantial majority of CETA prime sponsors located within commuting distance of military installations have developed youth program linkages with those installations that until now have gone unrecognized at the local level.⁷

What appears to have happened is that while higher level policy-makers have been concerned for the last two decades over whether participation in training and education programs would dissipate military energies and resources, local base commanders have responded to federal, state, municipal and private

⁵ Though we note that ten Department of Defense installations participated in a "Military-Youth Demonstration Program" funded by the Department of Labor in 1980. See MDC, Inc., "Building Career Exploration/Employment Training Programs for Disadvantaged Youth Utilizing Military Installations" (Nov. 1981).

⁶ MDC Inc., op cit. (1983), p.ii. See also p.16 of the same study.

⁷ Id. p.15.

initiatives in case after case. Thus, of Army bases responding to MDC's survey, nearly a fifth (19%) had participated in the CETA Work Experience Program, a quarter participated in the CETA Summer Youth Employment Program, more than half (56%) participated in summer hire programs, four-fifths (81%) reported taking a role in cooperative education programs and an astonishing 94% of the respondents indicated that they participated in stay-in-school programs.⁸ Devoting itself principally to summer vocational/recreational programs on military installations, one private non-profit organization, Youth Service USA, based in Memphis Tennessee, has reported more than one hundred partnerships with military personnel and facilities nationwide.⁹

Our own more recent, though less systematic, inquiries have confirmed that these high levels of participation continue at present. Moreover, it is supplemented by innumerable Guard, Reserve and retiree activities (summer camps, Young Marines,

⁸ Id. p.13. More generally, "Survey data showed that 91 percent of the military installations that responded to the survey have operated federal youth program initiatives; that three-fourths of the respondents have provided facilities and resources for CETA-funded youth programs; and that 20 percent have participated in locally planned and funded youth program efforts."

⁹ Id. p.23. See description of this program provided in "The Kids are All Right" Memphis (date???), pp. 27ff. The success and credibility of this organization is manifested, in part, by the presence of three former Chairmen of the JCS, General John Vessey, General David Jones and Admiral William Crowe on its Board of Directors.

cooperative education programs, etc.) using both active duty and guard and reserve installations. Without national leadership, this activity has necessarily been ad hoc, uncoordinated, unfunded, and little publicized. As a result it has had less than its potential impact. It suggests, however, the potential from structured Army participation in such programs that such participation does not detract from military missions. To the contrary, these programs have provided free or low cost labor and low risk probationary hiring programs for significant parts of the civilian work force on participating military bases. ¹⁰

A number of the program alternatives proposed in the next section of this report are more ambitious than these activities in the benefits sought both for the Army and youth. Because of the absence of national authorization, the existing programs do not use the military training and education system (though in some instances they use classrooms and outdoor drill and athletic areas)¹¹ and they do not provide financial assistance to the Army that would help maintain those facilities or assist in underwriting the cost of military manpower. Such

¹⁰ "All of the bases we visited cited labor shortages that had been partly solved by 'CETA' workers." Id. p.31.

¹¹ "Although interest among prime sponsors is high concerning future development and operation of more effective military youth programs, few attempts have been made to use military resources in skill training programs, and prime sponsors have received little guidance for such efforts from the national level." Id. pp.19-20. See also pp.30 and 33.

apprenticeships, through classroom training, or by encouraging Army personnel to serve as one-to-one mentors or "Big Brothers" and "Big Sisters" to program participants.

We recommend that the Assistant Secretary of the Army for Manpower encourage such participation through publicity and programmatic support.

3. Civilian Jobs: Much of the maintenance work at Army facilities is contracted out, and a substantial amount of that contracting is with 8(a) companies. The proposal included herein for a pilot program at Fort Dix suggests that the Army allocate some maintenance work for that base to youth program participants operating through an 8(a) non-profit corporation in which the program participants will be shareholders. Alternatively, local contractors should be encouraged to provide job opportunities to program participants.

More generally, past employment programs have profited from the supportive interest of Army civilian personnel offices on the bases at which these programs operate. These offices have successfully used at-risk youth as apprentices and trained and evaluated their performance during a probationary period. This has augmented support personnel and led to the hiring of program graduates in such diverse jobs as clerks, typists, painters, carpenters, electricians, pipe fitters, air conditioning maintenance personnel, and forklift operators.¹⁴

¹⁴ MDC Inc., "Building Career Exploration/Employment Training Programs for Disadvantaged Youth Utilizing Military Installations" (Norfolk, Virginia Monitoring Report, October, 1982) p.9.

We recommend that the Assistant Secretary of the Army for Manpower direct that this approach be adopted at Fort Dix and evaluate its potential application to other Army bases.

4. The Training Establishment: We agree with the judgment of MDC Inc., quoted above, that the "programs that... best utilize the resources available on military installations... [will] use military resources in skill training programs."¹⁵ Military training programs have profited from a wealth of experience and a sharp functional purpose: they do not offer abstractions, but instead connect basic skills to job requirements.¹⁶ This is precisely the task that is most central to programs for at-risk youth.

A match between the military training system and at-risk youth programs will not, however, be easily made. Basic training is, of course, conducted at only a few facilities. Furthermore, where it continues after the proposed realignments, the basic training establishment is likely to be sized primarily to respond to the needs of the Army recruit population. It may be possible, however, to secure funding for part-time Army vocational trainers to operate on assignment at Army bases where programs for at-risk youth are in process. We would hope

¹⁵ MDC Inc., op. cit. pp.19-20.

¹⁶ See, for example, Thomas Sticht, et al., Cast-Off Youth: Policy and Training Methods from the Military Experience (The Ford Foundation, 1986).

2. Mentoring: A growing body of evidence suggests that disadvantaged young people suffer from the absence of caring adults who serve as role models. Not surprisingly, therefore, the experience of Youth Service USA and others indicates that one of the greatest benefits the military can offer programs involving at-risk youth is by establishing relationships between those youths and military men and women and their families on bases.

Military personnel are particularly good candidates for this mission because their occupation is immediately understandable and attractive to teenagers. Moreover, the military is widely (and correctly) perceived to be an equal opportunity employer that hires capable young people and provides them with necessary training. Finally, the reputation for fairness, opportunity, teamwork, work ethic, discipline and mutual commitment that permeates a military base rubs off on young people.

In this light, an education and training program on an installation with active duty and/or Reserve and Guard personnel in residence should seek to involve these personnel with program participants.¹³ This may be done through

¹³ Some youth programs adopt a military model as a means of instilling discipline and a sense of camaraderie amongst program participants. These programs will find the environment on a military base especially attractive because the larger milieu will provide an example and a validation of the approach the program itself is taking. In such circumstances, military volunteers may establish useful advisory or command relationships with units assembled within the program.

steps would, however, be a logical extension of activities that are already in operation.

The Future. Arguably, the Army's preoccupation with foreign wars and foreign threats over the last several decades preempted some energy and resources that might have been invested in assisting with domestic concerns. Certainly, foreign imperatives justified the Army's force structure without reference to domestic concerns. There is, however, every indication that the 1990's will not present this same environment. Efforts to involve the Army in law enforcement aspects of the war on drugs already indicate a fundamental change.

Participation in enforcement activities, however, will not support the two components the Army most needs to preserve as a hedge against mobilization: its training establishment and its installations. Work with at-risk youth is a potential complement to, or substitute for, those activities that would yield the Army both practical and psychological benefits. Like the CCC activities in the 1930's, these activities can substantially contribute to the maintenance of Army capabilities that are presently lightly valued but may again become critically important in the decades ahead.

SECTION 3

OPERATIONAL ALTERNATIVES

There are five ways in which the Army can readily support training and education programs for at-risk youth. These are by: (1) providing Army facilities as operational sites for such programs; (2) encouraging Army personnel on military bases to serve as mentors and volunteers; (3) using civilian support jobs through contract work assignments, as occasions for training and hiring youth program participants; (4) using the resources of the Army training establishment to help provide education and training; and (5) in cooperation with the Department of Defense, reassigning teachers and administrators no longer needed in the Department of Defense Dependent School (DODDS) System to programs run on domestic Army bases.¹²

As described above, there is ample precedent for the first three activities and the fourth and fifth are logical extensions of what has already occurred. The coordinated development and focused implementation of all five of these

¹² Department of Defense Dependent Schools (DODDS) abroad offer a full curriculum to children of servicemen and women, including basic education as well as vocational training. It is expected that the vocational components of the proposed program would be coordinated through the school system on domestic bases, allowing for military and civilian trainers to assist in the mission of the schools. While many bases do not have appropriate vocational trainers, equipment or facilities, many do. We would seek to build on the proven success of Youth Service U.S.A. in this regard.

possibilities -- and any effort to secure recognition and budget support for these activities -- will, however, require Pentagon commitment and leadership that has not previously been realized. Amidst a menu of possibilities, the following initiatives, some or all of which might be pursued in parallel, are attractive:

1. Bases: In December of 1988 the Secretary of Defense's Commission on Base Realignments and Closure recommended the closure of 21 Army bases and facilities and the partial closure or realignment of another 6 installations. Subsequent budgetary decisions (including a freeze on military construction expenditures) and changes in the nation's strategic posture point to other possible closures, realignments and possible underutilization of remaining facilities.

Many such installations are uniquely beneficial to the Army. It is in the Army's interest to have facilities that would otherwise be closed (whether on active, semi-active or closed bases) utilized by programs that will preserve their character and enable them to revert to the Army in the event of national emergency. At the same time, these facilities are exceptionally well configured to youth programs. Army barracks, mess halls, recreational facilities, chapels, infirmaries, meeting rooms and class rooms offer in-place facilities that attractively meet these needs.

Some bases are quite remote, while others are conveniently accessible to the major urban areas in which

programs for at-risk youth are most commonly conducted. All Army bases, however, offer a degree of security and insulation from the every day environment that otherwise distracts and risks corrupting program participants. An example of such a use for some of the facilities at Fort Dix -- which the Base Realignments and Closures Commission has recommended for semi-active status -- has been outlined in Section 4 of this report. Fort Dix is ideally situated in a remote setting, yet proximate to the cities of both North and South Jersey, as well as New York City and Philadelphia.

We request that the Assistant Secretaries of the Army for Installations and for Manpower assess, accept and aid in implementing this proposal as a pilot project for developing the possibilities urged in this report.

More generally, we recommend that the Assistant Secretary of the Army for Installations provide guidance stating that the use of Army facilities in support of programs for at-risk youth is encouraged wherever compatible with existing Army missions. Such uses should particularly be given priority when the Army realigns facilities, so long as the potential user assumes maintenance obligations and commits to reverting facilities to the Army should the Army decide that considerations of national security make that desirable.

to secure funding support for those trainers at least in part from third party sources. Such supplemental funding sources might include the Departments of Labor and Education, state or local governments, and/or private foundations and corporations.

Vigorous exploration of this alternative could benefit the Army in several ways. If successful, it would support a larger training establishment that would better position the Army against mobilization contingencies. It could assist recruiting for both active duty and reserve military personnel. And, as suggested above, it could become a mechanism for recruiting for Army civilian support positions.

We recommend that the Assistant Secretary of the Army for Manpower ask TRADOC to develop a pilot training program for at-risk youth in conjunction with the vocational component of Department of Defense School System that might provide for key roles for Army trainers on Army bases. We encourage that such a program be tested in 1991 at Fort Dix.

5. Employment of Teachers from Department of Defense Dependent Schools: As U.S. military presence in Europe is diminished, so will the number of Department of Defense dependents in Europe be reduced. As the Defense Department accordingly finds less need for its teachers in Europe, it is suggested that that these individuals be directed toward positions in programs for at-risk youth in the United States,

something that would be attractive to these teachers, especially if such programs operate with the support and participation of the Department of Defense. This approach provides the dual benefit of an easily and quickly formed professional, accredited teaching staff for such domestic programs while the Army and Department of Defense each retain a connection to these important human resources for potential future needs.

We recommend that the Secretary of Defense, in cooperation with the Secretary of the Army, and the Assistant Secretary of the Army for Manpower work with Fort Dix Academy, Inc. to take advantage of Department of Defense expertise in this area to establish a demonstration domestic version of a Department of Defense Dependent School as part of the Academy in the Fall of 1991. We further recommend that these officials more generally encourage this transition as a desirable means of recognizing and employing the skills of many teachers who warrant the concern of the Department of Defense.

SECTION 4

FORT DIX ACADEMY

A Pilot Partnership

As noted earlier, in 1988 the Secretary of Defense's Commission on Base Realignments and Closures recommended the "realignment of Fort Dix to semi-active status and relocation of

entry level training functions ... to other Army training installations." The Commission commented that this decision will, amongst other effects, "increase the availability of training areas at Fort Dix..." ¹⁷

Major General James W. Wurman, Commanding Officer of Fort Dix, has publicly stated that, "Once the Basic Training and Advanced Individual Training are done elsewhere, approximately 2,200 military personnel will no longer be needed at Fort Dix."¹⁸ Informal discussions with senior military personnel at Fort Dix confirm this number and, indeed, go beyond this, predicting elimination of the need for at least 3,000 Army personnel -- principally those currently utilizing military barracks as opposed to base family housing -- who could be reassigned from Fort Dix as early as December 1990.

This section of the report is intended to demonstrate how in the specific case of Fort Dix, virtue can be derived from necessity -- that as Fort Dix is realigned and vacancies in military housing inevitably occur, an opportunity can be created for an innovative pilot partnership to utilize a portion of this base for a program to house, educate and train at-risk youth.

¹⁷ Report of the Defense Secretary's Commission on Base Realignments and Closures, p.52, December, 1988.

¹⁸ The Newark Sunday Star Ledger, p.1, April 29, 1990

It is our belief that an examination of the ideas raised in this section will result in the establishment of a pilot program, in partnership with the Department of Defense and the Army, at Fort Dix by Fall, 1991.

It is envisioned that in Fall of 1991 a pilot, fully accredited, residential academy will open its doors with a small, pilot student body comprised of drop-outs, at Fort Dix. While age and mix of the student body, as well as tenure of the program, is still under discussion, the initial target population for the Academy will be drop-outs, to be drawn principally from New Jersey's larger cities. In the future, the student population may be enlarged through the inclusion of other at-risk youth and suburban youngsters. This eventual integrated approach to race, ethnicity, religion, and socio-economic status will provide a unique opportunity to expose youth participants to lessons of tolerance, understanding and cooperation not easily learned in either inner city or suburban classrooms.

While most students could live at Fort Dix for a period of at least one year, some may stay for a longer period. The time students spend at Fort Dix will be designed to allow them to

attain a G.E.D. equivalent degree and learn a skill or trade. During their tenure at Fort Dix Academy, students will develop, learn from one another, identify their potential and be aided in finding their future directions. The program offered -- at Fort Dix Academy -- will be designed to inspire and stimulate each student -- intellectually, morally, and physically.

It is expected that the first group of students will be drop-outs selected from the City of Newark, New Jersey's largest city. As the program expands, however, it is expected that drop-outs and other at-risk students from Camden, Trenton, Jersey City, Paterson, and Atlantic City will be included. Ultimately, students from Philadelphia and New York City will also be admitted. Fort Dix's geographic location provides an ideal setting for such a "regional" institution.

In order to provide the proper setting and support for such an undertaking, it is proposed that a partnership be developed between the Department of the Army and the amalgamation of private foundations, corporations, and Federal, State and local government agencies which will comprise the Board and Advisory Committee of Fort Dix Academy, Inc.

Army Facilities - Specific Requests

It is anticipated that, within the first three years of operation, the physical requirements for two programs to be established at Fort Dix would be:

- 1) The initial pilot -- Appropriate (phasing in up to 3,000 beds within three years) residential, classroom and recreation facilities for a long-term (twelve months and beyond), full-time academy; and
- 2) Future program component -- Appropriate short-term residential and classroom facilities for one-week, team-building and training sessions for youngsters and mentors, volunteers and program staff in support of programs for at-risk youth from metropolitan areas and states within one day's bus travel of Fort Dix.

The Programs:

Residential Program: The full-time pilot residential program will combine collective experience and expertise with the most successful attributes of other programs in order to produce a highly successful model from the outset.

There are obvious advantages to locating a program of this nature at a military installation, particularly at Fort Dix:

- o Modern, comfortable and contained residential, dormitory-style units;
- o Self-contained, battalion-area dining facilities, classrooms and meeting facilities;
- o Easy access to recreational facilities, medical facilities and chapels;
- o Exposure to role models in a disciplined, structured environment; and
- o Fort Dix's proximity to populations the Academy will serve, facilitating weekend leave and parental involvement.

These attributes combine to support the program envisioned by those who have met to develop this plan (see attached Appendix II). It is the desire of those interested parties that the Academy be a full-time, fully accredited preparatory school, staffed by professional school teachers and administrators, and supplemented with part-time Army vocational trainers. The curriculum will place equal emphasis upon basic academic skills, and vocational training with additional focus upon provision of integrated social services, value and ethics instruction, citizenship, community service/work experience, entrepreneurial opportunity and recreation.

The Academy will be established as a beacon of hope to those who have yet to succumb to the numerous pressures and dangers of the drug culture, crime and violence that beset our inner cities. Fort Dix Academy will provide a safe haven for these youngsters where they can become educated, trained, socially adjusted, and where comprehensive services will be readily available.

Fort Dix Academy will not be a penal institution exuding negative impressions but rather a well-respected academic and training institution that will be sought after by inner city youngsters. The experience offered at this institution will make Fort Dix Academy something to aspire to.

Training Program: In a second proposed program, week-long sessions would seek to take advantage of the unique features of Fort Dix (housing, recreation and classroom space) to indoctrinate and train up to 200 young men and women at a time for programs dedicated to ameliorating the lives of at-risk youth in cities near Fort Dix. Youth participants matched with volunteer and paid staff participants and mentors will be team-trained as part of such programs as the New York City Volunteer Corps, Philadelphia Youth Service Corps, Boston's City Year, and the Breakthrough Foundation's Youth at Risk program.

It is estimated that some 30 programs of this nature would immediately have an interest in using the Fort Dix facility for introductory team-building training on an on-going basis. Many programs currently attempt this training under less desirable, more expensive, ad hoc circumstances. A basic training and team-building module developed in conjunction with Fort Dix Academy would be adapted according to the needs and preferences of each of the participating programs. The facilities of Fort Dix would be used as in the residential programs but, unlike the participants in those programs, participants in this program would not work on the base or seek to establish long-term mentoring relationships with Academy students.

Staffing: A full-time, professional teaching staff is crucial to the success of this effort. As U.S. military manpower is reduced throughout the world, it is suggested that Department of Defense Dependent School system teachers and administrators be reassigned to the Fort Dix program. This ready teacher corps -- in essence, a domestic version of a Department of Defense Dependent School -- will provide a virtually instant faculty and program curriculum. These trained, mobile, highly qualified educators will feel at home on a military base and are accustomed to providing interaction with the military to benefit students' education. This program also offers the Departments of Defense and Army the chance to provide humane, transitional civilian readjustment to many loyal educators while keeping them available at potentially a fraction of the cost. Teacher training would be provided to those teachers being reassigned to prepare them for the special needs of the student population. Family quarters could be made available to house these professionals.

Proposed Army/Department of Defense staffing assistance would involve:

- o Full-time Teachers -- The Department of Defense is requested to coordinate re-assignment of teachers and administrators employed within the Department of Defense Dependent School system;
- o Part-time Trainers -- we propose utilization of Army civilian and military trainers to provide supplemental vocational training; and

- o Volunteer Mentors -- it is proposed that formal one to one mentoring relationships be encouraged and supported between enlisted men and officers, military spouses and youth program participants.

Selecting/Admitting the Residential Student Body: While students and their parents will formally volunteer to participate in this program, working closely with local Boards of Education and the State Department of Education, we believe that, over time, two eager, interested populations of students -- one made up of younger youth up to age 17, and an older group between the ages of 18 to 20 -- can be assembled. It will be the goal of Fort Dix Academy to affect the values and life styles of these youthful populations, and provide adequate staff support, mentors and other means of encouragement in order to react promptly to changes in the students as they inevitably occur.

It is expected that enrollment will begin with approximately 250 male (and possibly 150 female), junior high school-aged students from Newark and will be expanded incrementally, as the program takes hold, in accordance with realignment plans of Fort Dix. It is envisioned that by the end of the first three years of operation, two battalion areas will be required to house up to 3,000 youngsters.

Youths admitted to the program will initially be drop-outs, with eventual plans to include those deemed to be sufficiently "at risk" to benefit to the maximum degree. As stated before, a mixed population is also being considered to

derive the maximum benefit for all participants in the experience.

Recognizing that certain participants within this student population may present disciplinary and/or drug-related problems, a code of discipline will be adhered to, a drug treatment program will be a standing part of the Academy, and drug or alcohol use on the base will be strictly forbidden. Uniforms of some sort will be required of all students.

Educational Program Mechanics: It is envisioned that instruction (both educational and vocational) can be provided in both classroom settings and in on-the-job and community service contexts. The curriculum can be structured to take advantage of a work association with the maintenance and operations of the base and its barracks, mechanical and electrical equipment, and food services. The Academy will also provide data entry and data processing skill training. Education-based community service will also be a valuable element of the Academy.

Department of Defense teachers can provide basic skills and vocational training while Fort Dix employees (either civilian or military) can provide part-time, on-the-job supervision of apprentice squads assigned to them as well as individual mentoring, on a one-to-one basis.

Variations on this program might utilize local Army retirees or even retiring military personnel to help ease their

transition to civilian life by having them provide program supervision for the Academy as their final Army assignment. These ideas are worthy of further examination.

Students will be monitored to determine interests and aptitudes and will accordingly eventually be placed on one of two tracks leading them toward either further educational goals or toward more vocational and job-oriented assignments.

In either case, all students will be directed to pursue both a high school diploma or G.E.D. equivalent and a specific set of skills. Graduation from Fort Dix Preparatory Academy itself will also yield a diploma and culminate with a memorable graduation ceremony.

Work-Service Experience/Entrepreneurial Opportunity: It is well-noted that a work component -- or apprenticeship -- significantly enhances the value of a youngster's education.¹⁹ Thus beyond the educational curriculum to be offered, it is believed that a significant work experience should be offered. Similarly, it is recognized that an individual able to be of service to another can realize an enormously fulfilling experience.

¹⁹ "To Education the Young, Get Them Out of School," Stephen S. Hamilton, The Wall Street Journal, April 30, 1990.

As the Army contracts out much of its maintenance work for its bases, including Fort Dix, it is envisioned that Fort Dix Academy, Inc. will form several 8(a) minority companies whose shareholders will be the youngsters themselves. Contracts could be let to these "companies" and these "junior businesspeople" then will be able to undertake significant maintenance work on the base while accruing income that will be held in trust for their future use. Alternatively, some youth may be simply employed by area contractors performing work on the base.

Another aspect of the work/service program will involve exposing youngsters to community service projects identified in surrounding communities. Such opportunities may include mentoring young children, rehabilitation of low-income housing, park clean-up, etc.

Program Duration: We suggest varying tenures for participants in the program to accommodate individual needs and family situations. In certain instances, a student may stay at the Academy for considerably longer than a single year, until such time as he or she feels ready and is deemed ready to return to his or her community. For others, however, six months to one year may be adequate to provide necessary discipline and direction.

To test the program prior to the official Academy opening in the Fall of 1991, it is suggested that a smaller, trial program be implemented on the base during the Summer of 1991.

Aftercare: For the program to be successful, it is recognized that a carefully structured "aftercare" program should be developed in each urban center to which students will be returning. These aftercare programs will be comprised of a combination of continuing education, youth community service corps, as well as full or part-time jobs.

Funding Considerations: It is requested that the Department of the Army provide basic facilities, including appropriate barracks space, dining facilities, recreational facilities, classroom space, as well as access to chapels, bowling alleys, movie theaters, and relevant job opportunities. It is expected that Fort Dix Academy will enjoy full use of these facilities and programs on a pay-as-you-go basis with the exception of dormitory and classroom space, which in exchange for maintenance and up-keep will be provided free of charge to the program.

Department of Defense Dependent School system teachers and administrators re-assigned to Fort Dix Academy will be paid through funds raised from a combination of public and private

sources. In this way, the Department of Defense can retain a vital component of their education and training community in an affiliate relationship, while sharing the expense.

It is expected that a number of major, international foundations and multi-national corporations will be involved in either soliciting or contributing necessary funding.

Matching Federal funding will be sought from the Departments of Education, Labor, Justice, and Interior, as well as the Department of Defense.

Legal Issues: Fort Dix Academy, Inc. has been incorporated as a not-for-profit corporation and is applying for its tax-exempt status under Section 501(c) of the Internal Revenue Code. The corporation will assume full liability for injury to participants in the programs it would sponsor at Fort Dix and for any injury or damage to Army personnel or property arising from these programs. In this regard, the Academy will obtain an insurance policy covering such contingencies in an amount to be agreed upon by the Army.

The Academy will assume full responsibility for selecting and screening program participants and transporting them to and from Fort Dix as required through the program. Initial participants will not be incarcerated youth offenders or misdemeanants, but will instead be selected for the program on the basis of need and merit.

The Academy recognizes the need for such a vital facility as Fort Dix should the military need arise. Consequently, the Academy will function at the pleasure of the Secretary of the Army and Secretary of Defense, and will be prepared to vacate its facilities, at their request, upon thirty to sixty days notice.

At a future date, it is expected that Fort Dix Academy will develop a separate track for incarcerated youth offenders in conjunction with the New Jersey Juvenile Services Division of the Department of Corrections.

As noted above, neither out of pocket expenses nor income would accrue to the Army as a result of this program. Fort Dix Academy will operate these programs without a profit, although it will attempt to recoup some of its costs through reimbursement by programs participating in the weekly training program and by grants from government, interested foundations and corporations. It is expected that strong Federal financial support for this effort will be forthcoming.

Procedure and Timing: Fort Dix Academy, Inc. expects to initiate the first of these programs on a test basis during the Summer of 1991, with the full-time Academy opening its doors in September of 1991. While we recognize that the Army drawdown of this facility and longer-term plans will not be complete for a number of years, we would, however, be amenable to operating these programs on an interim basis without committing the Army to a permanent plan.

SECTION 5

CONCLUSION

The considerations described in this report suggest that both the Army and the Nation will benefit if the Army assumes a vigorous role in supporting programs for at-risk youth.

The recommendations made here provide a basis for assuming that role. We believe that a significant and useful plan might embody the major elements we have described in the preceding section. In order to advance the idea, for a demonstration project at Fort Dix and to encourage the replication of this model and other similar models on military bases nationwide, we propose that:

- I. The Assistant Secretary of the Army for Installations, Logistics and Environment should:
 - A. Treat Section 4 of this document, for use of a portion of Fort Dix, as a demonstration case for the use of a realigned Army facility in support of programs for at-risk youth;
 - B. Facilitate further discussions with the Secretary of the Army to secure adequate Army support to advance this pilot project;
 - C. Facilitate local planning discussions between Fort Dix Academy, Inc. and Fort Dix officials to assess applicability and availability of appropriate facilities;

- D. Participate in discussions with the Assistant Secretary of the Army for Manpower and Reserve Affairs to determine levels of Army manpower support for the project and required facilities (eg. barracks, dining, classroom, etc.); and
 - E. Provide more general guidance stating that the use of domestic Army facilities in support of programs for at-risk youth is encouraged wherever compatible with existing Army missions.
- II. The Assistant Secretary of the Army for Manpower and Reserve Affairs should:
- A. Along with the Assistant Secretary of the Army for Installations, facilitate further discussion with the Secretary of the Army to secure adequate Army support to advance the Fort Dix pilot project;
 - B. Facilitate and participate in discussions with the Office of the Secretary of Defense concerning establishment of a demonstration project, a domestic version of a Department of Defense Dependent School at Fort Dix specifically, and other bases more generally, employing Department of Defense school teachers whose jobs are being eliminated;
 - C. Request that the Training and Doctrine Command, and Force Command, consider the Fort Dix proposal in their realignment plans for Fort Dix;

- D. Request that the Training and Doctrine Command utilize the Fort Dix proposal, Section 4 of this paper, as a demonstration project for the use of Army training personnel and materials in support of at-risk youth;
- E. Facilitate and participate in local planning and discussions between Fort Dix Academy, Inc. and Fort Dix officials to develop plans for involvement of Army personnel in such a pilot program;
- F. Encourage military personnel, in general, to participate in mentoring programs designed to establish one-to-one relationships between military personnel and at-risk youth;
- G. Provide guidance to civilian personnel offices establishing preferences for programs that will provide apprenticeship and employment opportunities for at-risk youth.

We believe that these actions will quickly advance the pilot proposal we have put forward. These initiatives hold much promise for both the United States Army and for America. New times, we believe, call for new thinking. This report, benefitting from discussions with you and your staff, seeks to crystallize one line of thought. The test of its utility will be in how and whether it facilitates your action.

We thank you for your consideration, interest and support.

APPENDIX I

ATTENDEES AT APRIL 4, 1990 MEETING IN NEW YORK

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APPENDIX II

ATTENDEES AT MAY 29, 1990 MEETING IN NEWARK, NEW JERSEY

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