

THE WHITE HOUSE
WASHINGTON

October 27, 1995

MEMORANDUM TO YOUTH INITIATIVE MEETING PARTICIPANTS

FROM: Carol H. Rasco

SUBJECT: Meeting: Tuesday, October 31

Thank you very much to those of you who have submitted materials and ideas to kick off our thinking about possible youth initiatives. I am looking forward to the discussion next Tuesday from 10:00 to 2:00 in the Truman Room at the Jackson Place Conference Center.

Attached please find a complete set of the materials submitted by participants for consideration. Some submissions that arrive late may not be included and should be brought to the meeting. We also have attached two additional pieces to help provide context for the discussion. One is the final report of the youth subgroup of last year's urban policy effort, and the other is a summary of S.673, Senator Kassebaum's Youth Development Block Grant. Please review these materials in advance so we can get right to the discussion at the meeting.

Framework

In an effort to shape Tuesday's discussion, we thought it might be helpful to suggest a framework for discussing options based on three questions:

1. Target Age -- What age young person does the proposal affect? Two target groups seem to emerge and it may facilitate discussion to consider them separately:

Adolescents -- roughly 10-16 -- at the age before they drop out of school but while they are first exploring risky behaviors. Initiatives discussed here might include services to youth, or school-related programs.

Transition to adulthood -- initiatives here focus on what young people are offered as they leave high school in terms of jobs, training and further education.

2. Universal vs. Targeted -- Is the initiative for all youth or targeted specifically to disadvantaged youth?

3. Nature of the Proposal -- Does the idea involve reinventing or reorganizing what is already being done (no new resources), is it an FY97 initiative (funding for the whole idea to be in the budget), or is it a "big idea" that goes beyond the budget and that may require some time before full funding could be achieved?

Suggested Framework for the Discussion

We suggest that the discussion be organized into three sections about the three areas addressed in the initial memo: (1) "Big" ideas, (2) FY97 new money initiatives, and (3) reinvention proposals.

In each of these discussions, we propose starting by discussing "universal" options (those affecting all youth) and then "targeted" options (aimed just at disadvantaged or needy youth). A further breakdown of the discussion might be to discuss adolescent and transition-age initiatives separately in each category.

So the flow of the agenda might look as follows:

I. Big Ideas

"Big Ideas" are proposals that go beyond the limitations of the FY97 budget. They are unlikely to be funded and/or implemented in one year, but serve as a vision the President could lay out for youth in the State of the Union and throughout 1996 as a challenge to the country for its future relationship with its youth.

- | | | | |
|----|-----------|----|-----------------------------|
| A. | Universal | 1. | Adolescents/School-age |
| | | 2. | Transition from High School |
| B. | Targeted | 1. | Adolescents/School-age |
| | | 2. | Transition from High School |

II. FY97 Initiatives

FY97 Initiatives may not be as grand as the "Big Ideas" discussed above, or they may be down payments toward them. These may be big or little, single agency or multi-agency.

- | | | | |
|----|-----------|----|-----------------------------|
| A. | Universal | 1. | Adolescents/School-age |
| | | 2. | Transition from High School |
| B. | Targeted | 1. | Adolescents/School-age |
| | | 2. | Transition from High School |

III. Reinvention

The reinvention discussion should revolve around three ideas:

1. Block Grants: Do we want to support some version of the Youth Development Block Grant?
2. Flex Funding: The Hope University concept or other similar framework.
3. Enhanced waiver/state and local flexibility such as the Hatfield bill.

Suggested Goal for the Meeting

Our goal is to sift through the ideas submitted, refine and improve those with promise through the discussion and then end the meeting with a handful of ideas that the group feels should be developed in more detail for further consideration. We will assign subgroups to each idea to be further developed and set a deadline for submission of more fleshed-out proposals.

Logistics

We are anticipating the attendance of all the people receiving this memorandum. Only those people listed under distribution are currently listed as invitees. If an agency wishes to substitute for someone listed below, please contact Dorothy Karayannis at 456-5571. Lunch is being ordered and will be available during the meeting. You will be asked to contribute \$8 for the cost of the lunch. If you have any questions, please feel free to call Jeremy Ben-Ami at 456-5584. Thank you.

Distribution

Jeremy Ben-Ami	DPC	Bruce Reed	DPC
Gaynor McCown	DPC	Laura Tyson	NEC
Gene Sperling	NEC	Paul Dimond	NEC
Alice Rivlin	OMB	Ken Apfel	OMB
Bob Litan	OMB	Barry White	OMB
Joseph Stiglitz	CEA	Alicia Munnell	CEA
Sheryll Cashin	CEB	Kumiki Gibson	OVP
Peter Edelman	HHS	Ann Rosewater	HHS
Michael Stegman	HUD	Bruce Katz	HUD
Fred Garcia	ONDCP	Susan Stroud	CNCS
Cecilia Calvo	CNCS	Shay Bilchik	DOJ
Reginald Robinson	DOJ	Marshall Smith	DOE
Frank Holleman	DOE	Jessica Levin	DOE
Tanya Oubre	DOE	Les Samuels	DOT
Barbara Meister	USDA	Mary Ann Keefe	USDA
Tom Glynn	DOL	Tim Barnicle	DOL
Anne Lewis	DOL		

YOUTH SOS: SAFETY, OPPORTUNITY & SUPPORT

CRITICAL ELEMENTS FOR SUCCESSFUL YOUTH DEVELOPMENT

Prepared by: Department of Education for the Domestic Policy Council

This summary outlines what we believe are critical components for any framework aimed at youth development. As opposed to focusing on methods of service delivery (e.g., flexible funding streams, block grants, devolution), we have chosen to summarize various initiatives, including ideas that have been previously developed by this administration, into a framework that focuses on the essential elements that all youth need in order to develop into productive, contributing members of their communities.

A Caring & Supportive Adult in the Life of Every Child

There is a critical need for all youth to have safe and supportive environments and long-lasting connections to adults.

Supporting parents' involvement in their children's educations and standing with families in their struggle to do the "right" thing, in order to provide a strong foundation of parental support starting in the early years of life and continuing through at least the high school years. Provide intensive support for parents, particularly young mothers, to learn how to work with their children, as well as encourage family-friendly environments in the work place and in schools to keep parents and teachers working together on behalf of students in the adolescent years.

Example: Expand the Department of Education's Family Involvement and Read*Write*Now Initiatives which stress parent/adult/community involvement in children's education.

Ensure that youth have sustained, nurturing relationships with adults by promoting mentoring in the contexts of academics, recreation, community service and work.

Example: Expand School-to-Work, service/learning and Title I in middle and high schools with after-school enhancement programs.

Schools that Rigorously Teach Students the Basics and Advanced Skills

Healthy youth development requires both learning to high standards and developing responsibility and social norms for further education or the world of work. Goals 2000, Titles I and II of the Elementary and Secondary Schools Act and School-to-Work provide the basis for reforming secondary schools, targeting resources at high-poverty schools, and creating a system for bridging the school-to-work transition. Continuing to support increased funding for these initiatives is essential:

Spurring K-12 education reform: Make a substantial commitment of federal funds (\$3 billion per year) to go to local schools in support of their efforts to raise standards of achievement and discipline. The funds can be channeled through existing authorities: Goals 2000, School To Work, and Professional Development.

Effective Innovations: Stimulate the continued development of charter schools, the improvement of post-secondary education (FIPSE), and other local improvement strategies through a significant grant competition.

Expand the Availability of Computer Technology in the Classroom: Over 5 years, train all teachers, have one computer per every 5 students in every classroom, have every classroom connected to the information superhighway and every district focusing on using technology to help students learn the basics and meet higher standards.

A Clear Pathway to A Better Future Through College or Work: Providing better opportunities to get a either college education or preparation to participate in the economy by leveraging the private sector and developing linkages to community and four-year colleges and to the labor market through a variety of strategies including mentors and work experience. Also, increase the amount of college work-study, loans and grants available to students which will increase the odds of a deserving student being able to go and stay in college.

► **Fight Against Civic Decay and For Safe Havens**

Ensuring that youth have safe and supportive environments in schools open year-round for extended hours and in community and religious organizations.

Support community schools at the elementary and secondary level that would provide safe, disciplined, and supportive communities for children and, in many cases, their parents as well.

Initiate an After-School Academic Challenge Fund to support after-school programs with adult mentors for youth both at school and in other locations accessible to youth.

Public schools should not be hostile to religion.

Provide positive ways to deal with violence -- resources for trained safety and drug officers in high schools and training for teachers in violence and drug prevention.

Stress civic responsibility and citizenship education

Advocate "V" chips in televisions so parents can control television programming for their children.

► **Access to Health Care**

Many youth are not able to succeed in school because basic needs -- such as nutrition and safety are not met and/or they are living in environments where alcohol, drugs and violence flourish.

Health Care Card: Mechanism to provide youth with easily accessible health care in their communities.

Teen Pregnancy Prevention: Continue to develop and support public-private initiatives aimed at reducing the rate of teen pregnancy.



OFFICE OF THE VICE PRESIDENT

WASHINGTON

October 25, 1995

MEMORANDUM FOR JEREMY BEN-AMI

FROM: SHERYLL CASHIN

SUBJECT: Ideas for Youth Initiatives

The youth development paper that we drafted last year in anticipation of the FY96 budget process reflects the primary concerns that I have with respect to youth, i.e., that the Administration should encourage the nation to create communities that offer safety and real opportunity to youth. I support consideration of initiatives that would help communities build a youth development infrastructure in distressed communities. I also feel strongly that we must anticipate the impact of proposed consolidations of DOL training programs on youth employment opportunities. Civic infrastructure, without meaningful opportunities for summer or year-round employment, will have limited impact.

The primary concern of OVP is that we reinforce existing Presidential priorities that support the above-described aims (particularly EZ/EC, School-to-Work, Americorps, Community Policing, and DOL funding for youth employment and training) and that we proceed in a manner that is defensible in terms of the existing mix of federal youth programs. In other words, I believe that it is not defensible to seek additional funding (even under an existing authorization) for a new, youth-targeted initiative, in the absence of **bold** reinvention.

Bold Reinvention

After a year and a half of working with EZ/EC communities that struggle to respond to numerous federal "RFPs" and to pool federal, state, local and private funding streams, I am keenly aware of how much fragmented federal programs sap the energy both of communities and federal workers. Of the 50 programs listed in the Prevention Council's catalogue of programs targeted to help youth, in my view only about ten of those programs truly resonate in terms of size, theme, likely impact and Presidential commitment. I have not been involved in the deliberations concerning Senator Kassebaum's youth block grant initiative, however, I believe we should consider consolidating youth programs into a single fund or a few core areas in order to free agencies to concentrate on core programs and functions. Analogous competitive (non-formula) grant programs could be consolidated into a single fund that rewards communities that develop comprehensive youth development strategies and commit to

performance outcomes. And, we could seek authority to allow communities to combine formula funds in a manner consistent with their comprehensive plan (the Litan proposal).

To deal with the fragmentation and regulatory impediments that exist at the state and local level, we should consider conditioning some benefit (e.g., extra funds or delegated waiver authority) on the state and local government adopting broad waiver authority that will help stimulate comprehensive youth development or revitalization strategies. The State of Connecticut, for example, recently enacted a Neighborhood Revitalization Zone law that gives the state and localities broad waiver authority and imposes obligations on these entities to respond to community-driven strategic plans for neighborhood revitalization.

I do not pretend to be an expert, but here are the main ideas I hope we will explore for a single, bold reinvention package bill that we might offer to Congress:

- . Consolidation of small, overlapping competitive youth-related grant programs.
- . Authority for local grant recipients to combine formula grant funds.
- . Broad waiver regulatory and statutory waiver authority (consistent with our comments and modifications to Hatfield's Local Flex Bill).
- . Condition access to all of the above on a locally-driven, strategic plan that identifies performance outcomes.
- . Build in a strong incentive or condition for states and localities to adopt similar waiver authorities and supports for community-driven revitalization strategies.

The Prevention Council or some entity (possibly NPR, OMB, the CEB or a lead agency) with the appropriate administrative capacity could be assigned the role of overseeing the implementation of this initiative.

Reinforcing EZ/EC

OVP feels it is imperative that we build on the President's Community Empowerment Agenda, making it clear what we have done for the past three years and how we are continuing the Agenda in the FY 1997 budget. (In particular, the EZ/EC program would be better positioned to succeed if it were enhanced with broad waiver authority and if ECs had more resources.) We caution against introducing new messages and themes for efforts that look and sound very much like what we have been doing under the rubric of Community Empowerment (or Lifelong Learning, for that matter).

In the context of the NEC-led process on possible urban initiatives, OVP submitted a proposal for building on the President's Empowerment Zones and Enterprise Communities (EZ/EC) program. The proposal, which would be cast as a second phase of the EZ/EC program, would target a package of incentives on distressed communities, including: (1) a tax incentive, probably brownfields expensing, that is universally available to encourage

private sector investment in distressed communities; (2) broad statutory and regulatory waiver authority to support comprehensive revitalization in distressed communities; (3) flexible funding for innovative education/training; and (4) a continued commitment to "bottom-up" community planning and performance outcomes. We could limit the program to EZ/ECs or, depending on budgetary and administrative constraints, open it to a larger universe of distressed communities. (Obviously, the above-described bold reinvention proposal converges somewhat with this proposal and they could be combined.)

Several members of Congress already have proposed a bill that would build on our EZ/EC program. Specifically, Senators Abraham (R-MI), Lieberman (D-CT), Santorum (R-PA), Moseley-Braun (D-IL), DeWine (R-OH) and Breaux (D-LA) have introduced the Enhanced Enterprise Zones Act of 1995. While the bill would need to be modified to meet some of our policy concerns, it includes capital gains tax incentives, waiver authority and a school choice demonstration program. This bill, along with Senator Kassebaum's youth block grant bill and Senator Hatfield's local flexibility bill present opportunities for bipartisan cooperation around youth, reinvention and community empowerment objectives for FY 1997.

I apologize for the delay in getting this to you and look forward to refining these thoughts during your process.

cc: Kumiki Gibson
Paul Weinstein

**U.S. Department of Justice**

Office of Justice Programs

*Office of Juvenile Justice and
Delinquency Prevention*

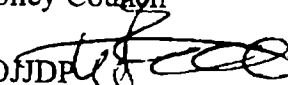
Office of the Administrator

Washington, D.C. 20531

October 24, 1995

Memorandum

To: Jeremy Ben-Ami, Domestic Policy Council

From: Shay Bilchik, Administrator, OJJDP 
Reggie Robinson, Deputy Assistant Attorney General

Re: Youth Initiative

The following are some preliminary thoughts in response to your request for ideas to improve conditions for 10-18 year olds:

1) The vision for the President in his second term could continue with the theme of reinventing government but with an even stronger emphasis on redefining the role of government as a partner with states and local communities. The youth initiative could lay out a new vision for "Building Partnerships for the Youth of America" which recognizes America's call for more localized control, but also highlights the unique federal role in providing a national perspective, leadership, research, training and technical assistance, and information.

The youth initiative would essentially apply the Empowerment Zone concept of concentration of Federal effort to youth issues and comprehensive services. It would also build upon what we have learned about the need to sustain support to teams of key leaders which are committed to effectuating change. The goal would be to provide a continuum of services, programs, and resources for kids which matches their developmental needs.

Each State would be able to participate in this initiative. The Federal role would be to work with State county and city leadership and our core constituents (Directors of Health Departments, Governor's offices, Juvenile Justice Specialists, foundations, etc.) to identify a team of key people who are poised and prepared to engage in focusing state and local resources into a continuum of services and supports for young people. The goal of this process would be to involve as many as were interested and committed, while also ensuring the participation of key change agents from a variety of disciplines.

A series of State planning and training meetings would then take place with the support and guidance of Federal Agency representatives. The first of these programs would focus on a State-wide assessment of resources, needs, and priorities. Subsequent seminars would focus on education, health, housing, justice, etc. with each of these Federal agencies taking the lead for a State-wide seminar.

"Signature Initiatives" from each agency -- such as "A mentor for every 14 year old" (Education); "Job training for every 15 year old" (Labor); "Summer activities for every 16 year old" (AmeriCorps); "After school activities for kids in public housing" (HUD); and "A youth-focused community police for every community" (Justice) -- could highlight the continuum we are supporting and provide a platform for leadership to punctuate successes.

A major component of this initiative would be a communication strategy which would assist State and local leaders in demonstrating their successes. Part of this strategy could be an awards ceremony as well as an incentive grant for program dollars and additional training and technical assistance funds for select States and local initiatives which are successful at involving multiple disciplines, leveraging resources, etc.

2) Budget requests for this effort would be of two kinds. First, they could include additional program funds based upon an analysis of current prevention programming. (Some of this preliminary analysis is underway under the direction of CSAP.)

Second, budget requests could support system change at both the Federal and Local levels. These budget requests could include:

- "Glue money", similar to that utilized by the President's Crime Prevention Council, to support implementation of coordinated activities on the local level.
- Funds for technical assistance on the Federal level to help us coordinate youth serving programs and activities with a focus on outcomes.
- Improved communications including a single data base of grants across agencies, promising programs, etc.

3) There have been a number of reports or memos produced in the past few years which speak to the issue of legislative changes and waiver authority in support of local efforts (e.g., Interagency Working group on Violence; Oregon Option Working Group; PACT Lessons Learned; The Comprehensive Services Working Group). We are interested in exploring how the recommendations made in these products can be applied to the progress made in coordinating program activities through EZ/EC and the National Juvenile Justice Action Plan.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ASSISTANT SECRETARY FOR PLANNING AND EVALUATION



PHONE: (202)690-7858 FAX: (202)690-7383

Date: 10/10 10/4/95

From: Angela Duran

To: Gaynor McCown

Division: _____

Division: _____

City & State: _____

City & State: _____

Office Number: _____

Office Number: _____

Fax Number: _____

Fax Number: 456-7028

Number of Pages + cover 6

REMARKS: Here's the paper.

690-5883

*** ACTIVITY REPORT ***

TRANSMISSION OK

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*** ACTIVITY REPORT ***

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USAGE TIME	05'28
PAGES	10
RESULT	OK

THE WHITE HOUSE
WASHINGTON

FAX COVER SHEET

DATE: _____ TIME: _____

TO: Angela Duran

PHONE: _____

FAX: 690 - 7383

PAGES: 17

FROM: R. Gaynor McCown
Senior Policy Analyst
The Domestic Policy Council
Phone: (202) 456 - 5575
Fax: (202) 456 - 7028

COMMENTS:

Do you know anything about these
"safe havens?"

MEMORANDUM

TO: Carol Rasco
Assistant to the President for Domestic Policy

FROM: Peter B. Edelman *AD for P&E*
Acting Assistant Secretary for Planning and Evaluation

SUBJECT: National Youth Initiative

In response to your memorandum of October 20, the following are some ideas for a national youth initiative. Overall, we would like to suggest that the target age range for the initiative be extended to include 18-21 year olds, so that critical issues affecting older adolescents (such as school to work transition, employment, and "aging out" of foster care) are addressed and efforts can be tailored to the developmental stages of early, middle and late adolescence.

1. Bold New Ideas

Safe Passages: A Campaign for Positive Youth Development

On October 12, the Carnegie Corporation released a major new report on adolescents entitled "Great Transitions: Preparing Adolescents for the New Century." The report emphasizes the need for the collaborative involvement of the public sector and the private sector in every community to create supportive family, school and neighborhood environments to help young people navigate the passage from childhood to adulthood. HHS has incorporated this theme into Safe Passages, a new approach to improving opportunities and outcomes for youth that was included as a theme in the agency's FY 1997 budget submission. The Administration could build on this theme to launch a nationwide youth development strategy.

The Safe Passages concept emphasizes positive and healthy adolescent development, rather than focusing solely on preventing or reducing risky behaviors. A Safe Passages campaign would call on youth, parents, schools, police, health care providers, the religious community, the business community, community-based organizations, and others to devise a comprehensive strategy for supporting young people. Safe Passages would address the varied needs of youth in a holistic way that builds on young people's strengths and potential. Ideally, it would enable youth in every community to have:

- schools that prepare them for further education or employment;
- access to a job or a college education;
- schools, homes, and streets that are safe, clean, and functioning;

- mentors and role models who believe in them and provide hope that they can have dreams and reach them;
- opportunities for community service, recreation, and other positive activities during the critical non-school hours (involving parents where appropriate);
- access to health care services with a focus on health promotion and the prevention of behavior-related problems; and,
- access to supports and services such as affordable housing, substance abuse and mental health prevention and treatment, and family preservation and support activities.

The Administration can begin immediately to send the message to parents, educators, employers and youth themselves that investing in America's youth is critical to this nation's long-term health and prosperity. We should acknowledge that many people are already undertaking this responsibility at the grass-roots level. This message can be communicated by various actors in a number of different settings:

- The President can again include youth in the State of the Union address and speeches to various groups that connect to young people. For example, he can urge the business community to provide jobs (both long-term and summer) and internships and to get involved in serious mentoring initiatives for young people; teachers and school counselors to focus on the critical school-to-work transition; and the health care community to support prevention efforts such as school-based clinics.
- The heads of all relevant agencies (HHS, Labor, Justice, HUD, Education, Corporation for National and Community Service) can include the Safe Passages theme in speeches and public appearances.
- Agencies can weave the Safe Passages message into existing programs, such as substance abuse prevention, runaway and homeless youth, sports programs in public housing, interventions for juvenile offenders, school-to-work-transition, and youth employment programs.

In order for a youth initiative to be successful, there must be a public-private partnership. Business leaders, foundations, educators, religious leaders, and others can be strongly encouraged to pursue Safe Passages strategies and messages both nationally and in local communities.

2. FY 1997 Budget Initiatives

The concept of Safe Passages can be supported through a range of possible FY 1997 budget initiatives. All of these, however, would be based on the same philosophy of what it takes to create and support safe passages for young people. The following elements are necessary:

- 1) lots of caring adults who spend time with young people, support and encourage them,

- expose them to new ideas, and show them they can have hope;
- 2) positive things to do during their free time;
 - 3) safe, visible places to go and get involved in these positive activities;
 - 4) the opportunity to make the transition from school to work or to further education;
 - 5) youth involvement in community service, the development of activities "for" them, and other activities which help them to build resilience and develop skills; and,
 - 6) parent/family involvement in the lives of their children and in the activities in which they are involved.

There are several budget options for a federal role in helping to make Safe Passages a reality at the local level.

A. Give Communities the Ability to Combine Federal Funding for a "Hope University" Concept Like That Which Has Been Proposed by OMB

We support the "Hope University" concept that would allow states, communities, or school districts to combine certain portions of their funding from specific block and formula grants in various departments into a single flexible pot of funds. This funding could be used to support the development of Safe Passages strategies. Benchmarks and other accountability measures are a critical part of this proposal. Bonus funding to help with planning and gluing programs together would be helpful toward getting communities interested.

B. Competitively Fund a Limited Number of Large Initiatives Designed to Create Safe Passages for Youth - There are two possibilities under this option which complement each other quite well and, ideally, would be done together.

- "Opportunity Zones" - The Department of Labor is considering a proposal as part of its FY 97 budget planning process to create "Opportunity Zones" through a competitive process to expand employment, education, and training opportunities for out-of-school youth ages 16-24, with priority to high-school dropouts. These zones would be created primarily in EZ/ECs or communities that applied to become EZ/ECs, but States could also submit proposals for other high-poverty areas.

The proposal would target resources directly into neighborhoods with the greatest need. It would provide employment and education and training opportunities for all youth in the target areas. This would be a saturation initiative, with sufficient resources and other matching commitments to reach all youth. The aim would be to serve enough youth in each target area to create community-wide impacts, and to turn peer pressure from negative to positive. It would link Federal resources and guidance with extensive State and local discretion and encourage States to direct more resources to serving high school dropouts. It would build on lessons learned from past programs and on the consolidation of resources anticipated in

congressional legislation.

The initiative would gradually reduce federal funding over a limited period of time as State and local matching funds increase. While a short-term "match" would be required, long-term commitments would continue the initiative after grant funds cease.

- Corridors of Care/Safe Passages - Youth strategies must be designed for a wide age range beginning at about age nine or ten and continuing into the early twenties. Many of the behaviors that lead to gang, drug, and violent activities, engaging in early sexual activity, or dropping out of school begin at very early ages.

We could design an initiative to fund the implementation, in a limited number of places, of comprehensive plans to create safe passages for young people. The idea is that a small, well-defined community, perhaps an EZ/EC or other similarly distressed community, would provide a comprehensive array of activities and assistance for young people. The funds would be used to pull together existing resources for: the prevention of behaviors such as substance abuse, involvement in gangs, violence and teen pregnancy; health care including Medicaid and community health centers; school-to-work and other education and training initiatives; recreation programs; community service activities; mentoring programs; and other activities that could benefit youth. The funds would also be used to extend existing programs to serve all youth in the community or to fill gaps where programs do not exist. The bottom line, would be to create safe passages for young people by affording them places to be, worthwhile things to do, and caring adults to be with them.

This effort could build on currently funded efforts to pull subsets of youth activities together such as Safe Futures, Community Schools, Youth Fair Chance, Family Investment Centers, and efforts started through the ESEA Title XI authority as well as foundation efforts.

C. Request Additional Funds so the President's Crime Prevention Council Can Support More Sites in "Gluing" Activities Together to Create Safe Passages

If the grants awarded by the Prevention Council, which are described below in 3A, prove to be an effective use of funds, additional funding to enhance the Prevention Council's "glue" grants could be requested. Between 50 and 100 sites could be funded for \$5-10 million to conduct similar "gluing" functions in other communities. The funds would not be used for services, but rather for pulling existing activities into a comprehensive strategy. Funds could be awarded on either a competitive or formula basis. Applicants could be EZ/ECs, unsuccessful EZ/EC applicants, and other similarly distressed areas.

D. Request Funds to Maintain or Expand Existing Programs That Would Be Part of a Safe Passages Strategy

In order to support Safe Passages strategies at the local level, we need to have the ability to fund activities. Many of the programs we have funded over the past few years are either being swept into block grants or are not being funded at all. Community Schools, Safe Futures, Summer Jobs, and Safe and Drug Free Schools are just a few examples. In the case of the Community Schools program, we were able to make a first year of grants this year, but just as communities get off the ground with these innovative programs, we will not be able to provide them with a second year of funds to keep their efforts going and build support so they can eventually operate without federal funds.

Our FY 97 budget request should include funding to continue support for these critical programs. Continued funding for these programs would help us to carry out the efforts described below in 3A.

E. Work to Pass a Youth Development Block Grant Bill That Would Help Us to Support Safe Passages Strategies in Many Communities

A block grant approach would allow us to spread resources for implementation to more places, but it would prevent us from implementing more concentrated approaches. Senator Kassebaum proposed a youth block grant this session, and the legislation has many positive aspects that this Administration could support. It includes a broad focus on youth development and letting local communities drive the planning and implementation process. However, several Departments have jointly expressed their concerns to the Senator about the bill and said that they could not support it as currently drafted. The most serious drawback to the legislation is that it is financed through the elimination of most existing federal youth programs. Despite these concerns, we may still want to work with Senator Kassebaum to develop a proposal that is more agreeable to the Administration, especially if this is the only vehicle for adding or preserving resources for youth. The additional funds for "glue grants" described below could be requested as a separate title in this bill.

3. Strategies to Improve Existing Programs

Even without new funds or new authorities, we could work together, building on on-going work in each of the Departments, to support Safe Passages strategies. There are several options, and they are not mutually exclusive.

A. Form Multi-Agency Partnerships at the Federal Level to Help Communities Implement Federal Programs As Part of a Safe Passages Strategy

Each Department funds a range of programs in communities around the country. Applicants for these programs are often asked to go through community planning processes and to design "comprehensive" strategies for dealing with the issue(s) covered by the RFP. However, in most cases, we ask them very little about which local programs, including those that receive federal funds, with which they will work. We are beginning to ask applicants to identify the other organizations with which they will coordinate and to encourage coordination and collaboration among agencies. DOJ's Safe Futures, HHS' Community Schools, and Education's ESEA Title XI flexibility for comprehensive services are three examples. However, we have created a situation where many organizations are engaged in "comprehensive" activities, and many different agencies are creating "coordinated" systems. However, there are still many federally-funded organizations that do not know their federally funded neighbors.

Working together, the federal departments, could support local efforts to pull programs together for Safe Passages strategies. The President's Crime Prevention Council's (PCPC) recently release RFP is an excellent vehicle upon which to build a federal multi-agency partnership. PCPC will soon be awarding "glue" grants of up to \$150,000 each to between eight and fifteen EZ/ECs to help them pull together youth-related programs and initiatives into one comprehensive strategy. These grants will build on existing community strengths and governance structures that are being developed to implement each community's EZ/EC plans, with the aim of creating a genuine system and structure for working with young people in the EZ/EC.

Other Federal agencies could build on their own efforts and/or on the efforts initiated by the Prevention Council grants. Such assistance might begin with an inventory of the relevant Federal funding in the EZ/ECs (both current and expiring grants), identifying how the funds are being used, who is being served, and what linkages there are to other programs. The States should also play a major role in this partnership since they will be playing an increasing role in community efforts as they become responsible for more block grants. Other roles for the federal agencies might include linkages to technical assistance and training resources and help connecting to other public and private (including foundation) initiatives.

This strategy is of course modest. Planning and assistance from the federal agencies alone will not fundamentally change outcomes for young people. At the same time, this strategy is no small task. To make it work, agencies will need to take responsibility for working with the communities and make commitments of resources including staff time and potentially training or technical assistance resources. Other questions would need to be answered about how agencies would work together on this task, how they would work with the communities, and if any agency should take the lead on coordinating the work.

B. Help Communities to Implement their Safe Passages Strategies By Simplifying the Grant Application and Reporting Processes

Even if the FY 96 budget process results in significant elimination or block granting of youth programs, we can still expect to have some discretionary programs left. Communities will still find that it is difficult to identify all of the existing youth programs, find out when the RFPs will become available, apply separately for each program, and meet reporting requirements for each grant they are awarded.

There are a range of ideas we could pursue to make applying for grants a simpler process for communities:

- 1) Publish one catalogue of all youth programs with application availability dates and deadlines and contact names and numbers for all programs that will be announced that year;
- 2) Publish a catalogue that has separate application deadlines but has one application form/set of questions, which is much shorter than normal, for all programs;
- 3) Publish a catalogue that allows applicants to apply for several grants at one time either within or across agencies; and,
- 4) Develop a simplified reporting and auditing system that allows applicants to fill out one form and submit it for several programs.

These ideas are not mutually exclusive. One could be tried or several could be implemented simultaneously. Any option would go far in making the government more user friendly and in providing access to grant funds, however small they are, to more communities.

Conclusion

We can consider our array of options as working in concentric circles. In reverse order, the first concentric circle is working with communities right now to help pull together existing programs, especially federal, and to provide technical assistance. There are some brilliant people working in the youth field right now such as Gary Walker at Public Private Ventures and Bonnie Politz at the Center for Youth Development and Policy Research who have much experience working directly with communities and could be of much help to communities who want to design Safe Passages strategies. The options laid out under question number three would help us to pursue work in this area.

The second circle is providing the funds to communities to implement their strategies. This includes options for continued funding of existing programs as well as new options such as combining block grants at the local level or new demonstration authorities. These options are laid out in question two above.

In either set of options, there is a strong role for the President's sounding of a Safe Passages theme.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

MEMORANDUM

TO: Paul Dimond

FROM: Bruce Katz *BK*
Mike Stegman *MS*

SUBJ: FY 1997 Budget: Urban Policy Initiatives

DATE: October 24, 1995

Introduction

HUD believes that the principal goal of Administration urban policy should be to link people to work, both by reinvesting in distressed urban communities and by reconnecting the residents of these communities to jobs and opportunities in the larger metropolitan marketplace.

As you know, the Administration's National Urban Policy Report explicitly rejects the false dichotomy between policies that empower poor people and policies that revitalize distressed places. People-oriented policies and place-based policies are complementary, not competing, and must be pursued in tandem if we are to have any hope of ending the isolation and despair of distressed inner-city communities.

The Administration's challenge is to devise more effective means -- programmatic initiatives and reforms, organizational restructuring -- of serving people-in-places. We believe that HUD's contribution to the Administration effort should consist of the following five initiatives:

formation of a new Department of Housing and Community Empowerment which will have as its principal mission the support of locally designed revitalization strategies through the integration of federal services;

a restructuring of the federal relationship with cities, giving Mayors greater power to make decisions about funding allocations and priorities that better reflect the unique circumstances of their communities;

a "mobility strategy", designed to link low income families who live in distressed urban communities with economic opportunity in the metropolitan marketplace as a whole;

a "Campuses of Learners" initiative, designed to transform public and assisted housing developments through the integration of education, technology and job training opportunities; and

a "Homeownership Zones" proposal, to support the creation of large-scale homeownership communities in inner-city neighborhoods.

A New Department of Housing and Community Empowerment

HUD's main objective in the FY 1997 Budget is to focus on serving "people in places" through the integration and coordination of services. We seek to complete the transformation of the Department into one that "puts communities first", into a new Department of Housing and Community Empowerment. The notion of helping communities forge comprehensive, integrated, locally-generated solutions to their problems will be the driving force for all this new Department does. It will shape and affect the way we organize, the functions our staff perform, the programs we design and administer, and how we relate to the network that delivers our product and our ultimate customers.

Most Federal programs -- even after significant streamlining and consolidation -- are still rigidly prescriptive; the ability of localities to use funds creatively and tailor them to local needs is highly limited. Mayors consistently argue that the way the Federal government is organized to respond to community problems too often undermines our ability to be part of the problem-solving process even when local solutions are possible and when local leaders have good plans.

The problems in local communities, in short, are multi-faceted and place-based. Any given neighborhood revitalization effort may have transportation, environmental, educational, housing, community development and economic development elements. Yet that is not how the federal government is organized or federal programs are designed. HUD and other Federal agencies are still slaves to traditional organizations, to specialization, and to hierarchy.

A new Department of Housing and Community Empowerment will reorganize HUD and the federal government in a way that is responsive to communities and their problems. It will build upon the lessons of the Administration's premier urban initiative: empowerment zones and enterprise communities. The idea behind this initiative was simple: give localities the chance to develop and implement comprehensive plans that are tailored to the needs

of individual communities and place federal programs and personnel in support of these long-range strategies. That is the basis for a partnership, but it can only be a workable partnership if the federal role is entrepreneurial, respectful of local visions and as focused on results as they are.

We envision the creation of a "right-side-up" cabinet department that literally inverts the organization chart, putting the federal representatives who meet the public on the highest level and arraying every other function in support of the front-line staff. The new agency will naturally divide functions between those that are Washington-based (e.g. policy, research, budgeting, Congressional relations) and those that should be located in communities (e.g. customer service, performance oversight, consulting role, training). The new division of responsibilities will compel the shifting of resources and personnel from HUD's headquarters to our 81 field offices (see attached map). Such a reorganization and redeployment will underscore the principal focus of community service, local partnership and problem solving.

In many respects, the new Department will come to resemble a large consulting firm operating nationwide. Like such firms, the Department will be a "clearinghouse of best practices", informing communities of the most innovative and effective strategies that are ripe for replication. HUD staff will be called upon, particularly as federal funds become more scarce, to help local actors perform their jobs successfully -- develop comprehensive revitalization plans, assemble multiple layers of financing and subsidies to develop affordable housing, support activities that rebuild neighborhood economies and generate jobs.

The Department will also be reorganized to ensure the cross-integration of services and resources. The current barriers between Departmental cylinders (e.g. public housing, community development, FHA, fair housing) will be broken down at local offices where teamwork and integrated action will be encouraged and rewarded.

Such coordination, to be successful, must extend beyond the Department. We envision the new Department providing a service to other Cabinet agencies, setting up collaborative local networks of Federal officials who are involved, acknowledged, heeded, trained and promoted for their community effectiveness. It might even be possible to turn over some federal functions to a local governance structure or to contract them to local governments. The next step in reinvention of Federal agencies should be from the ground up, not from the top down.

Finally, the new Department will be organized to rely on corporate forms of organization and governance where appropriate. The Department, for example, will contain a Federal Housing

Corporation to enhance its presence at the low-end of the homeownership market. The Department will also house a "bad bank" entity, along the lines of the Resolution Trust Corporation, to dispose of troubled multifamily assets and carry out the comprehensive restructuring of the older assisted portfolio.

One of the primary missions of the new Department will be to equip HUD personnel with the skills necessary to succeed in the reinvented world of federal housing and community development. As programs become consolidated and allocated by formula, HUD staff will need to help States, localities and citizen groups devise comprehensive community strategies. As the Department receives enhanced powers to address the problems of troubled public housing agencies, HUD staff will need to become experts in corporate restructuring and management of distressed real estate.

Very importantly, the new Department will set up private collaboratives to train and retrain the nation's network of housing and community development providers: community development corporations, public housing agencies, state and local governments, housing managers, homeless providers, fair housing enforcement entities, affordable housing lenders. For too long, HUD has defined success narrowly -- when funds are awarded or obligated, when rules are promulgated. True success, however, only occurs when the outcomes of federal housing and community development policy are realized (e.g. the rehabilitation of affordable housing). To ensure such success, the new Department must constantly buttress the skills, capacities and capabilities of the real delivery system.

The new Department will also exploit the rise of new communications technology -- cable television, satellite networks, computer mapping capabilities -- to ensure that information is disseminated to the maximum extent feasible throughout the housing and community development network. In so doing, the new Department will partner with existing information-sharing entities which already serve certain segments (e.g. public housing agencies, community development corporations) of the community. The ability to communicate instantly through multiple media and multiple networks obviates the need for old-style hierarchies to disseminate information. It creates the potential for a "virtual", place-based organization to emerge.

The new communications technology will accelerate the transition to "paper-less" offices and processes. This transition is already underway. The Office of Community Planning and Development, for example, now requires local jurisdictions to submit one consolidated plan instead of eight separate and overlapping planning documents. Development of the consolidated plan is aided by computer maps, supplied by HUD, which show the

existing allocation of federal resources in local neighborhoods. The new consolidated plans are submitted on computer discs, which make them more accessible to the general public.

In addition, FHA is borrowing the most advanced techniques from modern insurance companies by establishing back-office, administrative processing centers. Such centers have already dramatically reduced the processing time for approval of FHA's single-family mortgage product and have contributed to the growth in business and revenues. We are rapidly approaching the time when the Department's main clients (e.g. public housing agencies, state and local governments) can communicate with the Department almost exclusively through the computer network.

The method by which the new agency is created will itself be unique. During 1996 HUD will enter into an unprecedented partnership with a fortune 500 company or combination of companies. The partnership will help the Department re-engineer its basic functions to enhance service to customers. The partnership will also focus on how to use technology to further the new mission. The lessons of corporate restructuring will be applied throughout the transition period.

Beyond Reinvention: A New Relationship with Cities

As described above, the consolidation trend in HUD and elsewhere will still leave in place programs with tightly defined missions and requirements. At HUD alone, for example, localities will receive a mix of HOME, CDBG, McKinney, HOPWA and public housing capital funds that may not reflect local priorities and needs. HUD believes strongly that we need to give Mayors the power to make decisions about funding allocations and priorities that better reflect the unique circumstances of their communities.

HUD's FY 1997 budget will, therefore, give high performing jurisdictions the power to allocate a portion of HUD funds in a way that better reflect the unique circumstances of their communities. Specifically, performing jurisdictions would be given the authority to "flex" up to 10 percent of each formula program to enable a laser focus on those activities that constitute local priorities. In a particular jurisdiction, for example, the highest local priority might be neighborhood economic development. The Mayor, after appropriate local consultation, would be permitted to shift funding from one or multiple programs to CDBG to accomplish this objective. Such flexibility could trigger immense innovation and discipline at the local level and rearray federal programs in support of local priorities.

Clearly, such flexibility should not be limited to HUD programs. Local jurisdictions receive an array of other federal

funds (e.g. education, transportation, job training) that also should be made fungible at the discretion of a performing jurisdiction. "Flexing" between these interagency funds could be made permissible either to achieve nationally prescribed objectives (e.g. the emerging "HOPE University" concept) or at the discretion of local jurisdictions that are superior performers across-the-board and have presented comprehensive community revitalization strategies. These relatively small program changes could trigger immense innovation and focus at the local level and rearrange federal programs in support of local priorities.

Mobility Initiatives: Linking People to Work

Today, urban Americans are more likely to find employment in the suburbs of our great metropolises than in the central cities. Between 1977 and 1987, two-thirds of net employment growth in America's 60 largest metropolitan areas was located in the suburbs. Over the same period, the suburbs captured 120 percent of the net job growth in manufacturing, while central cities suffered absolute losses in manufacturing employment.

As jobs, wealth, and economic opportunities have migrated outward, poor communities in the central city (and in older suburbs) have become increasingly isolated from the opportunities of their metropolitan regions, the nation, and the emerging global economy. Most jobs in the American labor market today are filled through employee referrals, direct application at the work site, and other informal mechanisms. Vacancies are not widely publicized, and job seekers need personal recommendations from people that prospective employers trust. Thus, inner-city residents face real barriers to finding employment in outlying areas where job opportunities are expanding fastest.

Some employers may be attracted back to central cities by the availability of investment capital, by the redevelopment of brownfields, and by progress in combatting crime and violence -- all of which are components of the Clinton Administration's Community Empowerment Agenda. But in conjunction with rebuilding employment opportunities in the central cities, federal policy must also help establish functional linkages between the people who live in the inner city and the expanding opportunities to be found throughout the metropolitan region.

Therefore, we propose three initiatives for FY 1997, each of which effectively links poor people who live in distressed urban communities to opportunities for upward mobility in the metropolitan marketplace as a whole:

- A \$75 million investment in the Bridges-to-Work initiative will enable 1,000 inner-city residents in each of 50 cities to find and keep jobs in the suburbs. Participating workers

will receive assistance with job search, transportation, child care, and other barriers that may stand in the way of commuting from the central city to a suburban job. This initiative has the potential not only to link individuals to suburban jobs, enabling them to start the climb out of poverty, but also to revitalize the distressed neighborhoods in which participants live.

Expansion of the Empowerment Zone wage credits in the federal tax code will include employers outside EZs who employ a significant number of Zone workers. Like Bridges-to-Work, this initiative has the potential to replenish the resources of inner-city neighborhoods and to forge more extensive connections between distressed neighborhoods and the metropolitan labor market as a whole.

A total of 50,000 housing certificates will be earmarked to assist families who wish to move from high-poverty, distressed neighborhoods to areas that offer better educational and employment opportunities. Evidence has shown that -- with proper screening and support -- the opportunity to move to a lower poverty neighborhood can lead to economic independence for poor families. In particular, young people whose families moved from distressed inner-city communities to the suburbs have proven more likely to stay in school, choose college track courses, attend college, find jobs, and earn more than the minimum wage.

These three initiatives empower people to overcome the barriers to opportunity that perpetuate the isolation and despair of many inner-city neighborhoods. By re-entering the world of work and responsibility, residents of distressed neighborhoods can rebuild their lives and their communities.

Campuses of Learners

In many large urban communities, public and assisted housing developments act as an impediment to economic opportunity for communities and residents alike. The sheer density and presence of many developments discourages private investment in marginal neighborhoods. The geographic, economic and social isolation of developments also hinders families in their efforts to move from dependency to self-sufficiency.

HUD's "Campus of Learners" initiative is an effort to connect public housing developments and residents to the mainstream of urban economic life. This initiative combines public and private sector resources by incorporating education, technology and job training opportunities in public housing developments. Through creative partnerships with school districts, universities, community colleges, and corporations, the Campus of Learners initiative is transforming public housing

developments from places that are often separated from mainstream society into electronic and education campuses for the 21st century. Atlanta, Hartford, Denver, South Bend, New Haven, and East St. Louis have already secured commitments from the private sector, local school districts and universities to implement the Campus of Learners initiative within the next eighteen months.

Funding for this initiative is coming from a number of existing HUD resources. Public housing agencies, for example, are using capital funds for rehabilitation and redevelopment to construct Campuses of Learners. The Department's FY 1997 budget also requests \$500 million for a major initiative designed to implement the Campus of Learners initiative in the context of demolishing and replacing some of the nation's worst public housing projects.

Key elements of the Campus of Learners initiative include the following:

- *Build Physical Campuses for Learning and Living:*
Create new human scale safe living environments that integrate schools, parks, community colleges and universities. Use architecture, landscaping, fencing, and access points to build livable human scale developments and replace the traditional street system. In short to build identifiable campuses where there are now only "projects."
- *Integrate Area Schools into Campuses of Learners:*
Schools will be physically incorporated into the campus plan to ensure access and security. Public Housing Authorities will work with local school districts in development in curriculum development, parent-teacher relationships, after-school activities, and adult education classes.
- *Partner with Universities:*
Harness the resources of universities, vocational, technical institutes and colleges through specialized education and technology classes, share computer hook-ups, mentoring programs, and student-supported housing in the development. Some faculty members will be invited to live "on-campus" and act as academic advisors.
- *Provide Access to Technology:*
Wire every unit in the Campus of Learners site. Computer lab sites on campus will be available for computer classes, language skills, life skills training, and GED classes to accommodate the schedules of working mothers, children and the elderly.
- *Encourage Private Sector Sponsorship:*
Encourage corporate sponsorship of the local Campus of Learners sites, including job training and employment

opportunities, mentoring for children and adults, telecommunications resources, and youth sports programs.

- *Provide Education and Learning for Residents of all Ages:*
Enrolling in an education program of some kind will be a requirement to live on campus. All residents, children, adults, and senior citizens, will have access to education in nearby schools and campus education centers.
- *Foster Employment Opportunities:*
Partner with local businesses for job placement and opportunity for residents who complete adult education training, computer programs, or other programs.
- *Create Safe Communities:*
Design apartments and living centers with an emphasis on safety and limited access. Extend "boundaries" of public housing to nearby schools, community colleges and universities.
- *Change the psychology of public housing as a permanent residence:*
Emphasize the importance of inner-city education and job training as critical rungs in the ladder of economic opportunity. Churches, businesses and volunteer organizations will establish strong mentoring/leadership networks.

Homeownership Zones

Many older American cities which have experienced substantial job, population and income declines have disproportionately large rental housing stocks. This is due, in part, to the conversion of once owner-occupied housing into a larger number of smaller rental units, typically absentee-owned. While the transition of urban housing stocks from owner to rental occupancy are both cause and effect of neighborhood decline, there is growing acceptance of the proposition that distressed communities cannot be turned around without a significant expansion in their homeownership populations.

HUD proposes a \$200 million "Homeownership Zones" initiative to support the creation of large scale homeownership communities within empowerment zones, enterprise communities and other areas of chronic economic distress. The initiative is designed to reclaim abandoned neighborhoods, attract back to the city hardworking moderate- and middle-income families, and stimulate business creation and private investment.

The initiative would operate as a challenge grant, requiring localities to compete for funds by proposing creative, cost-effective homeownership strategies using a combination of their own resources, private capital and federal program incentives. The

most competitive proposals would bring to their programs a wide range of non-federal resources, such as city-owned land, waivers of local impact fees and other assessments, including the elimination of state and local regulatory barriers to affordable housing.

To ensure adequate scale, each participating locality would be required to develop a minimum of 250 homes in a targeted area to successfully compete for federal resources. The program would operate in existing BZ/ECs, and in qualified census tracts and areas of chronic economic distress that presently govern the mortgage revenue bond program.

The \$200 million in federal grants would be used for deferred payment second mortgages, up to \$5 million per participating locality. Up to \$25,000 in deferred second mortgage money would be provided for single family dwellings; up to \$45,000 for two-family dwellings; and up to \$65,000 for three-family dwellings.

If deemed appropriate, the program could be expanded to include a series of tax options. We offer three options for consideration:

An expanded Mortgage Credit Certificate (MCC) program that would raise the mortgage tax credit in homeownership zones from the existing \$2,000, to \$4,000 per family per year; and that would make the MCC tax credit refundable. This is necessary to enable young, lower-income, first-time homebuyers with children who currently take the child care deduction to take full advantage of the MCC tax credit. The federal government could apportion an additional \$500 million in private purpose bond cap authority for cities to use only for expanded MCCs in homeownership zones.

A postponement of the capital gains tax for current homeowners who sell their homes to buy less expensive homes in designated zones by allowing them the option of deducting the gain from their basis in their homeownership zone dwelling.

A rehabilitation tax credit for historic structures occupied by the taxpayer as his or her principal residence. This tax credit is identical to that created in S. 1002 and H.R. 1662 -- the Historic Homeownership Assistance Act -- introduced this year by Senators John Chafee and Bob Graham, and Congressman Clay Shaw and Congresswoman Barbara Kennelly. The rate of the credit is 20 percent of qualified rehabilitation expenditures (same as the current credit). Rehabilitation would have to be performed in accordance with the Secretary of the Interior's Standards for Rehabilitation, with certain exceptions. The Joint Committee on Taxation has

estimated the revenue loss of this measure to be \$239 million over a five-year period.

We believe the homeownership zone initiative furthers the Administration's overarching urban policy goal of bridging the divide between poor people living in distressed communities and the economic opportunities in the larger metropolitan marketplace. The private sector is reluctant to risk its capital in job-creating investments in cities without a strong nucleus of homeowners whose financial and non-financial commitments to their neighborhoods reduces the local costs of doing business, expands the local tax base and otherwise creates a local climate for positive change.

NOTE FOR: CAROL RASCO

FROM: TOM GLYNN
TIM BARNICLE
ANNE LEWIS

SUBJECT: Opportunity Zones for Out-of-School Youth

Attached for your use is Secretary Reich's memo to Laura Tyson transmitting a proposal to improve the long-term employment prospects of out-of-school youth, primarily school-dropouts.

This proposal complements the Administration's Empowerment Zone/Enterprise Community initiative and is consistent with current thinking on youth initiatives and urban policy initiatives.

Attachment

SECRETARY OF LABOR
WASHINGTON

MEMORANDUM FOR: LAURA TYSON

FROM: ROBERT B. REICH *RB*

SUBJECT: **Opportunity Zones for Out-of-School Youth -- An Urban Policy Initiative**

We believe that one of the most significant investments we can make is to improve the long-term employment prospects of out-of-school youth in high poverty urban areas and distressed communities. Traditionally in employment and job training programs, these youth have been the most difficult population to reach and to serve.

Roughly 50 percent of out-of-school American youth without a diploma are currently unemployed. The proportion of young black high school dropouts who are currently not employed exceeds 70 percent. Many of these youth remain without work and are a risk of being permanently lost to the mainstream economy. This problem is particularly acute for youth growing up in inner-city neighborhoods. The labor market is simply not working for these youth because there is little in the way of current public or private sector programs to improve their employment prospects. The costs to society of ignoring this population -- which is not specifically targeted in the CAREERS Act or Workforce Development Act -- are enormous in terms of crime, poverty, teen pregnancy, drug abuse, and welfare dependency. This proposed initiative will invest in hope by creating opportunities and jobs for out-of-school youth in poor urban -- and rural -- areas. (See attached summary.)

Two targets

Opportunity Zones for Out-of-School Youth would extend the Empowerment Zone/Enterprise Community initiative to help out-of school youth and reinforces a similar locally-based framework. It:

- o Uses a saturation approach to bring about community-wide change,
- o Gets youth into jobs and work-based learning opportunities located in and around high-poverty areas,
- o Targets 70 percent of the funds to urban areas,
- o Enhances the personal accountability of participating youth,
- o Leverages local and State public as well as private resources, and
- o Invests in efforts proven effective for this difficult population.

We look forward to further discussion on improving the economic conditions of youth -- particularly out-of-school youth.

Attachment
Attachment

DRAFT October 26, 1995

**SUMMARY OF PROPOSAL:
"OPPORTUNITY ZONES FOR OUT-OF-SCHOOL YOUTH"**

Purpose. Out-of-school youth have been the most difficult population to reach and serve in job training programs. Roughly 50 percent of out-of-school youth without a high school diploma are not employed, with over 70 percent of young black high school dropouts currently not employed. The costs to society of ignoring this population -- which is not specifically targeted in the House or Senate job training consolidation bills -- are enormous in terms of crime, poverty, teen pregnancy, drug abuse and welfare dependency. This initiative would invest in hope by creating opportunities and jobs for out-of-school youth in poor urban and rural areas. This government investment would see a substantial return with concrete results.

Approach. This initiative would create Opportunity Zones for out-of-school youth in Empowerment Zones and Enterprise Communities (EZ/ECs) or equivalent communities. These Opportunity Zones would greatly expand employment, education, and training slots for youth ages 16-24, with a priority to high school dropouts. The initiative would have the following features:

- Geographic targeting on high-poverty urban and rural areas, using a "laser" approach to put funds exactly where the problems are the greatest.
- Concentration of large amounts of funding in relatively small geographic areas to saturate the areas with employment opportunities -- thus providing a reasonable chance of producing positive peer pressure and turning around the areas. Under current job training programs for youth, funding is piecemeal and based on statutory formulas.
- Emphasis on getting youth into productive employment and work-based learning opportunities to increase their long-term employment prospects. Funds will be restricted to programs and practices that have proven effective in improving the long-term employability of these difficult-to-serve youth.
- Requiring responsible behavior on the part of youth as a condition of continued participation in the employment programs--an emphasis on personal accountability.
- Strong links to the school system, including matching commitments from schools to stem the epidemic rates of dropping out of school in high-poverty areas, and to allow State funding to follow youth if they do drop out of school.

There would be a strong role for both Mayors and Governors. Mayors would submit the urban proposals with the Governor's approval, and Governors would submit the rural proposals. Funds would be dispensed through competitive grants, with a "leading edge" strategy used effectively in the school-to-work initiative. This Opportunity Zone initiative

would be consistent with the School-to-Work framework and tied to Workforce Development Plans in job training consolidation legislation. It would be a key part of the Administration's urban policy.

Grant Features. This initiative would work because it draws on extensive past experience, including the Youth Entitlement Demonstration and the more recent Youth Opportunities Unlimited projects. Eligible applicants would be: the 105 designated EZ/EC communities, the 400 other communities which submitted an EZ/EC plan, and other high poverty areas.

- The design and implementation of the initiative would be developed jointly by State and local officials -- mayors would play a key role, and CBOs would be actively engaged. Proposals must show collaboration between the State and local EZ/ECs or other high-poverty areas. They must be jointly developed by local elected officials, State and local School-to-Work Partnerships and EZ/EC leadership, if appropriate.

Program Components. Goal is to saturate the target area with activities to transform it into an "Opportunity Zone" for youth. Allowable activities would be restricted to models of demonstrated effectiveness, including CET training, on-the-job training, YouthBuild, alternative schools, community service corps, job placement, job search assistance, job opportunities and work experience, and initiatives in which there is a return on the training investment. Design would provide a longer-term relationship with each youth than in traditional employment and training programs.

Matching Commitments. Would require both short and long-term State and local commitment, including State and local funds, funds from State's consolidated job training program, and long-term commitment to support the initiative after federal funds cease. A key commitment would be States' revision of State and local education funding formula so that some proportion of education dollars "follow" drop-out youth and is made available for alternative education and training programs in which such youth enroll.



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

SENIOR ECONOMIST

To: Jeremy Ben-Ami (DPC)
Gene Sperling (NEC)
Paul Dimond (NEC)
Mike Smith (ED)
Ken Apfel (OMB)
Barry White (OMB)
Gaynor McCown (DPC)

From: Tom Kane (CEA)

Re: Proposals for Making College Affordable

Date: November 8, 1995

Post-it Fax Note	7671	Date	11/8/95	# of pages	8
To	Gaynor McCown	From	Tom Kane		
Co./Dept.		Co.			
Phone #		Phone #	5-4597		
Fax #	67028	Fax #	5-6853		

As part of the Youth Initiatives Working Group, I have attached a brief description of 4 proposals for making college affordable. I would welcome any comments you might have.

Making College Affordable

As the earnings prospects of those with no college training continue to dim, the importance of postsecondary training for a successful career has increased. In a labor market requiring an increasing level of skill, parents are understandably anxious about their ability to afford a college education for their children. Indeed, they have cause for concern: between 1980 and 1995, tuition at the average public 2-year or 4-year college grew by more than 60 percent, even after accounting for inflation. To meet the challenge of rapidly rising costs, this memorandum briefly describes four alternative approaches to making college affordable for all youth.

I. "Guaranteeing" College with a \$1200 Tuition Tax Credit

Basic Description: Families would be provided with a refundable tax credit for 100 percent of the first \$1200 in tuition expenses per year for those in their first two years of college. The credit would be reserved for those who were half-time students in degree programs. The proposal would "guarantee" the first two-years of college for a student living in a state with tuition less than \$1200.

Advantages:

- o Because the proposal is refundable, a tax credit (as opposed to a deduction) and phased out for those with incomes between \$100,000 and \$120,000, it is well-targeted.

Disadvantages:

- o The proposed credit amount, \$1200, is the *average* tuition at a community college. However, 17 states charged well above \$1200 in 1994-95 to attend a community college (including Massachusetts, Maryland, Minnesota, New Hampshire, New York and Ohio).
- o A 100 percent credit available to all students may cause the community colleges with tuition less than \$1200 to raise tuition. The resulting price pressures may be more intense than with other student aid programs, since all students will be eligible and they would not be required to make any copayment. Three-fifths (59 percent) of all community college students now attend institutions with tuition less than \$1200.
- o The IRS may find it difficult to verify freshmen and sophomore status. (The credit would be limited to those in their first two years of college.)

- o Those attending non-degree granting institutions and attending less than half-time, would be not be eligible. As a result, the policy would provide a competitive advantage to public 2- and 4-year colleges over private non-degree-granting institutions.
- o Families would still have to finance tuition expenses out-of-pocket until they receive their tax refund.

Cost: The Treasury department estimates that the proposal would cost approximately \$39 billion over 7 years. In combination with the \$10,000 tuition deduction in the Middle Class Bill of Rights, the two proposals would cost \$54 billion over 7 years.

Possible Variations:

- o The credit could be provided for 80 percent of the first \$1600 rather than 100 percent of the first \$1200. More resources would be targeted to students in the more expensive states and the incentives to raise tuition would be loosened. But the "guarantee" will have been lost.
- o The policy has been envisioned as a supplement to existing grant and loan programs. However, to lower the expense, the credit could be reduced for every dollar of Pell Grant received or provided only to first-year students. In that case, most of the resources would be targeted to middle income families.
- o Rather than offering the aid as a tax credit, the same resources could be funnelled through the Pell Grant program, offering a minimum benefit of \$1200 for all youth and additional aid to those with greater need. By doing so, families would not have to wait for their tax refund to pay for college.

II. Dream Accounts

Basic Description: The "Dream Account" proposal would provide a refundable tax credit of \$300 each year for every child between the ages of 14 and 18. The funds would be deposited into an account in each child's name and families would receive an annual statement. To reward youth for staying in school, an extra one-time credit of \$1000 would be provided to students upon high-school graduation (or receipt of a GED).

The account would be intended to help youth invest in their future by attending college. However, when not used for educational expenses, the money would be treated as an IRA. As the Administration has proposed, youth could also use IRA funds to put a downpayment on a first-home, to provide support during an extended period of unemployment or to offset extraordinary medical expenses.

The credit would be phased out for youth in families with incomes between \$100,000 and \$120,000. However, the program would be made universal, in that high-income taxpayers would be allowed to deposit \$300 per year in their child's name (after tax) into a Dream Account, if they chose to.

Advantages:

- o At \$300 per youth per year between the ages 14 to 18 and a \$1000 high school bonus, the Dream Account would guarantee that youth would have \$2700 to pay for their first year in college.
- o Because unredeemed funds could be used for other purposes (buying a home, support while unemployed or saved for retirement) youth themselves would have an incentive to guard against frivolous or fraudulent expenditures. As a result, it may be possible to allow youth to spend their funds on non-degree and less-than-half-time enrollment.
- o Every child would know that they could afford to attend college. The Dream Accounts may provide a more salient guarantee than a tax deduction or tax credit.
- o Families would not have to finance their education until they received a tax refund, as with a tax credit or deduction.
- o The proposal would help raise high school graduation rates by providing a \$1000 bonus for completing high school, reinforcing one of the Goals 2000 criteria.
- o Because the credit is refundable and, therefore, progressively targeted, the higher education community may prefer this proposal to the Middle Class Bill of Rights tax deduction proposal.

Disadvantages:

- o The IRS currently has no way to verify whether a student graduated from high school. There are 15,000 to 20,000 high schools in the United States.

Cost: Back-of-the-envelope estimates suggest that the cost of the specific proposal described above would be roughly \$60 billion over 7 years. (These are not Treasury estimates.) As suggested below, part of the cost of the proposal could be offset by dropping the tuition tax deduction in the Middle Class Bill of Rights or the child tax credit.

Possible Variations:

- o The trust fund could be managed either by a federal agency or by private managers designated by families. Budget rules may suggest some advantage to keeping the funds in a federal trust fund until a youth reaches age 18, pushing much of the expenditure out into the future.
- o The proposal could be offered as an alternative to the non-refundable child credit for children aged 0-13. The combined cost of the non-refundable child credit and the Middle Class Bill of Rights \$10,000 tuition tax deduction is roughly \$96 billion over 7 years. For a similar level of funding, very rough preliminary estimates suggest that one could fund a credit of \$500 per year for every child between the ages of 14 and 18. With the \$1000 high school graduation bonus, such a plan would provide students with \$3800 by age 18 with which to plan for college.
- o Regulations would have to clarify how the Dream Accounts would be treated by the existing financial aid programs.

III. Consolidating Student Aid Programs and Providing One Clear Guarantee

Basic Description: The federal government provides approximately \$6 billion in grants and \$25 billion in guaranteed loans each year for higher education. As reported in the table below, the combination of various grants and loans already provide a considerable amount of aid to college students. However, surveys suggest that families consistently overestimate the costs of attendance and underestimate the available aid. Further, disadvantaged youth may be the least able to navigate the barriers posed by the student financial aid system.

Actual Tuition and Fees and Financial Aid at Public Institutions in 1992-93

	Public 2-Year Institutions		Public 4-Year Institutions	
Tuition and Fees	\$1211		\$3474	
Family Income: (Dependent Students)	Less Grants	Less Grants and Loans	Less Grants	Less Grants and Loans
\$ 0-19,200	\$291	\$108	\$725	-\$648
\$ 19,200-38,500	812	644	1897	737
\$ 38,500-57,700	1092	1026	2656	2012
\$ 57,700 +	1185	1126	3474	3190

Source: Department of Education tabulation of NPSAS, 1992-93.

Under the current system, students often must wait until they receive a financial aid package from a school before knowing whether they have the out-of-pocket resources required to afford college. Rather than keeping students and families in the dark and relying upon college financial aid officers to do the "packaging", the proposal would be to consolidate existing programs and make a simple "guarantee" of \$5000 per year for every undergraduate student, providing a different mix of grants and loans to students depending upon their family income. All families would be assured that they need not have to come up with considerable sums out-of-pocket. A guarantee of \$5000 would be sufficient to cover tuition and fees at nearly all public 4-year colleges.

Advantages:

- o Would help resolve families' anxiety about paying for college without costing any additional money.

Disadvantage:

- o If not presented as a consolidation and simplification of an otherwise complicated process, the proposal could sound like a simple rehashing of old policy.

Possible Variations:

- o As an alternative to consolidating existing programs, we could simply do a better job of explaining existing program rules through the media and through high schools.
- o The actual educational cost of a year at a public 4-year university is roughly \$12,000, not the \$3500 that states charge for tuition. A \$5000 guarantee is sufficient only because states provide large subsidies (on the order of \$40 billion per year). As more youth seek to attend college, states are looking for ways to stretch that \$40 billion subsidy as far as possible. An income-contingent loan program is an attractive alternative. However, it may be difficult for states to operate an income contingent loan program on their own. One variant would be to give states an option to "buy into" the federal income contingent loan program, allowing them to convert some of their subsidies into loan guarantees. For instance, the federal government could raise the guarantee to \$6000 for students in Alabama if the government in Alabama were willing to buy the loan authority for the extra \$1000 loan.

IV. Tax Credit for Working Students

Basic Description: Members of the group expressed interest in a tax credit on the earnings of students enrolled in school. Employed students under the age of 25 do not qualify for the Earned Income Tax Credit, unless they have children. Although we would need to work out more of the details, one option would be to provide these workers with a tax credit to support their efforts to put themselves through school.

Advantages:

- o The policy would be consistent with the goal of rewarding personal responsibility as well as offering opportunity.
- o The current financial aid formulae-- created with the traditional college-age student in mind-- penalize those with earnings before entering college. The Working Student Tax Credit would provide additional support to those attempting to support themselves.

Disadvantages:

- o The proposal may encourage an unknown number of students to work part-time, thereby delaying their graduation date.
- o The IRS would have to confirm student enrollment status.

A tax cut that would make sense.

KIDDIE CREDIT

By Matthew Miller

The deficit will hit \$300 billion early in the next century, held back only by Washington's latest seven- and ten-year promises to stop it. This doesn't even take into account the wave of baby-boom retirements that will start a decade from now, sending health and retirement costs off the charts and the red ink even higher. We're slipping the bill for a breathtaking \$14 trillion in unfunded entitlement promises to our kids, dooming them to huge tax hikes to pay for it all. In Washington this fall, our fearless leaders study these trends and reach the inevitable bipartisan conclusion: time for a big tax cut!

We shouldn't be cutting taxes, period. But if it's inevitable, we can come up with a better scheme than the capital gains giveaway and skip-the-poor child tax credit that now look likely. It's called "KidSave," and it's the brainchild of Senators Joseph Lieberman and Bob Kerrey, two of the few Democrats still trying to think rather than merely demagogue. With Republicans increasingly under fire about the size and regressive tilt of their party's own tax cuts, KidSave could emerge as the sounder alternative in a mad, mad Congress.

The idea is simple. KidSave would give parents a \$500 refundable tax credit per child each year if the money goes into an IRA-style retirement account set up in the child's name. In effect, it's a government-funded forced savings plan, which, thanks to the magic of compound interest, produces a hefty nest egg for junior to tap. Assuming an 8 percent annual return, \$500 invested yearly until a child is 18 would grow to \$750,000 by the time she was 65. At a 10 percent return (not uncommon in a diversified equity fund), she's a millionaire by 60. Kids might tap this fund to borrow for college; otherwise they'd draw it down tax-free at retirement and be encouraged to add to it, starting with their own childhood allowances, over their lifetimes.

There are problems with the idea, starting with its exorbitant price tag. With 68 million kids aged 18 and under, \$500 a year costs a whopping \$34 billion. At \$238 billion over seven years, that's close to the \$245 billion cut the GOP has pledged. Then there's the question of fairness. It's hardly "class warfare" to ask why taxpayers should set up trust funds for little Vanderbilts, who presumably have a few of their own.

The proposal's real virtue is pedagogical. It spotlights Americans' disastrously low rates of personal savings,

now stalled below 5 percent of household income, compared to nearly 15 percent in Japan and more than 12 percent in Germany. This savings gap starves business investment. It also puts retirement security at risk, especially with pension coverage shrinking and Social Security headed for its own financial Waterloo. Raising national savings is among the most urgent, if least sexy, issues facing our aging population. By giving this imperative a political peg this fall, Kerrey and Lieberman could jumpstart a much-needed public discussion about restoring the culture of thrift, from cradle to grave.

Since the KidSave credit would be refundable, the working poor would be eligible. The GOP's child credit, by contrast, goes only to those who pay enough taxes to use it. KidSave would promote savings and investment more than the GOP's capital gains illusion, which simply halves the taxes Leona Helmsley owes when she cashes in 10-year-old IBM stock to buy shares of Microsoft.

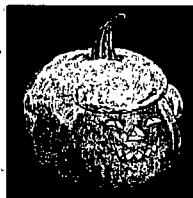
Since KidSave doles out fewer goodies to Republican voters and industry pals than competing schemes, the GOP reception will likely be lukewarm. What's more, forcing families to save their tax credit may strike the Freshman Phalanx as the dawn of a scary new paternalism that could bring us back to such McGovernick excesses as mandated motorcycle helmets and mine safety laws. One GOP tax staffer therefore predicts Republicans will dismiss KidSave out of hand, arguing that "families should use their own best judgment."

It's hard to object, except that Republican tax cuts that "let people spend the money the way they want" translate, when you see the fine print, into "let's get the money to *our* people and let *them* spend it the way they want." That same GOP principle, after all, is bringing us this season's abolition of Medicaid and AFDC guarantees for the poor, while windfall mortgage and Social Security entitlements for the well-off rise without scrutiny.

In the end, as with IRAs, it's hard to know if KidSave would really increase national savings. In theory, forcing a tax cut to go into a retirement fund should lift savings. But the result also depends on whether the deficit's drain on national savings is truly eliminated as part of the package that finances the tax cut, and whether this forced saving simply substitutes for whatever saving people are doing now. Because poorer people who'd be eligible don't save now, it's reasonable to expect that savings will rise. Still, even if the full \$34 billion a year is added to national savings, at .5 percent of GDP, it's at best a down payment on closing the thrift gap.

In an imperfect world, KidSave is better than current Republican plans. Ultimately a form of damage control, the proposal still makes a sensible, substantive point. That's more than you can say for most of what passes for policy innovation in the age of the Contract with America. Maybe one day we'll have a higher hurdle.

MATTHEW MILLER, a former Clinton budget official, writes on politics and economics.



PLANTING THE FUTURE

One
fifth of
the world
population...

1.3 billion people

...suffer hunger and

poverty. Dedicated scientists

everywhere are responding with a

fervent commitment to develop more

abundant, healthier, more economic crops. ♣

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Weizmann Institute of Science in Rehovot, Israel,

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research. For example, Weizmann scientists have used genes

from wild wheats native to the Fertile Crescent to achieve

dramatic improvements in the nutritional value of cultivated

wheats. Potato seeds developed at the Institute may produce

revolutionary disease-free crops of this crucial staple. Several Arab

countries rely on superior cucumber varieties developed at

Weizmann. Plant geneticists, chemists and mathematicians at the

Institute are cooperating to protect wheats from herbicide damage.

Together with Third World experts, Weizmann researchers are

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♣ Scientists in many countries are mobilizing new skills and

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diseases to chemistry,

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U. S. Department of Housing and Urban Development
Washington, D.C. 20410-0500

CONNECTING FATHERS TO YOUTH

Summary

Connecting Fathers To Youth would be an inter-agency initiative to connect young fathers to their children by providing them with the social services they need to support their children emotionally and the job opportunities to support their children financially. The program would stress reciprocity -- participation in the job training and placement component would be conditioned on participation in the counselling sessions and vice a versa.

Connecting Fathers To Youth recognizes the benefit of adopting a comprehensive approach to the problems faced by teenage parents and their children. The program builds on the success of various local initiatives that have pieced together different federal grants from different agencies to provide comprehensive services. The Healthy Start program in Baltimore began as a WIC program interested in the health of inner-city babies born to teen-age mothers. A focus on the child led eventually to a focus on the father of that child and the role he should/could play in the babies development and financial security. Healthy Start fathers are required to attend prenatal appointments, pediatric appointments and manhood, fatherhood and family development sessions. Drug dependency, gang involvement and unemployment are not only personal issues but also barriers to the fathers' ability to meet the needs of their children. Employment opportunities are key to the program's ability to address both the participant's own personal problems and the participants' financial responsibility for his child. HUD's lead abatement program became the vehicle for Healthy Start to provide employment opportunities to these fathers.

Connecting Fathers To Youth would reward and encourage locally designed comprehensive approaches to the problems faced by teen parents and their children. Economic opportunities for participants will be generated by targeting, for apprentice job training and placement, existing federal funding streams in poor communities. The apprenticeship program would bring together, as partners, unions, contractors, housing agencies and community institutions to provide participants with the training and support services to become union apprentices on contracts for lead abatement as well as public and assisted housing construction and rehabilitation. Funding for support services would come from Health and Human Services and other agencies.

Budget Estimate / Target

Targeted to inner-city youth in areas of ongoing public housing renovation and construction. Minimum additional budget for apprenticeship program which plugs into existing funding streams. It may require regulatory or statutory authorization to coordinate funding among agencies.

This is a coordination of existing initiatives to a targeted population group that plays into an oft repeated theme of the President, the role of responsible fathers.

Measurement against standards

- The initiative focuses on an essential member of the family that is often neglected. The two pillars of the initiative are responsibility and opportunity. We cannot merely call for teen fathers to be responsible when they have neither the life skills nor job skills to meet that challenge.
- Although the initiative does not eliminate the stovepipe funding, it does coordinate it so that different elements of the problem of teen parenting are addressed simultaneously. It also recognizes the value of utilizing federally funded contracts to address community concerns. When inner-city youth are apprenticed in HUD funded construction, they are directly benefitting from rebuilding their own community.
- The initiative offers HOPE not only to the participant father, but most importantly to his child. This incentive recognizes that the health and well being of children is affected by the presence or absence of a father. The President has described the absence of fathers from their children's home as "the single biggest social problem [in America] because it contributes to so many other social problems." A recent Urban Institute study echoed these same sentiments and noted that successful programs for inner-city youth are both comprehensive and stress role modeling, life skill and manhood/fatherhood training. The absence of strong fatherhood role models is compounded in poor communities where teenagers who themselves lacked strong role models are having children. Fathers to Youth seeks to break that cycle.
- The initiative depends for its success on local community partnerships. The initiative, while focussing on fathers and calling for comprehensive approaches to addressing the dual financial and social needs of parenting, would provide local communities with the flexibility to design their own program building on the strengths of existing organizations and local initiatives.

November 2, 1995

MEMORANDUM TO YOUTH INITIATIVE TEAM

From: Jeremy Ben-Ami

Subject: Next Steps

Thank you very much for your participation in Tuesday's meeting. The discussion was interesting and a number of ideas raised at the meeting seem fruitful for further development. As we discussed, the process from here is:

- o Designated lead agencies prepare 2-3 page proposals by Friday and distribute to the team listed on the following pages.
- o Comments due from the team to the lead by Monday
- o Revised drafts due to the DPC by Tuesday
- o Deputies meeting on Thursday
- o Issues/options to principals by Monday 11/13 – possible meeting to follow

Please see the attached list of ideas which attempts to summarize what was developed at the meeting on Tuesday.

Distribution:

OMB: Ken Apfel, Bob Litan, Steve Redburn, Barry White

NEC: Gene Sperling, Paul Dimond

CEA: Joe Stiglitz, Alicia Munnell, Tom Kane

OVP: Kumiki Gibson, Sheryll Cashin

Education: Frank Holleman, Mike Smith, Jessica Levin

HHS: Peter Edelman, Ann Rosewater

HUD: Bruce Katz, Michael Stegman

Labor: Tim Barnicle, Ann Lewis

USDA: Mary Ann Keeffe, Barbara Meister

National Service: Rick Allen, Susan Stroud, Cecilia Calvo

NPR: Elaine Kamarck, Bev Godwin

ONDCP: Fred Garcia

Treasury: Les Samuels

cc: Carol Rasco, Bruce Reed, Gaynor McCown

I. Expanding Youth Opportunity

Summary: Dramatic expansion of opportunity to pursue higher education. Perhaps a promise of two years of college through a refundable credit or other mechanism.

Option to be prepared by: CEA. One option already being developed by OMB/NEC/DPC/Treasury/Education working group.

Issues

Should there be a responsibility component? Should young people be asked to "sign a pledge/enter a compact" and then be asked to fulfill it over time to qualify?

Can this be tied to service?

Is there a job component so youth can be offered either college or a job?

Team: NEC (Sperling/Dimond); OMB (Apfel/White); DPC (Reed/Ben-Ami/McCown); Education (Holleman/Smith/Levin); Treasury (Samuels); CEA (Munnell/Kane).

II. Community Partnerships for Youth

Summary: Catalyze communities to join together to support their youth. Give them greater flexibility, and possibly incentives, to develop creative ways to provide safe havens, mentoring, other activities to help youth avoid drugs, gangs, teen pregnancy, etc. Involve a wide range of partners. Leverage private dollars.

Option to be prepared by: HHS

Issues

How broad a challenge: global – "all communities"; random number – 1000; other?

What mechanism: local partnerships? Who is in them? What requirement re private sector involvement? What about using school to work structures as a building block? Expand to more actors, more activities, larger age range?

What performance asked for?

What offered to communities?

1. Nothing. Bully pulpit, exhortation exercise
2. Flex funding – Hope University style (see Reinvention)
3. Block Grant funds? (see Reinvention)
4. Small "glue grants"

Can we target the tax credit in I. above to the kids in these communities?

Can this build on the School to Work structure – expanded age range, expanded actors, expanded focus?

Team: HHS (Edelman/Rosewater); DOJ (Bilchik/Robinson); HUD (Katz); Education (Smith/Levin); DPC (Ben-Ami); NEC (Dimond); OMB (Litan/Redburn, Apfel/White); Labor (Lewis).

III. School Reform

Summary: Are there bigger, bolder ideas that the President can lay out that build on GOALS 2000, but go beyond to incorporate greater choice, build on charter schools, and reward performance?

Options to be submitted by: Department of Education.

Options will include include a larger charter school initiative

Team: Education (Smith/Holleman/Levin); DPC (Reed/Ben-Ami/McCown); NEC (Sperling/Dimond); OMB (Apfel/White).

IV. National Service

Summary: Are there bold ideas for growing and supporting the National Service program? Greater private partnership? Taking over government funded and performed services?

Options to be submitted by: Corporation for National and Community Service. DPC may also develop some ideas.

Team: CNCS (Allen/Stroud/Calvo); DPC (Reed/Ben-Ami); NEC (Sperling/Dimond); OMB (Apfel/White).

V. **Fatherhood**

Summary: A large Presidential initiative to increase the involvement of fathers in the life of their children. One specific concept – building in a requirement in some government programs that men benefitting must demonstrate involvement in their children's lives.

Options to be submitted by: The National Performance Review and the Domestic Policy Council.

Team: DPC (Reed/Ben-Ami/McCown); OVP (Kamarck/Godwin/Harris); other affected agencies as appropriate.

VI. Reinvention

A. Flex Funding: Hope University -- OMB/Litan will submit proposal to both urban and youth group. Would permit percentage of some group of block grants to be flexed and given to non-profits.

Team: All affected agencies, NEC, DPC, OMB, CEA.

B. Youth Development Block Grant -- DPC will look at possible formulations.

Team: All affected agencies, NEC, DPC, OMB, CEA.

VII. Implementation

A. School to Work -- Paul Dimond will prepare a proposal on specifically how the School to Work framework can be used to enhance access to work opportunities for youth in distressed communities.

B. Coordination -- DPC and NPR will discuss how best to explore some of the implementation issues raised at the end of the meeting as modest proposals in areas such as coordinating applications, providing centralized information, etc.

THE WHITE HOUSE
WASHINGTON

GENE

Bruce

PAUL W

PAUL D

GANNON

Ken

Barry

Here are education,
ideas. Some boldness in
charter schools.

-Persing

Memorandum

DATA: November 3, 1995

TO: Paul Dimond and Jeremy Ben-Ami

FROM: Mike Smith & Jessica Levin, Department of Education

SUBJECT: Youth Initiative and Urban Strategy

Attached are four documents. The first three documents present initiatives around Charter Schools, Increased Life and Work Opportunities for Inner-City Youth, and College Work-Study. The final document, entitled YOUTH SOS, provides a framework for thinking about critical components of a Youth Development Initiative. We are providing each of these pieces to both of you, as they are worth thinking about both in the context of youth development and urban strategies.

Department of Education
Youth Initiative
Nov. 2, 1995

One-Line Title: Charter Schools Initiative

Substance of Proposal: Stimulate charter schools and other similar local public choice improvement strategies through a significant grant competition that starts out at \$100 million in the first year and climbs to \$500 million in the fifth year (Total 2.5 billion over seven years).

- o The federal requirements would be limited to compliance with the civil rights laws and a focus on children attaining high performance on state and local standards.
- o Grants would be used to provide "start up" funds for charter schools. The lack of start-up funds has been identified by charter school operators as the primary barrier to creation of charter schools.

Budget/Targeting: Three-year grants would be in the neighborhood of \$100 per child per year in a school. This amounts to roughly \$40,000 per year for an elementary school and \$100,000 for a secondary school. A \$100 million appropriation would cover 500 secondary schools and 1250 elementary schools. A \$200 million appropriation in the second year would provide second year grants to these schools and first year grants to an equal number of new charters. By the fifth year, we would be funding 2500 secondary schools and would have "graduated" (ie., already completed three years of grants to) 1000 secondary schools. 6250 elementary schools would be funded in the fifth year and 2500 would have already "graduated."¹

- o This phase-in strategy over the course of five-years would give states a chance to develop charter school provisions for their states.

Vision, FY97 Budget, Implementation: This initiative would involve a significant increase in the FY 1997 appropriation for charter schools. But simply increasing the appropriation will not be enough if the objective is to catalyze a nation-wide charter schools movement. Only 19 states have laws permitting charter schools, and most of those laws impose caps or other restrictions limiting the number of charter schools. Unless this changes, it is unlikely that there could be more than 525 charter schools by the end of 1996. With only 525 charter schools

¹ Currently, ED is providing start-up costs to some 230 schools, with approximately \$25,000-\$27,000 going to each school. At this lower per-school amount, obviously more schools could be supported.

nationwide, the maximum demand for start-up funds may not exceed \$30 million.

However, forceful use of the bully pulpit by the President and Secretary Riley could place charter schools at the center of education reform discussions, greatly accelerating both the pace of enactment of charter laws and the establishment of charter schools. This, in turn, could create a more rapidly growing demand for start-up funds from a burgeoning charter schools movement. The President and Secretary could:

- o Call for all states to consider enactment of charter school laws within 12 months.
- o Call for states with weaker laws to strengthen their charter laws, and to devise strategies for fostering the growth of many more charter schools in their states.

"Strong charter laws" are important, because they actually produce more charter schools. Currently, only nine of the 19 state charter laws are "strong" laws, and 190 out of the 200 existing charter schools are in six of those nine states. "Strong" provisions include permission for a variety of public authorities to grant charters, providing an appeals process when charter applications are rejected, providing greater autonomy to charter schools, and placing a less stringent cap on the number of charters that may be awarded.

- o Convene White House conference for teachers, parents, museums, business, universities, and others to start talking about how to establish charter schools around the nation.
- o Connect all charter schools to the internet within 18 months. Create an "electronic community" for charter schools around the nation, sharing ideas and lessons learned from one another. Include experts, and experienced practitioners on this electronic discussion.
- o Challenge the financial world to provide intensive technical assistance to charter schools in developing workable finance, budget, accounting, and payroll systems.
- o Expand the current charter start-up program to provide support for ongoing implementation, with special attention to professional development, developing effective accountability, and addressing the needs of children with special needs. Expanding the purpose of program would permit reasonable use of increased appropriation, even while the number of charter schools

is still relatively small.

- o The President can use the notion of charter schools to highlight such areas of interest as discipline, uniforms, back-to-basics, computer literacy, and character education, without actually calling on all schools to do these things. Charter schools can provide a mechanism for accommodating the variety of preferences and interests of American families and students within a particular community, while protecting the public nature of American schooling.

e. Conclusion: A bold appeal for more charter schools and expanded public school choice can bolster the President's calls for higher standards and improved public schools. This appeal reinforces the President's support for choice, grass-roots innovation, and competition, and it enables the president to simultaneously call for "shaking up the system" to improve education, and forcefully defend the importance of finding common ground through public schooling in America. This provides an important, and appealing, alternative to Republican plans for private school vouchers.

While the political roots of the charter schools movement are in the Democratic party, Republicans (like Governors John Engler, Tommy Thompson, William Weld) in many states have appropriated this issue. A presidential appeal can reclaim for the Democrats a promising reform strategy that was once their own.

Department of Education
Nov. 2, 1995

One-Line Title: Expanding Life and Work Opportunities for Inner-City Youth.

Substance of Proposal: This initiative would dramatically expand life and work opportunities for our neediest youth through intensive focus on the 1000 secondary schools located in the most needy inner city and rural areas. We would provide to each school approximately one million dollars per year. And we would have a clear set of performance goals and expectations for each of them, tied to what we know can help them succeed in life and work.

In effect, we would have a performance partnership with each school. The emphasis would be on three things: academics, job preparedness through School to Work, and individual responsibility [partly through community service]. Mentors, opportunities for service, and building connections with employers and the community would be among the mechanisms used. We could emphasize what we know about improving secondary education -- small schools, personal attention, integration of academics and practical education. Title I and Vocational funds could be used to help reform the academic side of the schools. And goals and performance measurement would be looking for increases in graduation rates, college going, jobs, and services and decreases in pregnancy rates, drug use and violence.

- o The effort would be heavily coordinated with HHS, the Safe and Drug Free Schools programs, School-to-Work, vocational education, and the empowerment /enterprise zones.
- o We have developed a variety of specifications for an effort of this sort over the past three years.
- o We are already in the process of developing state and local plans, national infrastructure and models around School to Work. This work is well underway under the School to Work banner and could be very useful.

Budget/Targeting: The initiative would target 1000 secondary schools in poor communities in greatest need. It would provide \$1 million to each school for a total cost of \$1 billion per year.

Purpose for 1996: Implementation; FY97 budget.

Contribution to Overall Goal: This initiative can bring secondary school reform and school-to-work transition systems to the neediest schools and youth. If successful, it will provide every child in those schools with challenging academic content

and high-quality work-based learning experiences; forge long-lasting connections between teens and a range of adults (ie., mentors, employers or community role models); and catalyze the kinds of efforts that will lead even the neediest kids to college, the world of work, and a life of responsibility. In turn, the powerful approaches in these 1000 schools can stimulate additional reform in other needy secondary schools across the country.

Conclusion: This initiative focuses on the implementation of one of the President's critical legislative successes -- school-to-work. But it does far more. It reinforces themes frequently expressed by both the President and Secretary Riley: themes of mentorship, high academic standards, responsibility and work. And it provides a vehicle for making sure these themes become a day-to-day reality in the lives of the poorest communities and the neediest children.

Department of Education
Nov. 2, 1995

One-Line Title: College Work-Study Proposal.

Substance of Proposal: Increase College Work-Study by 50% over a three-year period of time.

- o Work-Study has been shown to increase the odds of students staying in college more so than grants or loans.
- o Some of the funds could be used for activities providing service to the community.
- o Our investment in Work-Study has not increased at all over the past few years as the number of eligible college students has increased.

Budget/Targeting: This would amount to three years of \$100 million increases.

Purpose for 1996: FY97 budget.

Contribution to Overall Goal: This would enable far more students to complete college. It also directly supports the President's "opportunity - responsibility" theme.

YOUTH SOS: SAFETY, OPPORTUNITY & SUPPORT

CRITICAL ELEMENTS FOR SUCCESSFUL YOUTH DEVELOPMENT

Prepared by: Department of Education for the Domestic Policy Council

This summary outlines what we believe are critical components for any framework aimed at youth development. As opposed to focusing on methods of service delivery (e.g., flexible funding streams, block grants, devolution), we have chosen to summarize various initiatives, including ideas that have been previously developed by this administration, into a framework that focuses on the essential elements that all youth need in order to develop into productive, contributing members of their communities.

► **A Caring & Supportive Adult in the Life of Every Child**

There is a critical need for all youth to have safe and supportive environments and long-lasting connections to adults.

Supporting parents' involvement in their children's educations and standing with families in their struggle to do the "right" thing, in order to provide a strong foundation of parental support starting in the early years of life and continuing through at least the high school years. Provide intensive support for parents, particularly young mothers, to learn how to work with their children, as well as encourage family-friendly environments in the work place and in schools to keep parents and teachers working together on behalf of students in the adolescent years.

Example: Expand the Department of Education's Family Involvement and Read*Write*Now Initiatives which stress parent/adult/community involvement in children's education.

Ensure that youth have sustained, nurturing relationships with adults by promoting mentoring in the contexts of academics, recreation, community service and work.

Example: Expand School-to-Work, service/learning and Title I in middle and high schools with after-school enhancement programs.

- **Schools that Rigorously and Effectively Teach Students the Basics and Advanced Skills**
Healthy youth development requires both learning to high standards and developing responsibility and social norms for further education or the world of work. Goals 2000, Titles I and II of the Elementary and Secondary Schools Act and School-to-Work provide the basis for reforming middle schools and high schools, targeting resources at high-poverty schools, and creating a system for bridging the school-to-work transition. Continuing to support increased funding for these initiatives is essential:

Spurring K-12 education reform: Make a substantial commitment of federal funds to go to local schools in support of their efforts to raise standards of achievement and discipline. The funds can be channeled through existing authorities: Goals 2000, School To Work, and Professional Development.

YOUTH INITIATIVE

SCHEDULE

Tuesday, October 31 Brainstorming
 Agreement on Ideas to be pursued
 Assignment to develop ideas further

Friday, November 3 (c.o.b.) Draft Proposals to teams

Tuesday, November 7 Final drafts to DPC

Thursday, November 9 Deputies Meeting

Friday, November 10 Options/Issues to Principals

Tuesday, November 14 Principals' Meeting

Options/Issues to President

FORMAT FOR PROPOSALS (2-3 pages)

- Ⓐ Simple Title
- B. Summary of idea
- Ⓒ Budget estimate – how targeted (if targeted); how phased-in
- Ⓓ Is this "vision", FY97 budget, or implementation of existing initiatives?
- E. How does this initiative measure against four standards:
 - Does this reinforce values message (responsibility and opportunity, community, family)?
 - Does this avoid problem by problem "stovepipe" solutions?
 - Does this offer "hope" or is it an after-the-fact problem solver?
 - Does this "break through"?

THREE CATEGORIES

1. Efforts to help youth earlier – before they drop out, get pregnant, need jobs, etc.

(A) Community coalitions building Safe Passages for Youth (HHS)

1. Fund limited number of communities to provide comprehensive array of services. Measure indicators of substance abuse, gang involvement, teen pregnancy, health indicators, graduation, jobs, etc.
2. Glue Grants – more Prevention Council grants (HHS)
3. Dramatic Mentoring Challenge (ONDCP, Education, HHS)
– A caring and supportive adult in the life of every child
4. Safe Havens (Education)

B. School Reform

1. Dramatic funding increase for school reform (Education)
2. Dramatic expansion of Charter Schools (NEC, DPC, Education)
– performance based funding?
3. Assume Education Technology]

(C) Reconnection of Fathers to Youth

1. Conditioning participation in job training, education, employment, other programs on a father agreeing to provide economic and emotional commitment to his children (HUD); tie in to child support (USDA)

(D) Presidential Message:

1. Safe Passages (HHS), unified communication strategy (DOJ, ONDCP)
– Need language that ties all the initiatives of the administration together – State of the Union and framework for agencies to discuss their initiatives

WIA AND
TLEDS

Prevention
Creating an
Environment
Community-Focus

2. Efforts to assist youth in the transition from high school to a productive future (job, further education, training, service, etc.)

~~A.~~ Something to Say Yes to: universal promise of college, job, etc. in return for promise to finish school, play by the rules, etc. (DPC)

1. Refundable tuition tax credit (NEC, Treasury)
2. Building community partnerships to support youth (HHS, NEC)
3. Private partnerships to match credits (ONDCP)
4. Clear Pathway Through College or work (Education)

B. Dramatic Expansion of National Service

- Contract w/ community*
1. Tie to funding for further education?
 2. Tie to high school graduation (ONDCP)
 3. Creative ways to build on private/non-profit sectors?
 4. Universal public service draft? (ONDCP)

C. How to help youth in distressed areas who are traditionally most difficult to reach find jobs

1. Opportunity Zones for Youth (DOL)
2. Making School to Work work for all youth (NEC) * Paul Diamond

3. Reinvention efforts

A. Block grant/Performance partnership for youth

- Opportunity to
4050- was
based on
measuring
proposals
for funding*
1. Do we support some version of the Youth Development Block Grant (CEB, DPC)

Flex funding: Hope University or similar framework

Bob/ Peter will flesh this out

Enhanced waiver/state and local flexibility - Hatfield bill

4. Modest proposal for federal agencies to work together (HHS)
(see also DOJ proposal)

- inventory programs, identify how funding being used
- create integrated federal TA effort
- simplify federal assistance: catalogue of programs with application dates, applications?, one application?, simpler auditing?

← Communication strategy, awards ceremony, possibly incentive grants, ta funds

How do we try within existing law

- Susan Howard

- Paul Diamond

TUESDAY---OCTOBER 31, 1995

CALLS

CHERYL SULLIVAN

✓NANCY ANN MINN

✓COALITION OF ESSENTIAL SCHOOLS

SCHEDULE:

10:00 - 2:00 YOUTH MEETING---THE WHITE HOUSE CONFERENCE CENTER

9:15 - BUDGET MEETING

TO DO:

MEETING FOR WEDNESDAY

- call Lisa T. re/Drinks tonight

- get memo for Federal meeting done

SUSAN -

I just got

YOUTH INITIATIVE AGENDA

10:00 Welcome/Overview/Introductions

Outline of Youth Process

Framework for Consideration

- Universal vs. Targeted
- Prevention/Transition distinction
- Big Ideas vs. FY97 initiatives vs. Implementation

10:30 Breakout Sessions

Prevention Strategies -

Transition Strategies -

Before young people get into trouble

Leading HS

*Early Adolescence
late Adolescence*

11:30 Full Group Discussion of List of Ideas to be Pursued

- Assignments
- Team designations

LUNCH AVAILABLE

12:15 Reinvention strategies

- HOPE university/flex funding
- Youth Development Block Grant
- Other

1:00 Implementation strategies

USDA

Youth Initiative Proposal

Category: 3--Strategies that better utilize existing programs, use existing waiver authority, and build on legislative changes that will increase local flexibility.

Proposal: Child Support

The Food Stamp Program is taking steps to increase the amount of child support paid to needy children.

Effective October 1, 1995, State agencies are required to allow a deduction from income counted in determining food stamp eligibility and benefits for legally obligated child support paid to a nonhousehold member. The deduction is allowed only if the noncustodial parent is actually paying child support. This deduction encourages payment of child support by providing additional food assistance to the household to compensate for the loss of income which goes to support a child in another household.

Under pending legislation, which the Administration supports, State agencies would have the option of requiring cooperation with the Child Support Enforcement (CSE) program under Title IV-D of the Social Security Act as a condition of eligibility for food stamps. The legislation would permit States to require food stamp applicants or participants who live with and exercise parental control over a child under 18 who has an absent parent to cooperate with CSE in establishing the paternity of the child and obtaining support for the child or the child and the custodial parent. The legislation also gives State agencies the option of requiring the putative or identified noncustodial parent of a child under 18 to cooperate with CSE in establishing paternity of the child and in providing support for the child as a condition of eligibility for food stamps. Only the individuals who refuse to cooperate may be made ineligible under this provision; the children remain eligible if otherwise eligible.

Youth Initiative Proposal

Category: 3--Strategies that better utilize existing programs, use existing waiver authority, and build on legislative changes that will increase local flexibility.

Proposal: Extend Team Nutrition to 10-18 year olds

Team Nutrition's mission is a key component of USDA's School Meals Initiative for Healthy Children, to improve school meals and promote the health and education of America's school children. Leveraging government resources through public-private partnerships, Team Nutrition promotes food choices for a healthful diet through the media, schools, families, and the community.

To date, efforts in Team Nutrition have focused on children in grades K-5 (ages 5-10) developing in-classroom activities and in-school promotions designed around three messages: Expand the variety of foods in your diet, add more fruits, vegetables, and grains to the foods you already eat, and learn to construct a diet lower in fat. The efforts of Team nutrition are designed bring nutrition messages to children in a language they understand while strengthening social support for children's healthy food choices among parents, educators, and food service professionals. Team Nutrition is designed to empower children to make healthy food choices for themselves.

In expanding Team Nutrition to older children in the age 10-18 range, USDA will emphasize the contributions of nutrition and physical activity to a healthy lifestyle. Similar to the activities for younger children it will develop delivery mechanisms through media that children use every day and in language that they speak. Efforts are underway now with a major corporation of comic books read by this age group as well as a large educational products development and distribution firm to provide in-class materials; efforts are also being formulated to develop a sports-related program as well to emphasize the joint contributions of nutrition and physical activity.

USDA

Youth Initiative Proposal

Category: 2--Possible youth-related budget initiatives in the FY97 budget.

Proposal: WIC Full Funding and Increased Participation

The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) provides supplemental foods, nutrition education and improved access to health care in order to reduce and prevent the incidence of nutrition-related health problems during pregnancy, infancy and early childhood.

The Clinton administration's continued support for the WIC Program is evidenced by the commitment to fully fund the program, which will allow more nutritionally at-risk, low income pregnant, breastfeeding and postpartum women, infants and children to be served. President Clinton's budgets have consistently increased funding for WIC, as noted in the following table.

Fiscal Year	Clinton's Budget (in billions)	Actual Appropriation (in billions)	Average Monthly Participation (in millions - rounded)			
			Women	Infants	Child	Total
1993	\$ 2.84	\$ 2.86	1.37	1.74	2.81	5.92
1994	\$ 3.29	\$ 3.21	1.50	1.79	3.19	6.48
1995*	\$ 3.56	\$ 3.47	1.57	1.82	3.50	6.89
1996	\$ 3.82	\$ 3.73	No estimates available, but further growth is expected.			

* FY 1995 participation estimates are year to date as of August 1995.

Currently, approximately 23 percent of WIC's total participation are women. Of that total, about one half are pregnant women. Based on available participant characteristics data from 1994, about 27 percent of pregnant women served by the WIC Program are under the age of 20.

WIC has been successful in reaching pregnant teens. From 1992 to 1994, the percent increase in pregnant teens enrolled in WIC has increased about 5.5 percent, from approximately 225,000 to 237,000 participants. Additionally, the percent of teens reached in the first trimester of pregnancy in 1994 was about 40 percent, which is slightly above the national average of enrollment of all ages in the first trimester of pregnancy of nearly 37 percent.

USDA

Youth Initiative Proposal

Category: 3--Strategies that better utilize existing programs, use existing waiver authority, and build on legislative changes that will increase local flexibility.

Proposal: Bringing WIC to School

USDA has advocated for "one-stop" shopping and integration of nutrition and health care services, using WIC as the central unifying theme, for many years. Recently the Center on Budget and Policy Priorities (CBPP), a Washington-based nutrition and health advocacy group for low-income populations, has focused on the concept of placing WIC and maternal health care clinics in junior and senior high schools. CBPP, in conjunction with "Advocates for Youth", an adolescent health advocacy organization in Washington, D.C., in September of 1995 released the report, "Bringing WIC to School."

WIC is considered to be one of the most successful government health and nutrition programs. Studies have shown that WIC reduces low birthweight, infant mortality, and iron deficiency anemia, and that pregnant women have the most positive health and birth outcomes when they are introduced into WIC and prenatal care early in their pregnancies.

Teens are less likely than older women to seek any prenatal care, and when they do, it usually comes later in their pregnancies. CBPP data indicate that 12.7 percent of all women who give birth are teen mothers, yet these teens represent 22.1 percent of those who receive no prenatal care.

One important way that CBPP is advocating to insure that pregnant teens get prenatal care and begin it early is by making WIC accessible to students. This can be done by providing WIC and other prenatal health care services in infirmaries or health facilities on school grounds. Pregnant teens would not have to take time off from school to benefit from WIC.

School-based WIC clinics exist in some areas with great success. The most successful clinics in terms of healthy birth outcomes are likely to be ones that offer comprehensive prenatal services. Thus, this model could be promoted not only through the WIC Program, but also through the Department of Education, the Maternal and Child Health Bureau of DHHS (MCH), and other interested entities. Additional funding specifically for this purpose or for the purposes of extending access of WIC and other prenatal services to adolescent teens would facilitate this effort. If additional funds are not made available, efforts to promote school-based prenatal services could be made a priority through legislative requirement. Without additional funding to accompany the effort, however, this initiative would displace expenditures of WIC, MCH and other funds for other worthy purposes.

USDA

Youth Initiative Proposal

Category: 3--Strategies that better utilize existing programs, use existing waiver authority, and build on legislative changes that will increase local flexibility.

Proposal: Health Passport Project

The Health Passport System envisioned by the Western Governor's Association (WGA) will demonstrate how integrated electronic technology can increase access to health care for mothers and children, including teen parents, by combining individual electronic benefits with a portable health record. This project includes five Western States: Idaho, Montana, Nevada, North Dakota, and Wyoming.

As of now, the WGA has completed the Feasibility Study and System Design for Health Passport. Findings indicate that the health passport is fully viable. The technology recommended for pilot applications in the Western States will be a hybrid card featuring an integrated circuit chip (smart card) and magnetic stripe.

A "smart card" is a plastic card with an integrated circuit (IC) chip embedded in it. The element that makes a chip card "smart" is a microprocessor which acts as a computer with substantial memory and protection from unauthorized tampering. Smart card technology differs from current standard magnetic stripe technology by providing 1) additional data storage on the card and 2) portability of processing and data "ownership" on the card carried by the client.

Wyoming has implemented an electronic benefits transfer (EBT) system which uses smart card technology to deliver food stamp and WIC benefits and to facilitate the exchange of client data with other WIC Program clinics. Wyoming WIC with WGA submitted a successful application for Special WIC Funding to FCS to demonstrate linking the current EBT system with Health Passport.

In essence, Health Passport is using the chip as a portable health data base to empower clients to be more responsible for their health care and to enable public and private Maternal and Child Health service providers to work more efficiently with clients who can provide current health data via the card. The chip card will be a wallet-sized information system. The demonstration in Cheyenne will link WIC with Early and Periodic Screening Diagnosis and Treatment (EPSDT), Immunization, and Head Start together with public health, and the two major private medical providers in Cheyenne: the Cheyenne Children's Clinic and the University of Wyoming Family Practice Medical Residency Program. Teenage mothers will be among the WIC clients using the Health Passport System. WGA is currently pursuing funding for the pilot demonstrations as detailed in the Feasibility Study for the four other Western States.

ADDENDUM TO HHS SUBMISSION FOR 10/31 YOUTH MEETING

FROM: Peter Edelman

Re: Mentoring

Both education and ONDCP mention mentoring. I would like to put back on the table the “million mentors” conversation that we began to have a little over a year ago. This is a bold idea that would cost very little. It fits with themes of public-private partnership, and community and individual responsibility.

We had two mentoring ideas last year, and others might emerge:

1. Federal formula funding for every city (what about counties?) with a population of more than 100,000(?) people to have a mentoring center. The size of the grant could vary with population size, and a local match could be required. The purpose would be for each local center to be a stimulus and switchboard for involving all relevant segments of the local community in mentoring activities. The center would provide technical assistance and quality assurance activities.
2. Federal formula funding for teams of three to five people to be situated in the one thousand lowest-income middle and high schools to broker mentoring and other community resource connections for students in those schools. Americorps, VISTA, and RSVP could possibly supply some of the team members.

Those two ideas are not mutually exclusive.

JUST SAY YES

This is a proposal for the President to lay out a vision for what we as a nation promise our young people about their future in the next century. The core of the idea is to promise a college education or a job to every child in this country who finishes school and plays by the rules -- something to Say Yes to.

Underlying so many of the problems facing young people today (teen pregnancy, school dropout, gang violence, etc.) is a lack of hope for the future. Involvement in behaviors with negative consequences in the short run can often be linked to a lack of belief in the existence of a longer run with more positive potential.

Under this concept, the President would lay out in the State of the Union a promise he wants to make to every high school graduate in the 21st century -- essentially beginning with this year's eighth graders: Stay in school, work hard, and play by the rules and your country promises you the reward of a college education or a job.

Specifically, every (sixth/seventh/eighth?) grader would be asked to sign a pledge to graduate from high school, stay out of gangs, not parent a child, understand the dangers of drugs, alcohol, and cigarettes, and maybe even participate in community service. The goal conceptually is to find a way to tie together many of the messages we deliver to young people - which are mostly negative: don't drink, don't smoke, say no to drugs and to sex - by giving them something to say yes to.

Main Issue for discussion: What do the promises mean?

Young People: How specific should a pledge be? What behaviors should it list? How binding? Would teenage mothers be punished - probably not?

Promise of College: Is it just access? That may exist now. Is it two years free (refundable tuition tax credit)?

Promise of a Job: What would this look like? Where does this fit with school to work? Tie in with Labor ideas re targeted job creation?

DPC -- Youth Initiative

PREFACE STATEMENT

Given:

- There will be less money available for discretionary and demonstration programs. (And the number of separate programs makes the Administration vulnerable to partisan criticism that much is being spent without adequate coordination.)
- Federal agency staff will be smaller, potentially requiring a significant shift in the Federal role.
- Resource allocation discretion will be transferred, in large part, to the states. The relative visibility and accountability of state discretion is uncertain and by no means guaranteed.

Why a Youth Priority is important:

- The social and political will must be found to turn around the life circumstances of growing numbers of our young people --
 - to intervene with the vulnerable before they become discouraged;
 - to intervene with the discouraged before they become hopeless;
 - to intervene with the hopeless before they become dangerous.

Costs and difficulty increase with each successive level.

- We can act out of altruistic consideration for our young, out of pragmatic concern for the social order, or out of growing awareness that a safe and prosperous future is not guaranteed.

I. BOLD NEW IDEAS

I. PAGE 1

How a Youth Priority Could be Established

- Simple discussion is essential. What is needed is a new way of thinking; not another new thing to think about.

Federal Agencies and the American people need a unifying structure and grammar to explain the problems and understand the importance and interrelationship of separate interventions.

Administration initiatives already ongoing can be drawn upon to provide the needed grammar. The basic message is not that we have done a lot of things, but rather that the things we have done accumulate into a better understanding and a more extensive impact.

- The National Structured Evaluation of drug prevention programs, the report of the President's Crime Prevention Council, and the Juvenile Justice National Report and Action Plan generally adhere to a three-tiered understanding of the problem -- at base, community-wide and environmental actions; at the next tier programs to impact knowledge and attitudes; and at the top, programs that intervene with problem and risk behaviors.
 - Specific programs focus on each tier. For example, DOJ's Communities that Care focuses on the protective factors against drugs and violence, as do immunization programs, and programs to remove vending machines from areas where youth congregate. Safe and Drug-Free Schools classroom programs focus on knowledge and attitudes, as do programs like DARE. Finally, student assistance programs and focused counseling and treatment programs focus on early manifestations of problem behaviors.
 - A clear structure is needed for the presentation of programs, so that their specific contribution is clear and they are not seen as interchangeable with or duplicative of programs addressing other tiers.
- The recommended approach is to make visible the fruits of initiatives already launched and to show how they serve to guide a well-grounded focus on youth.
- In other words, stable, certain, knowledgeable leadership, tied to the American people's most concrete concerns -- crime, job security and the economy, health care security -- is likely to be received more favorably than another bold, new initiative.

Some Specific Components

Public Service

1. Service-Learning High School Graduation Requirements

Showcase Maryland as the national leader in this program to encourage both community and citizenship.

Call upon all states and school districts to follow Maryland's lead -- such programs should be the norm, not the exception.

2. Partnerships in Education

- To provide short- and long-term incentives for youth, educational credit could be earned for certain work and negotiable vouchers to apply toward higher education tuition.

Partnerships could be established with higher education institutions, local unions, local chambers of commerce, professional associations, state and local governments (e.g., fire, police) and private firms, for each to set aside one entry/intern slot.

At the Federal level, local and private efforts could be matched by the Forest Service, the Public Health Service, the National Park Service, etc.

3. Mentoring Challenge

- Challenge youth serving organizations (PTA, Big Brothers) with a one-for-one match, Federal employee volunteer for each local volunteer -- incentive, match up to two days of leave per month with one day of administrative leave for purpose of volunteering.

4. Other Challenges

- Cite Father George Clemens -- One church/One Child, One Church/One Addict programs -- and challenge each church to adopt one block. Learn the peoples' names, clean up the trash and graffiti, monitor the block to maintain the condition.
- Similar challenge to local radio stations. Adopt a block promotion -- nominate, clean up, hotline, alert to follow-up.

II. FY97 Budget Initiative

II. PAGE 1

1. Universal Public Service Draft

The republicans have not been timid in their attack on Federal support for programs.

It appears that the only way to avoid significant steps backward is to get beyond programs and mount a comprehensive effort to bring our diverse young people together, provide common goals and unleash their energies on needed public projects, and provide lasting habits and skills in learning, working, saving, and planning.

Such service would not be limited to the military. Major infrastructure problems must be attacked, national forests and parks need tending, labor-intensive, solar energy experiments await. A formidable list of real national priority actions could be created in short order.

The campaign would be a good opportunity to launch a national debate.

2. Creating Critical Consumers

A modest budget initiative could launch a Media Literacy campaign, to equip young people with critical viewing and reading skills and enable them to better deal with the messages of TV, movies, and videos and to prepare them for positive journeys on the information highway. We can draw upon the experience of national campaigns in Australia and Canada.

III. Existing Programs / BARRIERS

III. PAGE 1

- Poll PACT sites and Federal partners; Federal, State, and local Oregon Option participants, and other Federal/State efforts to gather information on: concrete examples of more effective program use; specific obstacles that should be addressed.

One major, Federally-inspired obstacle to progress is the tendency to create community program infrastructure -- like community anti-drug partnerships and coalitions -- allow them to atrophy through short-term, shrinking grant support, then restart the cycle by creating them once again.

III. PAGE 2

- Generate explicit outcome targets for the states, linked to and organized within the three-tiered structure. For example, quantified targets for: prenatal care access, neo-natal care access, immunization, nutrition, school-readiness.

ODR:ONDCP:10/26/95

I. IMPACT OF THE NATIONAL EDUCATION GOALS

A. INTRODUCTION --- GOV. BAYH

- 1995 represents the mid-point of the Goals process.
- Began in Charlottesville in September, 1989 with the Education Summit
- National Education Goals announced in February, 1990, and adopted by the nation's governors
- In addition to setting educational objectives for the nation, the Goals process identified central themes that were to guide it -- they are **vision, consensus and accountability**

B. VISION --- GOV. BAYH

- We recognized that the world was changing.
 - The information age was reshaping every aspect of our lives.
 - Economic competition was now international and the survival of our economic system required working smarter.
 - The survival of our democratic system was dependent on informed participation by well educated citizens.
- To meet these challenges, America needed an educational system second to none, one that was capable of educating our citizens to significantly higher levels than now.
- Reaching this end would require revolutionary change, but the revolution would have to be a bottom up, grassroots effort.
- The national effort could help frame the issues and build public awareness and will.
- Within the states, governors, legislators, education leaders, businesses and others would have to set goals and standards, develop assessments, and restructure the educational system to foster innovation at the local level.

- At the local level, students, parents, the public, educators, businesses, civic leaders, and other stakeholders would have to accept responsibility for providing the best possible education. They needed to set goals that reflected local needs and aspirations; to develop the plan that would lead to achievement of those goals; and to commit the energy and resources of the community to that end.
- Central to this vision was a belief that individuals with different constituencies and different points of view would be able to reach consensus on those aspects critical to achieving the vision.

C. CONSENSUS --- SEC. RILEY

- Throughout the Goals process and at all levels of governance we have, time and again, witnessed the willingness of individuals to set aside their differences in order to come to agreement on issues critical to the educational needs of our children.
- The Summit and the creation of the Goals were themselves examples of consensus building.
- We have seen at all levels of governance a willingness to sustain the Goals process despite changes in political leadership and other alterations in the landscape that over time usually derail policy initiatives.
- It is good to remind ourselves that, even in today's more fractious political climate, there are certain essential items around which we have consensus:
 - we all agree on the need to improve education in America and that all of our children can and must learn to higher levels;
 - we believe that the goals established nationally, in the states and in our communities represent a reasonable vision for improving education;
 - we believe that rigorous academic standards are an important part of improving education;
 - we believe that leaders at all levels must contribute to the Goals process, but that the most critical work will take place in our states and communities;
 - we know that reaching the Goals will require a concerted and committed effort on the part of whole communities -- parents, the public, political leaders, educators, businesses, civic organizations, churches and all others who can help;

- and finally, we know that we will need to assess student progress toward the Goals and standards and that political leaders and schools must be held accountable for results.

D. ACCOUNTABILITY --- GOV. WHITMAN

- the critical piece of the consensus reached in Charlottesville was accountability.
- Once we have created a vision and reached consensus on the Goals, standards and other actions we must take, we must track our progress and those who have responsibility for educating our children, political leaders and educators, must be held accountable for success.
- This is one of the primary functions of the Goals Panel and the reason for the report we are releasing today.
- But we must also accept responsibility and be accountable in our states and communities. This means:
 - that in addition to developing standards, we must develop assessments linked to those standards that can track student progress toward reaching them;
 - the assessments we create must be a part of a larger information system that also provides information on individual student progress in a timely and efficient manner to parents and educators;
 - that if we want parents, the public, businesses and others to be partners in the effort to improve education, we must be willing to provide them with solid information about our progress.
- If reaching the Goals depends on the involvement of a broad base of partners, we need to consider what forms of accountability would apply to the partners. What is the accountability of parents? of community stakeholders? of students themselves? These questions should be an important part of a on-going dialogue that takes place within our communities and within our schools.

II. Progress to Midpoint

A. National Data Summary -- Bingaman and Rasco

Sen. Jeff Bingaman: As Gov. Bayh remarked earlier, this report marks the midpoint in an unprecedented national, state and local attempt to reform and renew education through achievement of the nation's National Education Goals.

The fifth annual report represents a chance to reflect on progress made since the 1989 Education Summit and the adoption of the Goals in 1990. There has been some substantial progress at the national level and in the states. For example, national Goal 1 Ready to Learn indicators show considerable progress.

- From 1990 to 1992, the percentage of mothers receiving prenatal care in the first trimester increased from 76% to 78%. Increases occurred across every racial/ethnic group.
- And, during the same period (1990-92) the percentage of children born with one or more health risks decreased from 37% to 35%. This reduction represents a difference of at least 64,200 children born with a healthier start.
- This is significant progress. Positive trends with these indicators will lead to progress of other indicators in years to come.

Carol Rasco: There has also been encouraging progress in academic areas:

Goal 1
None of
Family/Community
Key

- Mathematics achievement at grades 4 and 8 has increased.
- The national participation rate in the Advanced Placement examinations climbed from 1991 to 1995, particularly in core subjects such as English, mathematics, science and history.
- The number of undergraduate and graduate sciences degrees awarded for both men and women and in each racial and ethnic group increased from 1990 to 1993.
- And, more adults reported taking adult education courses in 1995 than in 1991.

Carol Rasco: But there are areas in which we need to improve.

- The high school completion rate has remained relatively constant at 86% since 1990.
- Reading achievement at grades 4 and 8, an mathematics achievement at grade 12 have remained at constant levels.

- And, there is still a significant gap between white and minority students in colleges enrollment and completion rates.

Sen. Jeff Bingaman: Finally, there is disturbing news related to Goal 7: Safe, Disciplined, and Alcohol- and Drug-Free Schools.

- Overall use of drugs, particularly marijuana, increased in grades 8, 10 and 12. From 1991 to 1994, at-school drug use also increased among 8th and 10th graders. During the same time, 8th and 10th graders' disapproval of binge drinking also declined.
- And, while fewer students report being threatened or injured at school, a larger percentage of public school teachers reported being threatened or injured by a student from their school in 1994 than in 1991.

B. State Data Summary -- Barnes, Coggs & Jones

Rep. Coggs: There is also encouraging news from the states in a number of areas.

- Prenatal care in the first trimester -- a key Ready to Learn indicator -- has improved in 45 states and District of Columbia since 1990
- In terms of student achievement, more than 40 states had an increase in the number of students earning grades of 3 or higher on Advanced Placement exams in English, history, mathematics and science -- scores generally high enough to earn college credit.

Rep. Coggs: But there is also some areas where the news is not encouraging.

- For instance, the percentage of 8th graders scoring at the proficient or advanced levels on the NAEP mathematics assessments increased in only nine states from 1990 to 1992.
- And, only three states came close to the three highest performing countries on an international mathematics.

Rep. Barnes: One final but important piece in continuing the positive trends and reversing the negative ones is the role that families and communities play in achieving the Goals. This is the focus of Goal 8 -- the establishment of partnerships to increase parental involvement in schools and is a theme of this year's report. The Panel has done a great job in looking at how these partnerships work and the positive change they have generated in many of our communities.

Nationwide, there have been a number of family-school-community partnerships established in this decade that are having a real and lasting impact on our students. In community after community, we are finding that these partnerships are having a dramatic, positive effect on student test scores, student achievement rates, class attendance rates, student graduation rates and student behaviors and attitudes. For example in North Carolina ... (cite example).

Rep. Jones: If I can underscore that point. It is these partnerships that fuel success in many other ways. They are a sure route to helping us achieve the other seven Goals. In Idaho, these partnerships (cite example)

C. Summary -- Romer

Gov. Romer: I think it is these kind of partnerships that demonstrate the galvanizing impact the Goals have had on our states and communities. The Goals were and are intended to focus public attention on the need to improve learning for all of our children; to build a nation of learners; and to serve as guideposts to gauge our progress.

At the midpoint, I think we can say we are succeeding in many ways. The Goals have been the point of departure for thousands of state, community and school-based education improvement efforts. These efforts have led to innovations in teaching and learning; increased levels of community and parental involvement; higher standards and better assessments, increased involvement from business and industry; and a renewed emphasis on professional development for educators.

These are major achievements. There is no doubt that we must accelerate our progress if we are going to reach the Goals by the year 2000. However, the progress we have made up to this midpoint is significant.

D. BAYH INITIATIVES - KEN NELSON

- Bayh expanded efforts in data collection for the annual report to benefit states, communities and policymakers
- New core indicators created on postsecondary enrollments, math and science degrees and high school completion and recommendations for the states on independent actions to improve comparable data collection at minimal cost
- Indicators approved to measure progress toward Goal 4, Teacher Education and Professional Development, and Goal 8, Parental Participation

- Report on early childhood learning and its impact on childrens' readiness for school entitled, "Reconsidering Childrens' Early Learning: Toward Common Views and Vocabulary."
- Strong Families, Strong Schools Most Promising Practices Competition w/Scholastic, Inc, Apple Computers.
- Inventory of Academic Standards-Related Activities

E. BAYH PASSES GAVEL W/PLEASANTRIES TO GOV. ENGLER

III. WHERE DO WE GO? - GOV. ENGLER

A. ACKNOWLEDGEMENTS

- Thanks Gov. Bayh for job well done and Panel members for continued bipartisan spirit.
- Acknowledges need for rejuvenation of that spirit as it was originally built from the Charlottesville Summit, and need for a new summit to reaffirm commitment.

B. WHERE THE PANEL GOES FROM HERE

- The Panel lives up to its charter, to report on progress toward the Goals for which we set year 2000 as a guide for achievement.
- The open debates over how goals are reached are healthy and will continue, but the Panel's role retains a focus on assistance and support to states and communities and to report back on how they are doing.
- Intent is to strengthen the Panel's role over the next year. through:
 - Resource Group on Benchmarking for Academic Standards:
 - * examining the demands of high performance workplaces and the admissions requirements of leading universities as well as other nation's school systems;
 - * examining the use of benchmarking as a way of reaching the standards;
 - * examining stronger links between academic and skill standards;

- * creating a report for the public as well as one for state and local policymakers.

- Resource Group on Assessments:

- * examine the complex issues surrounding assessments of student progress and accountability;
- * create “primers” on assessment issues and strategies for state and local policymakers and for the public.

Assistance to States and Communities on Standards and Assessments

- * study the feasibility of developing a “peer review” process to provide feedback on standards and assessment systems;
- * conduct surveys of governors and legislators, working with NGA and NCSL to determine the forms of assistance they feel the Panel can provide them.

Data Gathering and Reporting

- * expand on the Panel’s work with states to enhance state and local data gathering and reporting on progress toward the Goals;
- * the Panel is already working with the Council of Chief State School Officers to add questions to its annual survey of state assessment systems;
- * consider creation of a separate report or data base of individual state and community reports to the public.

Recognition of Promising Practices

- *- work with private sponsors, NAESP and NASSP to highlight and recognize the best practices of high performing schools
- All of these initiatives are designed to enhance the Panel’s responsibility to assist states and communities in their efforts to improve education and to reach the National Education Goals.

1995 NATIONAL EDUCATION GOALS REPORT

ANSWERS TO 24 TECHNICAL QUESTIONS

1. **What are the four documents that make up the *1995 National Education Goals Report*?**
 - A. *National Data Volume:*
 1. Includes 89 indicators to measure national progress toward the eight Goals.
 2. Baseline measures (starting points) were established as close to 1990 as possible, the year that the National Education Goals were adopted.
 3. All data included are nationally representative.
 - B. *State Data Volume:*
 1. 4 pages of data per state (plus DC and territories).
 2. Baseline measures (starting points) were established as close to 1990 as possible, the year that the National Education Goals were adopted.
 3. Does not rank states against each other, but measures each state's progress against its own baseline.
 4. Includes 30 indicators to measure state progress toward the eight Goals.
 5. All data included are state representative and comparable across states. That is, data were collected using uniform definitions, sampling procedures, survey instruments, etc., so that measures are equivalent across states and over time.
 - C. *Core Report:*
 1. Focuses on 25 policy-actionable core indicators to measure national progress and 21 indicators to measure state progress toward the eight Goals.
 2. All data included are representative at national and state levels; state data are comparable across states.
 3. Baseline measures (starting points) were established as close to 1990 as possible, the year that the National Education Goals were adopted.
 4. Includes examples of how family-school-community partnerships are working to achieve the Goals. Highlights the four winning schools of the "Strong Families, Strong Schools Most Promising Practices Competition."

D. *Executive Summary:*

1. Serves as a summary of the *Core Report*.
2. Includes the 25 national core indicators.
3. Includes examples of family-school-community partnerships.

2. **What is the purpose of the *Core Report*?**

- a. Emphasizes not just where we stand with respect to the Goals, but where we should be if we expect to reach them by the year 2000.
- b. Provides examples of family-school-community partnerships and their role in reaching the Goals.
- c. Includes a 2-page scorecard format for the U.S. and a 1-page scorecard for each of the states (plus DC and the territories).
- b. Arrows are used on the scorecard to help the reader see at a glance how we are doing on the 25 national core indicators and the 21 state core indicators:

Arrows which point upward indicate where we have made significant progress.

Arrows which point downward indicate where we have fallen further behind.

Horizontal arrows indicate where we have seen no discernible change in our performance (no statistically significant change).

(No arrows are shown in cases where we do not yet have a second data point to determine whether performance has improved or declined since the baseline.)

3. **What are the 25 national core indicators?**

GOAL 1: READY TO LEARN

1. Children's Health Index
2. Immunizations
3. Family-child reading and storytelling
4. Preschool participation

GOAL 2: SCHOOL COMPLETION

5. High school completion

GOAL 3: STUDENT ACHIEVEMENT AND CITIZENSHIP

6. Reading achievement
7. Writing achievement
8. Mathematics achievement

9. History achievement
10. Geography achievement

GOAL 4: TEACHER EDUCATION AND PROFESSIONAL DEVELOPMENT

11. Teacher Preparation
12. Teacher Professional Development

GOAL 5: MATHEMATICS AND SCIENCE

13. International mathematics achievement comparisons
14. International science achievement comparisons
15. Mathematics and science degrees

GOAL 6: ADULT LITERACY AND LIFELONG LEARNING

16. Adult literacy
17. Participation in adult education
18. Participation in higher education

GOAL 7: SAFE, DISCIPLINED, AND ALCOHOL- AND DRUG-FREE SCHOOLS

19. Overall student drug and alcohol use
20. Sale of drugs at school
21. Student and teacher victimization
22. Disruptions in class by students

GOAL 8: PARENTAL PARTICIPATION

23. Teachers' reports of parent involvement in school activities
24. Principals' reports of parent involvement in school activities
25. Parents' reports of their involvement in school activities

4. What are the 21 state core indicators?

GOAL 1: READY TO LEARN

1. Children's Health Index
2. Immunizations
3. Family-child reading and storytelling
4. Preschool participation

GOAL 2: SCHOOL COMPLETION

5. High school completion

GOAL 3: STUDENT ACHIEVEMENT AND CITIZENSHIP

6. Reading achievement
7. Mathematics achievement

GOAL 4: TEACHER EDUCATION AND PROFESSIONAL DEVELOPMENT

8. Teacher Preparation
9. Teacher Professional Development

GOAL 5: MATHEMATICS AND SCIENCE

10. International mathematics achievement comparisons
11. International science achievement comparisons
12. Mathematics and science degrees

GOAL 6: ADULT LITERACY AND LIFELONG LEARNING

13. Adult literacy
14. Participation in adult education
15. Participation in higher education

GOAL 7: SAFE, DISCIPLINED, AND ALCOHOL- AND DRUG-FREE SCHOOLS

16. Overall student drug and alcohol use
17. Sale of drugs at school
18. Student and teacher victimization
19. Disruptions in class by students

GOAL 8: PARENTAL PARTICIPATION

20. Parental involvement in schools
21. Influence of parent associations
22. Parents' reports of their involvement in school activities

5. How were the core indicators selected and why were these considered the most important ones?

In 1994, core indicators for the six original Goals were selected with the assistance of members of the Goals Panel's Resource and Technical Planning Groups. In 1995, core indicators for the new Goals on Teacher Preparation and Professional Development and Parental Participation were chosen by members of the respective Resource Groups. The groups were asked to recommend a small set of indicators for the core that were, to the extent possible:

- comprehensive across the Goals;
- most critical in determining whether the Goals are actually achieved;
- policy-actionable; and
- updated at frequent intervals, so that the Panel can provide regular progress reports.

It is important to understand that the indicators selected for the core are not necessarily the ideal measures of progress, nor are they all policy-actionable.

They do represent, however, the best currently available measures. The list will be expanded as other central measures become available.

There are only 21 state core indicators (as opposed to 25 national core indicators) because in three of the subject areas there are no state level assessments (writing, geography and history). In addition, the Goal 8 Resource Group recommended only two state level core indicators for Goal 8 as opposed to 3 national level core indicators.

6. Why are only five academic subjects included in the list of national core indicators, and only two subjects included in the list of state core indicators?

The Panel has set its performance standard for student achievement at the Proficient or Advanced levels on achievement assessments conducted by the National Assessment of Educational Progress (NAEP). Thus far, student achievement levels have been established by the National Assessment Governing Board in only four of the core subject areas at the national level -- reading, mathematics, history and geography. State level assessment have only been conducted in reading and mathematics. The list of core indicators for Goal 3 will be expanded as new NAEP assessments are developed in other subject areas and achievement levels are established, so that it is possible to determine the proportion of students who meet the Goals Panel's performance standard.

The Goals Panel believes that student achievement in key academic subjects is the most important measure of overall education progress and hopes to continue to add other subject areas, and additional state-level data to the list of core indicators as they become available.

7. Why is writing included in the list of national core indicators?

Although student achievement levels in writing have not been established, the data presented in the *1995 Report* (which are from the NAEP Writing Portfolio Study) are reported against a standard and do show whether students are performing at acceptable levels.

8. The *1995 Report* includes a footnote on the reading achievement data and informs the reader to interpret the data with caution. What is the problem with the reading data?

The National Center for Education Statistics found two technical errors related to a) the scoring of the open-ended (non-multiple choice) items and b) the setting of the achievement levels by the National Assessment Governing Board.

These errors affected both the 1992 and 1994 NAEP reading assessment.

9. What is the net effect of these errors?

The revised data will show a slightly higher percentage of students performing at or above each of the achievement levels than was previously reported. The increase will range from 2 percentage points to 5 percentage points.

10. How can the reader obtain the revised data?

The revised data are included on a separate data sheet inside the front cover of the *1995 Core Report*, and between the shrink-wrapped set of the *National and Stated Data Volumes*.

11. Were other subject areas affected by these errors?

The 1992 NAEP Mathematics assessment was also affected. The revised data will not be available until December, and will be included in the *1996 Goals Report*.

12. The National Education Goals cover the preschool years through adulthood. How can only 25 national-level indicators and 21 state-level indicators address all of the educational issues covered by the 8 Goals and their objectives?

The Panel acknowledges that the core indicators cannot possibly address all of the issues covered by the Goals and objectives. For this reason, a much broader range of indicators for each Goal is presented in the *National and State Data Volumes*.

13. Some of the core indicators focus on very specific age groups. For example, Indicator 19 seeks to reduce the percentages of 10th graders reporting that they used illicit drugs or alcohol during the previous year. Why only 10th graders?

In some cases the choice of age groups or grades is constrained by the particular data available. In other cases, a single grade is simply selected as illustrative, although we expect improvements to occur across all grades.

14. What are the main findings in the *Core Report*? Are we making any progress toward the Goals?

- a. In five areas, national performance has gotten significantly better:
- The general health and developmental status of the nation's infants has improved.
 - The proportion of preschoolers who are regularly read to and told stories has increased.
 - Mathematics achievement at Grades 4 and 8 has increased.
 - More female students are receiving degrees in mathematics and science.
 - Incidents of threats and injuries to students at school have declined.
- b. In seven areas at the national level there has been significant decline:
- Reading achievement at Grade 12 has decreased.
 - The percentage of secondary school teachers who hold a degree in their main teaching assignment has decreased.
 - The gap in adult education participation between adults who have received a high school diploma or less, and those that have additional postsecondary education has increased.
 - Student drug use has increased.
 - The sale of drugs at school has increased.
 - Threats and injuries to public school teachers have increased.
 - More teachers are reporting that disruptions in their classroom interfere with their teaching.
- c. In eight areas, no significant changes in national performance have occurred. We have made no discernible progress toward:
- reducing the gap in preschool participation between rich and poor;
 - improving the high school completion rate;
 - increasing reading achievement at Grades 4 and 8;
 - increasing mathematics achievement at Grade 12;
 - increasing the number of degrees in mathematics and science awarded to minorities;
 - reducing the gap in college enrollment and completion rates between White and minority students;
 - reducing the percentage of students who reported using alcohol; and,
 - reducing student reports of classroom disruptions that interfere with their learning.

- d. In the remaining areas we cannot determine whether national performance has improved or fallen further behind, because at present we do not have a second data point to compare against our baseline performance.

15. At the current rate of progress, are we going to meet the Goals by the year 2000?

On the whole, our progress toward the National Education Goals has been modest, at best. Even in areas where we have made significant progress from where we started, such as in the percentage of families who reported reading and telling stories to their children and in mathematics achievement, our current rate of progress is nowhere near the levels that will be required in order to achieve the National Education Goals within the next five years. Although we have made significant improvements on five of the core indicators of progress, much greater concerted effort will be required to accelerate our pace and move the others in the desired direction.

16. Are the international comparisons reported by the Goals Panel really valid? Don't other countries compare more favorably because they simply test their best students?

It is true that participation in mathematics and science courses, in particular, becomes increasingly selective in higher grades in some countries. In order to produce reliable international mathematics and science comparisons, the Goals Panel has chosen to compare the performance of 13-year-olds, because at this age the majority of students in the participating countries are still enrolled in mathematics and science courses. Upon the advice of its Resource Group advisors, the Panel also limits comparisons to those countries which tested comprehensive samples of students.

17. Why for some states is there such limited information on the 21 core indicators?

At present, lack of comparable state data for some of the core indicators constrains the Panel's ability to provide full progress reports for many states. There are three main reasons why we have fewer state data than national data:

- a. States may choose not to participate in some data collections for a variety of reasons, such as cost or the amount of time required for testing. For example, approximately 13 states participated in the National Adult Literacy Survey, which is the source of the data for the core indicator on adult literacy. Approximately 24 participated in the Youth Risk Behavior Survey, which is the source of the state data for the core indicators on student drug and alcohol use, sale of drugs at school, and student victimization.

- b. Some data collections do not give states the option of drawing a larger sample, which would allow the creation of representative state estimates. (An example is the National Household Education Survey, which produces national estimates for four of the core indicators: Family-Child Reading and Storytelling, Preschool Participation, Participation in Adult Education, and Parental Involvement.) In order to be nationally representative, a survey or assessment must randomly sample individuals from across the United States. The sample will most likely include some individuals from each state. However, in order for the results of the survey or assessment to be representative of the particular state's population, the sample drawn in the individual state must be larger.
- c. Even though states do collect some of this information individually (for example, student science achievement using their own state assessment), the data are not comparable across states.

18. What do states need to do in order to fill in some of the blanks on the state pages?

A Data Task Force convened by the Goals Panel recommended the following actions that can be taken by states to help fill in the data gaps. These include:

- complying with the uniform definition of "dropout" in the Common Core of Data;
- considering voluntarily participating in the National Assessment of Educational Progress; and
- considering voluntarily participating in the Youth Risk Behavior Study conducted by the Centers for Disease Control and Prevention.

19. My state has been reporting information on some of the core indicators for years, such as preschool participation. Why does the Goals Panel's report show a blank for my state instead of including this information in the report?

Though many states do collect and report data annually to monitor their own progress toward the Goals, what we primarily lack are comparable measures of state performance which use uniform definitions, sampling procedures, and methods of collection.

20. Why is it important for the Goals Panel to report comparable state data?

- a. If non-comparable state data are used in the Goals Report, there is no guarantee that changes over time are not due to changes in sampling, wording of items, etc. What we want is a common, reliable yardstick that will ensure that differences over time are due to real changes in performance.
- b. Including non-comparable data contradicts the Council of Chief State School Officers' (CCSSO) policy, which was adopted in 1984 in response to the Wall Chart formerly produced by the U.S. Department of Education. CCSSO's stance was that state-to-state comparisons are inevitable whenever national reports include state data. Therefore, the format and definitions of state-to-state indicator data must at least be consistent to ensure the best chance of fair and valid comparisons.

21. What about reporting non-comparable state-level data in a separate publication?

The Goals Panel is currently exploring reporting individual state's academic achievement data in a single publication separate from the annual report. In future years, the Goals Panel will continue to explore reporting individual state's data in a single publication in areas where comparable state data are lacking, or where Goals Panel members indicate a specific priority.

22. What is it going to take to move performance in the right direction so that we can achieve the Goals?

The *1995 Report* recognizes the significant role families, schools and communities have in educating their children and involving them in real and meaningful ways, and that the responsibility for children's education lies at home, at school and in the community. This year's report provides examples and contact information from around the country of successful family-school-community partnerships.

23. Where do the data for the annual Goals Reports come from?

The Goals Panel does not collect its own data. Instead, the Panel uses representative national and state data collected by a number of federal agencies, national organizations, research firms, and universities, such as:

- National Center for Education Statistics
- National Center for Health Statistics
- Bureau of Labor Statistics
- Bureau of the Census
- Educational Testing Service

- The College Board
- Centers for Disease Control and Prevention
- Universities (e.g., University of Michigan, Cornell University)

The majority of data in the Goals Report are collected by the National Center for Education Statistics, as part of large-scale data collections such as:

- National Assessment of Educational Progress (NAEP);
- National Adult Literacy Survey (NALS);
- Schools and Staffing Survey (SASS);
- National Household Education Survey (NHES); and
- National Education Longitudinal Study (NELS).

Although the Goals Panel does not collect its own data, the Panel does perform some of its own analyses in order to answer specific questions related to Goal progress.

24. Do the 1995 *National and State Data Volumes* include any new indicators?

Appearing for the first time are national data on student achievement in history and geography at Grades 4, 8, and 12. In addition, a variety of indicators are provided which measure progress on Teacher Education and Professional Development and Parental Participation. At the state level, new data are available on:

- immunizations;
- high school dropouts;
- high school completion;
- teacher education;
- professional development;
- teaching diverse student populations;
- degrees in math and science;
- teacher support;
- postsecondary enrollment;
- teacher reports of being threatened or injured at school;
- teacher reports of student disruptions; and
- parent-school partnerships.

Youth Initiative: 21st Century Schools

The President and the Vice-President are in the process of leading a major public private, federal-state-local initiative to enable all schools to be restructured around new educational technologies -- to create 21st century schools that enable all students to achieve to much high levels. The four pillars of this campaign to transform schools include:

- connect every school, classroom, student, teacher and home to one another and to the burgeoning education and discovery resources available on the information superhighways
- provide effective access to interactive computers so that all students can work actively at their own pace to take full advantage of these new learning resources
- train teachers so that they can integrate these new education tools in the daily learning of students
- assure the development of education software that is as engaging the best video game and as enlightening as learning with an expert tutor.

The President has announced the outlines of his vision for change, first at an "electronic barnraising" with CEOs to connect California schools to the Internet and then in a meeting with major industry and teacher leaders here at the White House. Over the next several months, we will be developing the national plan to enable local communities all across the country to build the "21st century schools" that can enable all children to learn the skills they will need to make a successful crossing to the information age.

We should consider whether we wish to realign Chapter 1 and federal policy to build on this platform for change. For example, at the same time that we structure this campaign and Chapter 1 funding to assure that schools with poor students are not left out of this revolution, we could propose that a school's receipt of federal funds be conditioned on agreeing to (a) a time-limited performance charter and (b) the opportunity of students to choose better performing schools. The issue is whether tying charter schools and public school choice will materially advance or will materially threaten the President's education technology initiative. The argument for forging such a link is that the 21st century schools will ultimately succeed or fail only to the extent that they do perform and do attract the attendance of students and the support of families and the larger community.

This also raises the thorny question of how the performance stakes can be raised for students as well: only the 5% of students seeking admission to colleges with competitive admission standards have any external incentive for performance. The entire standards-Goals 2000 debate has avoided this thorny question because of the fear that it would turn into an unproductive debate about the nationalizing of local school autonomy rather than the essential learning performance of students.

Children Initiative: Universal Pre-School/Child Care

We should determine the extent to which it is possible for the President to transform Head Start, pre-school and day-care, and child credits in a new federal-state-local-private partnership to make universal access to full-time pre-school and day-care available to all three- and four-year olds. The President's defense of Head Start and his leadership on Family leave, the Child Tax Credit, and day care for Welfare Reform provide the President with the credibility for examining the issue of universal pre-school/day care for three- and four-year olds in a bold new way.

Youth Initiative: School-to-Work Youth Partnerships

The passage of a new workforce development act by large bi-partisan majorities in the House and the Senate raises the prospects for a major new policy, political, public-private sector push to implement School-to-Work to provide all youth with clearer pathways to continuous learning and to good jobs.

The politics are particularly interesting here: it is likely that Republicans in the House and Senate will join Democrats and the business and school communities in rolling the conservative Right's vocal opposition to School-to-Work. In addition, it is possible that the Act will provide strong incentives for governors, the education community and the private sector to submit and implement transforming plans for School-to-Work this spring in order to gain the added flexibility provided in the new Act by September 1996 --- rather than having to wait another year or more.

As a result, there is a real opportunity to mount a new campaign to energize the School-to-Work movement and to assure that schools and youth that are now isolated from the main streams of jobs and post-secondary education are connected by new public-private partnerships -- e.g., Urban Excellence Corps, I have a Dream, National Service, and other youth development and mentoring partnerships. The Workforce Bill authorizes the development of such youth partnerships as a part of the School-to-Work plan for at-risk youth.

By tying a major youth development campaign to the new impetus to implement School-to-Work, we will seize a unique opportunity to develop the types of clearer pathways to continuous learning and good jobs in local regions and communities throughout the country that can effectively serve all youth. The bi-partisan support in Congress, the self-interests of Democratic and Republican governors, and the common interests and renewed support of the business and education communities provide a unique platform for the President to lead a campaign to offer new pathways for all youth to make a successful crossing to the 21st century.

THE WHITE HOUSE

WASHINGTON

October 26, 1995

MEMORANDUM FOR JEREMY BEN-AMI

FROM: STEPHEN NEUWIRTH
ASSOCIATE COUNSEL TO THE PRESIDENT

KEVIN SULLIVAN
SPECIAL ASSISTANT TO THE SECRETARY OF EDUCATION

SUBJECT: Proposed "What's Right With America" Stop
in Nashville, Tennessee -- November 7, 1995

- Purpose:**
- (1) Recognize the Freedom Forum of Vanderbilt University: The Freedom Forum, headed by Charles Haynes, works throughout the country to help public school officials, teachers, parents, students and community leaders find common ground on issues related to religion in schools. The Freedom Forum has been praised by the President for its success in resolving and preventing conflicts. The President has previously said he wants to do a Freedom Forum event. The leadership of the Freedom Forum is close to Vice President Gore.
 - (2) PTA Guidelines on Religion in School: The national Parent-Teacher Association, in coordination with the Freedom Forum, has created new guidelines for parents on religion in school. These guidelines are based principally on the guidance this Administration recently distributed to each of the nation's 16,000 public school districts. The PTA guidance would be released in connection with the President's visit.

Location: The Glendale Middle School, 800 Thompson Avenue, Nashville, TN 37204 (8-10 minutes from Nashville Airport in the Oak Hill Area, west of I-65 south, between Franklin Road and Lealand Lane). The Freedom Forum has worked closely during the past year and a half with 6 teachers from the school, and has also sponsored activities for the school's Beta Club honors students.

Messages: Allows the President to reach middle-America married couples -- a key constituency -- with a positive, "values" messages about schools, character education and parent involvement:

- the Freedom Forum's non-partisan efforts have brought together people of diverse backgrounds to settle and prevent disputes on the potentially divisive issue of religion in schools

(continued)

- the coming together of the national PTA and the Freedom Forum is a model of how common ground can be found on contentious issues;
- parents have an important role in educating their children, and can feel secure in knowing that their children's religious beliefs are well protected by the First Amendment;
- the religion guidelines issued by Secretary Riley have been well received, but parents are equal partners in this process and need to be fully informed;
- underscores one of the President's widely praised acts, his July 12 speech on religious liberty.

October 26, 1995

AGENDA

WHAT'S RIGHT WITH AMERICA MEETING

I. UPDATE ON SCHEDULE

Patrick Steel

II. DISCUSSION OF SUGGESTIONS

A. New York City

Giraffe Project:	Flo
Robin Hood:	Jeremy/Debbie
Conversations:	Martha
New York Cares:	Debbie
Department of Justice:	Debbie
Education:	Gaynor
Tobacco:	Julia
BSR:	Debbie
Other?	

B. Nashville

Vanderbilt Freedom Forum:	Steve
Music Industry:	Kim
Nashville Tennessean:	Kim
Conversations:	Martha
Economic Conference:	Debbie
Department of Justice:	Debbie
Other?	

C. Boston

Ten Points:	Flo
Charles Ballard:	Linda or Jennifer
Boston Globe:	Kim
Conversations:	Martha
Department of Justice:	Debbie
BSR:	Debbie
Economic Conference:	Debbie
Tobacco:	Julia
Other?	

III. NEXT STEPS