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FOLDER TITLE:

Youth Initiative [2]

2011-0255-S

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

Freedom of Information Act - [5 U.S.C. 552(b)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

THE WHITE HOUSE
WASHINGTON

Jeremy-

Attached are some material on
the YDBG that may be useful.

~~RBA~~

OCTOBER 31, 1994

A MEMORANDUM TO BILL GALSTON
BRUCE REED
PAUL WEINSTEIN
KATHI WAY
JEREMY BENAMI
MICKEY LEVITAN

FROM: GAYNOR McCOWN
SUBJECT: YOUTH DEVELOPMENT BLOCK GRANT
CC: CAROL RASCO

As you all know, the Domestic Policy Council has submitted a proposal to Sheryll Cashin, co-chair of the Youth Development sub-group, for a bold new legislative option that would call for sweeping consolidation of all youth programs. This new legislation - a "Youth Development Fund" - would involve the restructuring of dozens of categorical youth programs into a single youth development funding mechanism.

You may recall that in our October 21 memorandum (copy attached) to Sheryll, we included three alternatives to the option of sweeping consolidation of all youth programs. The second alternative supports a limited reallocation of funds from existing programs for an initial stage of flexible block grants. An example of this is the Youth Development Block Grant (YDBG), a proposed \$400 million per year federal initiative to expand community-based youth development programs for 6-19 year olds, sponsored by Senators Kassenbaum and Dodd and Representatives Payne and Morella.

On Tuesday, we will begin discussions with the chairs and co-chairs of the entire Urban Policy Working Group to decide what options we want to pursue. Therefore, I thought it would be helpful for you to have more information about some work that has already been done on the reallocation of funds from existing youth programs. If we do proceed with the option of sweeping consolidation or one of the alternatives, it makes no sense to reinvent the wheel in order to reinvent government; particularly when the efforts underway have been developed by youth serving organizations.

I am attaching a copy of the Youth Development Block Grant Bill, along with a summary of the bill and estimated allocations

to the states. (Please note that the original proposal was for \$2 billion per year but the actual bill called for the reallocation of \$400 million per year.) YDBG would send money to the states, by formula, and they in turn would allocate it to localities based on a county's school-age youth population and the percentage of that population living in poverty. This bill - developed by the National Collaboration for Youth (NCY) - has already been introduced to the House (HR4086) and the Senate (S1746). NCY members are:

American Red Cross
Association of Junior Leagues
Big Brothers/ Big Sisters of America
Boy Scouts of America
Boys and Girls Clubs of America
Camp Fire Boys and Girls
Child Welfare League of America
4-H Extension Service
Girls Scouts of the USA
Girls Incorporated
National Network of Runaway and Youth Services
The Salvation Army
WAVE, Inc.
YMCA of the USA
YWCA of the USA

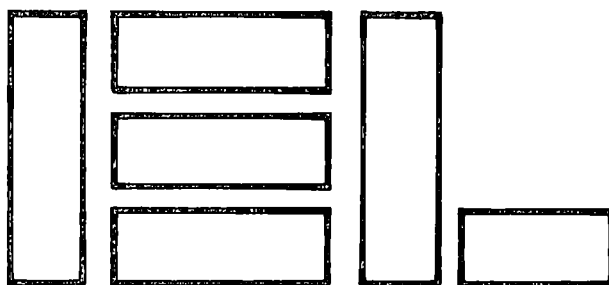
The key features of the YDBG are:

- ♦ **AN EMPHASIS ON POSITIVE YOUTH DEVELOPMENT AND PREVENTION** -- Like the entire Youth Development sub-group, the YDBG proposal focuses on positive youth development and prevention. Rather than waiting until the crisis occurs, the YDBG would fund programs that help children and youth develop the values and life skills they need to succeed.
- ♦ **FUNDS GO DIRECTLY TO THE COMMUNITIES** -- 95% of the funds go directly to local communities; 4% would go to states, primarily to fund technical assistance to local providers.
- ♦ **TARGETS LOW-INCOME COMMUNITIES** -- Allocation is based on both a county's total school-age youth population, and the percentage of that population living in poverty. Therefore, priority will be given to communities with the highest concentration of low-income youth.
- ♦ **COMMUNITY FLEXIBILITY TO DEFINE LOCAL PRIORITIES** -- YDBG funds would support local initiative and an inclusive community planning process by allocating funds through a Local Youth Development Board. YDBG also encourages comprehensive planning and integration of services.

- ◆ **BUILDS ON THE STRENGTH OF YOUTH SERVING COMMUNITY-BASED ORGANIZATIONS** -- The majority of youth development programs are provided not by community-based organizations such as the members of NCY. The YDBG proposal builds on their strength, credibility and expertise by allowing them a leadership role in both the planning and delivery of services for young people. At least 85% of the funds would go to expand programs of community-based youth development organizations and CBO representatives would comprise of a majority of the policy-making boards at the local, state and federal level.
- ◆ **LEVERAGES FEDERAL FUNDS WITH PRIVATE RESOURCES** -- The YDBG would capitalize on the ability of community-based organizations to leverage federal funds with private resources by requiring YDBG grantees match federal funds at up to 75 cents on the dollar.

The information I have submitted here does include how the funds would be allocated and distributed under the Youth Development Block Grant. However, the YDBG proposal does not include a list of the specific programs that would be affected by the reallocation of funds.

I hope this is helpful!



The Institute For Educational Leadership

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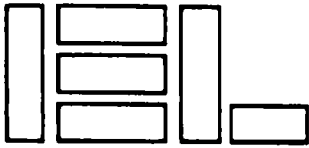


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TEAM ASSIGNMENTS

Taking a Tough Look at the Youth Development Community Block Grant Bill —How Well Does It Link Education, Health and Human Services?—

A seminar co-sponsored by the IEL Policy Exchange
and the Ad Hoc Working Group on Integrated Services

Monday, September 18, 1995

Each team will look at several of the "Ten Tough Questions."

For each question/principle, each team will do two things:

First, rank the question/principle. Indicate *why* you gave it this rating. Use the following scale to rank the questions/principles:

- 5—Essential. Every bill or program affecting children and families should live up to this principle.
- 4—Very Important.
- 3—Sometimes Important.
- 2—Kind of Important.
- 1—Almost Never Important.
- 0—Stupid and Totally Unrealistic.

Then, rate the YDCBG bill. How well does it respond to the question/principle? What are the pros and cons in terms of the question/principle? Use the following scale to rate how well the YDCBG bill lives up to each question/principle:

- 5—It gets an "A." I couldn't have done a better job myself.
- 4—It gets a "B." The bill does a really good job, but I could think of a few improvements (such as?).
- 3—It gets a "C." The bill does an okay job, but nothing special. I can think of a lot of ways to improve it (such as?).
- 2—It gets a "D." The bill does a passable job, but barely.
- 1—It gets an "E." The bill doesn't do a good job at all on this question/principle.
- 0—It gets an "F." The bill doesn't meet this principle at all.

Taking a Tough Look at the Youth Development Community Block Grant Bill

—How Well Does It Link Education, Health and Human Services?—

Worksheet for a seminar co-sponsored by the IEL Policy Exchange and the Ad Hoc Working Group on Integrated Services

The "Ten" Tough Questions	Rating the Question (0-5)	Reasons	Rating the Bill (0-5)	Reasons	Highest Possible Rating	Total
1. Promote services and supports that focus on the whole family, consider families' needs, and build on their strengths?						
2. Sufficiently emphasize preventive services, including provide funding for them?						
3. Assure that communities have the flexibility to determine their own needs and plan for and deliver services and supports accordingly?						
4. Provide flexibility in how funds are spent, allowing for the pooling of funds with existing public and private resources, yet ensuring that the funds are used for their intended purpose?						
5. Promote services and supports that are sensitive to ethnicity and culture of the families served?						
6. At community and state levels, encourage or require shared decision making by a range of stakeholders, including families?						
7. Promote accountability for clearly specified results, and define clear roles for the state and federal governments in ensuring accountability?						
8. Promote services that are comprehensive and make available a continuum of services?						
9. Fund the infrastructure and capacity-building needed to support integration of services (such as professional development, automated data systems, evaluation, and technical assistance)?						
10. Ensure that vulnerable populations will receive high quality and effective services?						
11. Provide specific incentives for agencies and organizations at the federal, state, and local levels to reduce fragmentation and duplication and to better integrate services and supports across programs and agencies?						
TOTAL		x x x x x x x x x x x x x x		x x x x x x x x x x x x x x		



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AT THE
YOUTH DEVELOPMENT COMMUNITY BLOCK GRANT BILL
—HOW WELL DOES IT LINK EDUCATION, HEALTH AND
HUMAN SERVICES?—***

A seminar co-sponsored by the IEL Policy Exchange
and the Ad Hoc Working Group on Integrated Services

Monday, September 18, 1995

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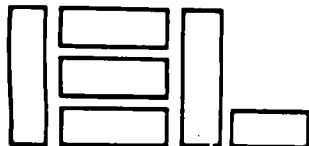
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TEN TOUGH QUESTIONS*

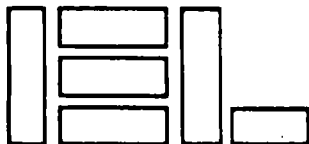
To Ask of Programs and Policies Affecting Children and Families

Does the legislation contain specific provisions to:

1. Promote services and supports that focus on the whole family, consider families' needs, and build on their strengths?
2. Sufficiently emphasize preventive services, including provide funding for them?
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4. Provide flexibility in how funds are spent, allowing for the pooling of funds with existing public and private resources, yet ensuring that the funds are used for their intended purpose?
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10. Ensure that vulnerable populations will receive high quality and effective services?
11. Provide specific incentives for agencies and organizations at the federal, state, and local levels to reduce fragmentation and duplication and to better integrate services and supports across programs and agencies?

The Ten Tough Questions were prepared by the Ad Hoc Working Group on Integrated Services, a coalition of over 30 national membership organizations working to integrate education, health and human services. The questions are drawn from *Principles to Link By*, a set of 32 principles that support the development of comprehensive, integrated services for children and families. For more information, please contact Shelly Hara, Staff Coordinator of the Ad Hoc Working Group on Integrated Services, at (202) 336-7072.

* We realize, of course, that there are 11 questions. The Ad Hoc Working Group originally prepared ten questions for the IEL Policy Exchange exercise. The questions have since been revised to include an additional question, and following the exercise, may be revised again. Until then, they will continue to be called the Ten Tough Questions.



Agenda

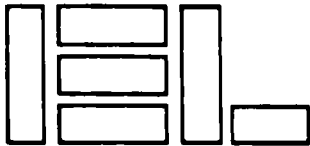
Taking a Tough Look at the Youth Development Community Block Grant Bill

—How Well Does It Link Education, Health and Human Services?—

A seminar co-sponsored by the IEL Policy Exchange
and the Ad Hoc Working Group on Integrated Services

Monday, September 18, 1995

- | | |
|------------|---|
| 9:00 a.m. | Continental Breakfast |
| 9:15 a.m. | Introduction |
| 9:25 a.m. | About the Ad Hoc Working Group and the "Ten Tough Questions" <i>and</i> an Overview of the Youth Development Community Block Grant Bill
Bill Shepardson
Project Associate
Council of Chief State School Officers |
| 9:45 a.m. | Working in Teams to Rate the "Ten Tough Questions" and the YDCBG Bill |
| 11:00 a.m. | Reporting Out on the Ratings and Discussion |
| 12:00 noon | Conclusion of the Seminar |



THE IEL POLICY EXCHANGE

THE INSTITUTE FOR EDUCATIONAL LEADERSHIP, INC.

Evaluation

*Taking a Tough Look at the
Youth Development Community Block Grant Bill*

How Well Does It Link Education, Health and Human Services?

Co-Sponsored by the IEL Policy Exchange and
the Ad Hoc Working Group on Integrated Services

September 18, 1995

What was the most important or useful thing you learned from this seminar?

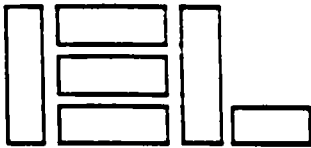
When you're back at your job, will you be able to use these principles or what
you learned today? ___ Yes ___ No If yes, how?

On a scale from 0 to 5 how would you rate this seminar? ___ Why?

Did you meet new people or make any useful connections? ___ Yes ___ No

Your committee, agency or organization (optional): _____

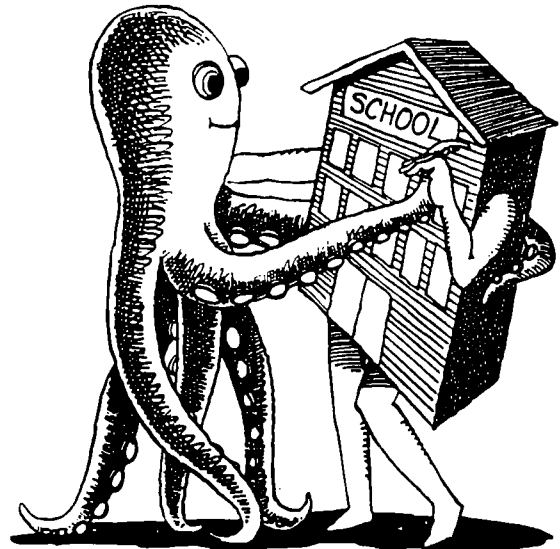
THANK YOU! PLEASE LEAVE THIS EVALUATION ON YOUR TABLE.



THE INSTITUTE FOR EDUCATIONAL LEADERSHIP, INC.

THE INTERGOVERNMENTAL/INTERAGENCY POLICY EXCHANGE

The educational, health, social services and employment needs of children and families are intricately intertwined. The same child who is at risk of school failure is frequently also at risk of poor health. A child who is homeless has difficulty completing his or her homework. A child who lives among drugs and violence at night is ill-prepared to flourish academically during the day. A three-pound baby in neonatal intensive care today is likely to be a special education student tomorrow.



Collaboration is like dancing with an octopus, with each agency or organization a "tentacle."

While policy makers are increasingly recognizing these relationships, the policy landscape does not reflect this recognition. At the same time that many communities are struggling to make services more comprehensive and coordinated, state and federal legislative committees, executive branch agencies, interest groups, and postsecondary preparatory programs are overwhelmingly organized by narrow service sectors—education, health, social services, juvenile justice, labor and so forth.

The Intergovernmental/Interagency Policy Exchange is a nonpartisan mechanism to help reshape the policy landscape to reflect the current realities of children, families and communities. Its aim is to create a forum where policy makers and practitioners can learn about cross-cutting and cutting-edge ideas so that they can lead the way to systemic change.



The inter-connected activities of the Exchange are designed to be a catalyst for the development of more thoughtful policies that foster collaboration at the local, state and national levels—as well as to explore the interactions among policies at different levels.

- Through ***national and state seminars***, the Exchange will engage key policy makers across sectors in dialogues about effective and efficient ways to provide comprehensive services to children and families.
- Through ***field visits and retreats***, the Exchange will help national leaders explore innovative strategies, provide reality checks from the state and local levels, and develop the personal relationships that can underpin stronger policy networks among sectors and disciplines.
- Through a new publication, ***The Octopus Times***, the Exchange will provide timely "one-stop-shopping" on policy issues of interagency and intergovernmental collaboration.
- Through ***policy briefs***, the Exchange will synthesize—in a jargon-free style that bridges agency and disciplinary boundaries—key information and issues about collaboration among education and other sectors.

For further information, contact Margaret Dunkle, Director of the Policy Exchange, at the Institute for Educational Leadership.

November 1992

THE WHITE HOUSE

WASHINGTON

October 26, 1994

MEMORANDUM FOR YOUTH DEVELOPMENT SUB-GROUP

FROM: SHERYLL CASHIN, NEC

SUBJECT: Draft Options Paper

Attached is a revised draft of options that attempts to reflect the consensus of the group. The Sub-group co-chairs will now begin work with White House deputies on a larger urban policy draft. Agencies will be given an opportunity to respond to that draft. In the meantime, if you have any concerns about the substantive direction of the attached draft, I would appreciate hearing from you. At this juncture, we are not planning on having any more meetings at the sub-group level. An overall deputies meeting is likely in the next two weeks. Thank you for your input. Please call me if you have any questions or concerns.

CONFIDENTIAL

YOUTH DEVELOPMENT SUB-GROUP Executive Summary

We propose generally that the President challenge communities to create neighborhoods that offer safety and opportunities for young people -- in other words, to build a "youth development infrastructure" in distressed communities to intervene early with at-risk youth, prevent crime and, provide sustained attention through high school to channel youth to the economic mainstream. Communities would be challenged to meet core goals for youth, for example: (1) a caring adult in the life of every child; (2) safe and supportive environments; (3) meeting Goals 2000 and School-To-Work; and (4) a clear pathway to work or college.

Two-Tiered Strategy: Assuming there is support for such a challenge, we would propose a two-tiered strategy. Starting in January or February of 1995, we would announce the RFP for the challenge and the availability of planning grants. The actual awards would be along two tiers: (1) an award of intensive grants for 15 communities; and (2) a broad challenge to the nation, coupled with smaller grants to reach a large number (500 - 1000) of school clusters or neighborhoods, which could be part of a ongoing national campaign for youth.

Design Issue: We must consider whether and/or how the Welfare Reform Teen Pregnancy Initiative should be reflected in this challenge.

Alternatives for issuing the challenge: The memo then describes three strategic options for achieving this vision: (1) packaging and coordinating existing programs; (2) coupling such a package with new discretionary funding or a tax incentive to create new private sector jobs and training opportunities for youth; and (3) regulatory and/or legislative reform.

Option I - Using Existing Programs: Build incentives into the application for the Model Intensive Grant (Crime Bill) and into applications for other new grant programs to facilitate the combination of funds to support a unified youth development strategy that meets the goals of the challenge. Successful communities would receive coordinated packages of youth development funding. National Service and National Guard and Reserves offer manpower and facilities to support community strategies. (Note: new funding may be needed for the second tier of packages if we are to have a meaningful second tier.)

Option II - Additional Funding for Jobs: This option would build on Option I by adding resources to the challenge to create more job opportunities, primarily in the private sector, for disadvantaged youth. It proposes either: (1) investing \$7.5 million in up to 30 targeted areas to support to raise the employment rate dramatically (from 40% to 75%) among youths ages 16 to 25; or (2) funding job creation through a capped wage credit analogous to the Low Income Housing Tax Credit or through an amendment to the TJTC.

Option III - Bold Reform: This option addresses (1) reforms we can achieve to improve outcomes for disadvantaged youth using existing waiver and regulatory authority; and (2) a bolder proposal for consolidation and reform of exiting youth development programs, that could be coupled with a proposal for additional spending.

Summary of Budgetary Proposals: Below are the budget items presented in the draft. Of all of the new spending items, there appears to be strong consensus for giving first priority to job creation.

Option I:

Second Tier: To do a meaningful "second tier" that provides resources to 100 to 300 additional places, we may need additional funds that could be put into Title I ESEA demonstration authority (which is quite flexible) or more National Service Volunteers. (The Welfare Reform Teen Pregnancy Initiative was able to reach 1000 schools for \$300 million.) More staff work is needed to flesh out all possibilities regarding the second tier. Alternatively, we could simply provide information, guidance and technical assistance, coupled with maximum coordination of crime bill and other programs, without a formal goal of a second tier.

Continued increases for existing job training programs: The group supports continued funding and scheduled increases for the Youthbuild (HUD), JobCorps (DOL), and the DOD/National Guard ChalleNGe program (a 22 week residential training program for high school dropouts run by the National Guard). All of these programs would be highlighted as part of the overall youth challenge.

Option II:

Job Creation (Discretionary). To fund saturated job creation in 30 places, reaching approximately 16,000 youth, we would need approximately \$200 million a year over 5 years in additional funding for Youth Fair Chance. \$100 million annually would fund job creation in 15 places that could be combined with the first tier of the youth challenge. (No new legislation needed.)

Job Creation (Tax Incentive). A capped wage credit, analogous to the Low Income Housing Tax Credit, or an amendment to the TJTC have been suggested to fund job creation. The capped wage credit could be limited to the 15 first tier communities. Revenue losses depend on design. We can cap it as low as needed.

Option III:

Both the regulatory and legislative reform options are intended to be budget neutral. An open issue is whether these reforms should attempt to achieve more concentration of resources for low-income areas and/or an infusion of additional resources.

**YOUTH DEVELOPMENT SUB-GROUP DRAFT OPTIONS --
SAFETY AND OPPORTUNITIES FOR YOUTH**

DRAFT

Youth in distressed urban communities suffer from compounded and interacting problems: a breakdown of family, extended family and community structures; a lack of shared value systems that support individual responsibility; increasing economic isolation; teenage pregnancy and young parents without the skills to raise their children; a high-level of exposure to criminal violence and a paucity of safe and nurturing environments; and few connections to the labor market and thus little structure of rewards, discipline, and work.

Most Americans recognize and are deeply concerned about this loss of human potential and the social toll of youth violence. This concern cuts across class, race, gender, party and geographical location. And, many are seeking common sense, attainable solutions.

We propose that the President challenge communities to create neighborhoods that offer safety and opportunities for young people -- in other words, to build a "youth development infrastructure" in distressed communities to intervene early with at-risk youth (ages 10-18 or even younger), prevent crime and, provide sustained attention through high school to channel youth to the economic mainstream. This challenge would say to youth and communities, we will work harder to expand opportunities to you, but you -- and every youth and adult in the community -- must take personal responsibility for working harder to take advantage of these opportunities.

We would challenge communities to meet core goals. The following are some examples of possible core goals:

- **A caring adult in the life of every child** -- Youth should have sustained nurturing relationships with responsible adults. Ensure this by providing consistent, high-quality mentoring in the context of recreation, academics, community service and work. Some preference would be given to programs that will have paid staff and/or national service volunteers to ensure sustained, long-term interventions over several years. Some preference would be given to programs that focus on the family and parental support so that parents will have the skills to raise their child.
- **Safe and supportive environments** -- Youth should have "safe havens" (e.g., 24 hour schools, community-based clubs and National Guard Armories) that are consistently open and available.
- **Meeting Goals 2000 and School-To-Work** -- Youth should complete school or achieve high skills standards. Use mentoring, recreational and/or safe haven components to provide activities that are designed to help kids stay in school and graduate, and offer both in-school and out-of-school youth work-based or "contextual" learning so they gain skills to compete in the mainstream economy.

A clear pathway to work or college -- Young people who stay in school or meet specified skills goals should be rewarded with a guaranteed private-sector job or access to college. By leveraging the private sector, investing in job developers that provide access to the labor market, or, where necessary, through direct job creation, communities can reward youth who take personal responsibility for their future. This would require investment only in job linkage/creation strategies that strongly emphasize private sector work and personal responsibility (as opposed to "warm and fuzzy" services).

[Issue -- Should we have a direct linkage between the youth development goal and community policing? If so, how would this goal be crafted. What is the proper role for community police officer or community policing strategy in this vision?]

Process Goals: Beyond these substantive goals, the challenge would also have process goals: i.e., (1) community involvement in the design and implementation of the strategy; (2) designing activities that treat youths as assets to be of service in the community; and (3) strong accountability that requires communities to set performance benchmarks with the possibility of reduced funding for nonperformance.

This challenge would set clear goals -- but recognize that every community would meet the challenge differently. It would rely on approaches that are energized by partnerships of families, community-based organizations, schools, churches, the business community, colleges and universities, law enforcement and other key institutions.

This is a theme about which the President has spoken passionately over the last year and for which he has consistently been praised for providing much-needed leadership. It appears to be his best, and most natural platform for speaking to the American people. It is a theme that is central to the welfare reform proposal, the Crime bill and the entire lifelong learning agenda. A message that communities must come together to offer safety and opportunities for youth and that the entire community must take responsibility to use those opportunities has moral resonance. It also makes sense to people who see a generation being lost and realize that the place to start in rebuilding our communities is with our young people.

The Youth Development sub-group believes that this message and vision should be a centerpiece -- if not the centerpiece -- of the Administration's urban agenda. Based on what we know from research, it is the vision that we believe has the best chance of changing life circumstances and preventing crime in our inner cities.

Alternatives for issuing the challenge: Described below are three alternatives for achieving this vision: (1) packaging and coordinating existing programs; (2) coupling such a package with new discretionary funding or a tax incentive to create new private sector jobs and training opportunities for youth; and (3) regulatory and/or legislative reform.

Two-Tiered Strategy: Assuming there is support for such a challenge, we would propose a two-tiered strategy. Starting in January or February of 1995, we would announce the RFP for the challenge and the availability of planning grants. The actual awards would be along two tiers: (1) an award of intensive grants for 15 communities; and (2) a broad challenge to the nation, coupled with smaller grants to reach a large number (500 - 1000) of school clusters or neighborhoods, which could be part of a ongoing national campaign for youth.

OPTION I -- USING EXISTING PROGRAMS

Under this option, we would "package" together key youth development programs -- particularly new Crime Bill programs, to promote coordinated community planning to meet the challenge. The overall features of this option are as follows:

January/February 1995, Announcement of Challenge and Planning Grants. Key agencies would be asked to use discretionary money under current authority and appropriations to offer a total of approximately 30 planning grants of approximately \$100,000 each. An announcement of the planning grants (and of the request for proposals for the Model Intensive Grant and other key youth development programs) could launch the challenge. In addition, the grants could help build support for appropriating funds for crime bill prevention programs in FY96.

First Tier: Intensive Grants for Safety and Opportunity Youth. In October 1995, the 15 winners of the Model Intensive Grant would be announced. Communities will have submitted a youth development and crime prevention plan that shows how they would use the model intensive grant and other federal youth programs, as well as private sector and community resources, to meet the goals of the challenge.

Second Tier: Broader Challenge to the Nation to Support Safety and Opportunity for Youth. The President would also challenge the entire nation to meet these goals. The Administration would provide information, technical assistance, guidance on waiver strategies and other support to help communities meet this vision. We could also make small grants or grant packages available through existing authorities to additional communities. Some possibilities include: (1) additional investments in National Service; (2) ESEA, Title I demonstration authority (DoEd suggests an investment of \$100 million annually in new funds to create a second tier in 100-300 school clusters, which would reach approximately 400 to 1000 high poverty schools. The demonstration authority allows funding for all activities we envision, except direct job creation); (3) Prevention Council grants (e.g., of \$500,000 to \$1 million) (existing funding is \$90 million over 6 years, some of this grantmaking could be devoted to the second tier); and (4) using powerful legal authority of office of juvenile justice to aggregate discretionary funds from different agencies that carry out federal "juvenile delinquency" programs or activities (broadly defined to include any program that involves delinquency prevention, treatment, and juvenile training) and redirect such funds to an "exceptional need or an exceptionally effective program or activity."

Coordination Techniques. Rather than try to actually consolidate the application process for a number of programs (a legal impossibility), we would try to build incentives into the application for the Model Intensive Grant and into applications for other new grant programs to facilitate the combination of crime prevention and other funds to support a unified youth development strategy that meets the goals of the challenge. We would maximize existing federal tools for program coordination, for example, (1) giving extra points to applicants that propose to use existing block grant funds to support a unified strategy; (2) giving extra points to applicants that propose to use School-to-Work waiver authority to combine JTPA, ESEA and Perkins and other funds for skills development and job linkage as part of a unified strategy; (3) giving competitive priority for a menu of federal competitive youth development programs to communities that have submitted a unified strategy that meets the goals; and (4) coordinating as much as possible the timing, regulatory requirements, and rollout of relevant youth programs.

Waiver Requests. The community strategic plans would include requests for waivers from regulatory and legislative impediments to innovation and meeting the challenge. The MIG application would specifically highlight new, existing waiver authority under School-to-Work and other Education and Labor programs.

Programs and Resources to be Coordinated. The Model Intensive Grant ("MIG") would be the lead mechanism for spurring communities to develop a strategic youth development plan that uses a number of federal resources to achieve the goals of the challenge in targeted high poverty neighborhoods. Given the amounts and the flexibility available in the Model Intensive Grant, we believe it can be used successfully to encourage coordination and leverage. Agencies have indicated that the following additional discretionary programs might be part of coordinated package for which applicants receive competitive priority:

- Crime Bill FACES and Community Schools Programs
- Crime Bill Assistance for Delinquent and At-Risk Youth
- DOJ High Risk Youth Program (flexible authority to demonstrate effective models for drug abuse prevention and treatment)
- DOL Youth Fair Chance Program
- Youthbuild
- [-- JobCorps ?]
- [-- National Guard Challenge ?]

Through the MIG application, we would encourage applicants to coordinate the following sources (and inform them about new waiver authority that allows for combination of JTPA, Perkins, ESEA Title I and STW funds):

- Crime Bill Block Grants and Existing HHS Block Grants
- ESEA Title I
- JTPA Title IIB and IIC
- Perkins Voc Education

--- School-to-Work High Poverty and other Grants

Federal Partners. Some agencies in particular have tangible resources they can offer to local communities to help them achieve the goals of the challenge, if the local communities are willing to use some of their MIG or other funding to share costs.

National Service: With local cost sharing, we could create teams of VISTA workers and locally-sponsored AmeriCorps volunteers to help communities meet the challenge. For both the "First Tier" and "Second Tier" communities, National Service could offer (1) one or more VISTA workers (paid volunteers) and (2) educational awards for a number of new AmeriCorps volunteers (i.e., the applicant community nominates Americorps candidates from their community to be part of the youth development strategy, and pays for their two-year operational costs and National Service guarantees educational awards for the volunteers after two years of service.) [The exact details and numbers for National Service commitments have to be worked out. This is what National Service can do at existing appropriations levels.]

Defense Department (National Guard and Reserves): DOD has already begun a number of pilot programs involving partnerships between the National Guard and Reserve and local communities. At no or low extra cost, Guard and Reserve units receive realistic training, while addressing community needs as a by-product of their training. Current pilot projects include (1) infrastructure/engineering training -- units train by working on infrastructure and renovation projects in distressed communities; (2) healthcare -- units train by providing assistance to medically underserved communities; and (3) job training and youth programs -- with additional Congressional support, units run a number of programs targeted to at-risk youth. The Guard and Reserve would commit to expanding these activities for both "first tier" and "second tier" communities that wish to participate. Specifically, they would offer (1) Safe Haven use of Guard armories, with the community picking up costs of running programs for youth; (2) infrastructure/engineering training opportunities for local youth, with the local unit and community planning together local rehabilitation projects and cost-sharing arrangements; and (3) opportunities to participate in healthcare and other youth development programs, such as Guardcare and ChalleNGe. (Secretary Perry would ask all Governors to set up an action committee with representatives from each Reserve component in the state to facilitate collaboration between service units and communities in planning activities and mutual commitments.) [Details need to be worked out on numbers of safe havens, guard and reserve units, etc. that could be available, commitment of Sec. Perry.]

Continued Expansion of Youthbuild, JobCorps and ChalleNGe. The group supports continued funding and scheduled increases for the Youthbuild (HUD), JobCorps (DOL), and the DOD/National Guard ChalleNGe program (a 22 week residential training program for high school dropouts run by the National Guard). Those programs could be highlighted as part of the youth challenge application as possible resources for placing targeted youth in

training slots. The Administration should support the permanent expansion of the DOD ChalleNGe program (currently funded as about \$60 million) to all fifty states (which would cost about \$140 million or more depending on the scale). (Armed Services committee staff have indicated that this is likely to happen this spring when the program comes up for permanent authorization).

Coordination with a Public/Private Entity. A public/private entity could take on the mission of launching a high profile campaign for youth development focused on the challenge. If a public/private entity is created to promote the welfare reform teen pregnancy prevention initiative, it might take on this wider mission.

Relationship to Empowerment Zones and Enterprise Communities. This initiative could be tied to the EZ/EC initiative by giving priority to applications from designated ECs which show how the activities under the challenge grant are tied to the overall activities of the EC strategic plan.

PROS:

- . Provides a platform for the President to continue speaking to the American public on crime and youth and builds support for FY96 appropriations for crime bill programs.
- . Given enormous budget pressures, the only available tool may be by better use of existing resources. It builds on the reinvention theme that has been central to this Administration.
- . It channels new Crime Bill resources into proven prevention models that build on what we know works and focuses poor communities on implementing the President's lifelong learning agenda and emphasis on work.
- . When coupled with activities of a private entity, it could be the centerpiece of a national campaign for youth.

CONS:

- . The problems faced by poor urban communities are immense. Merely repackaging the initiatives we have in place will be insufficient if we really want to change opportunities for residents of distressed urban areas.
- . By consolidating resources and targeting them in a few places, we may be ensuring that only the fairly sophisticated communities benefit.
- . In some communities, relying solely on job linkages and leveraging private sector for job creation, will not be enough to guarantee jobs for targeted at-risk youth.
- . Some programs included in the package are not focused exclusively on the vision we have presented and we may draw the ire of Congress if we target them too heavily on

youth. (However, there is a potentially strong correlation between youth development and crime prevention, e.g., high school completion strongly correlates to criminal avoidance, particularly for minority males.)

Coordination without legislative changes will be incremental and place heavy burdens on the local applicants to fit various federal fragments together.

OPTION II -- FUNDING FOR JOB CREATION

This option would build on Option I by adding resources to the challenge to create more job opportunities, primarily in the private sector, for disadvantaged youth. It is designed to address the following concerns: (1) the strongly-held belief of many members of the group that there are not enough private sector jobs or incentives for private sector employers to hire inner city youth and young adults; and (2) evidence from studies showing that for low-income urban youth peer influence and acceptance are crucial in shaping attitudes about work.

SUBOPTION II A. -- Funding for Job Creation through Youth Fair Chance.

DOL, with considerable support from HUD and other members of the group, has proposed to fund direct job creation through the Youth Fair Chance program, which provides for school-to-work activities and occupational training for youth in high poverty areas of 25,000 persons (up to 50,000 in exceptional cases). Included in the program authorization is a job guarantee component, but it has never been funded. DOL proposes to harness Youth Fair Chance in the following manner:

Saturation Approach: Provide \$7.5 million to up to 30 targeted areas to raise the employment rate dramatically (from 40% to 75%) among youths ages 16 to 25 (employing about 2000 youth in each area). (Could do 15 places, tied to MIG competition, for an additional \$100 million.)

Tie Employment to Staying in School and Responsible Behavior: The program would be designed to avoid creating incentives to drop out of school. Participation would be conditioned on meeting requirements for responsible behavior: avoiding crime and drugs; regular attendance and satisfactory performance at work; remaining in high school until graduation, or returning to school to complete a GED or alternative education program. Non-job guarantee funds would be used to support drop-out prevention, contextual/STW skills training and improvements in college entry.

Require Private-Sector Commitments: First priority should be given to sites that would use the funds for private sector wage subsidies (e.g. 50% of the first year of wages) and that obtain commitments from a metropolitan-wide consortium of firms that guarantee a certain number of job slots for targeted youth.

Funding and Selection Alternatives: Currently there are 16 existing youth fair chance sites. We recommend a level of funding that would allow some existing sites to build in a job guarantee component as well as offer the opportunity for new sites to compete. The completion could be consolidated with the Model Intensive Grant challenge (no legal barriers) or it could be run separately. Funding of \$200 million we could reach about 30 sites and 16,000 youth [check numbers].

PROS:

- . Addresses frontally a critical problem -- joblessness and attendant social effects -- in high poverty communities, without requiring new legislation and for a relatively modest sum.
- . Designed to build networks that lead to private sector jobs for disadvantaged youth, in addition to creating job slots, and therefore improves chances for long-term benefits.
- . Saturation model, which has never been tried, addresses changing normative behaviors in an entire community, in addition to providing jobs.

CONS:

- . May unnecessarily subsidize job guarantees that could be created without such subsidies, as with the Boston Compact.

SUBOPTION IIB -- Funding Job Creation Through Tax Incentives.

Two ideas have been offered for trying to achieve the job creation goal through tax incentives. They are as follows:

Capped Wage Credit, Analogous to the Low Income Housing Tax Credit (LIHTC). With the LIHTC, intermediary organizations such as LISC act as brokers to market credits and involve investors and developers in affordable housing projects. OMB has proposed an analogous, portable wage credit that could be tied to the 15 "first tier" challenge communities. Each of the 15 areas would be allocated a capped amount of wage credits that, as part of their youth development and employment strategy, they would market to regional employers to get commitments for a guaranteed number of job slots from a consortium of employers. Eligibility might be limited to School-to-Work participants to enhance that initiative and reward those who play by the rules. Revenue losses have not been estimated.

Revised Targeted Jobs Tax Credit. DOL has proposed amending the credit to include participants in School-to-Work programs. Revenue losses could be substantial but could be curbed if it were limited to participants from high poverty areas.

PROS:

- . A wage credit is a tax cut and therefore has political appeal and is preferable to discretionary spending.
- . We are on record as supporting a revised TJTC, so it makes sense to try to achieve our objectives with this mechanism.

CONS:

- . Both options need to be scored and vetted with Treasury on issues of cost and administrative feasibility.
- . Wage credits are costly and have had questionable results in influencing employer hiring decisions.

OPTION III -- NEW LEGISLATION -- YOUTH EMPOWERMENT AND REFORM

This option is based on the premise that the problems faced by poor urban communities are immense and that the current federal response is inadequate. Merely repackaging the initiatives we have in place or making marginal expansions of current programs -- as is proposed in Options I and II -- will be insufficient if we really want to change opportunities for residents of distressed urban areas.

There are 6.4 million children age 0-18 and two million youth age 18-24 living below the poverty line in center cities. In order to affect the lives of a substantial percentage of these children and youth we should consider large scale investments. (DoEd has proposed spending of up to \$2 billion a year targeted at approximately 60 inner-city communities).

Others in the group feel that we cannot justify, politically or otherwise, seeking such substantial new funding or new categorical legislation without first addressing improvements in existing youth programs, many of which have been shown not to work. This school of thought, led primarily by the DPC, contends that inadequate funding levels are not the problem as much as poor usage and fragmentation of existing funding.

This option addresses (1) reforms we can achieve to improve outcomes for disadvantaged youth using existing waiver and regulatory authority; and (2) a bolder proposal for consolidation and reform of exiting programs, that could be coupled with a proposal for additional spending.

SUBOPTION IIIB. -- Legislative Consolidation and Reform.

The DPC will be pursuing legislative options for broadening existing statutory and regulatory waiver authority to support revitalization of distressed communities. Youth development, training and employment programs will be included in this strategy.

Single, Youth Development Fund. Some in the working group have proposed an even broader vision -- i.e., the consolidation of categorical youth programs into a single federal youth development funding mechanism (a "Youth Development Fund"). The most sweeping of bold options could restructure dozens of programs involving hundreds of millions of dollars. The elimination of programs could be accompanied by a specific estimate of how many less people it would take the federal government to run the programs, and those savings could be added to program dollars available. Alternatively, we could announce a longer term assault on replication and lack of coordination, beginning with a major effort to consolidate youth services on a few limited fronts (e.g. JTPA II and other youth training and employment programs -- a total of 16 programs). Or we could support a limited reallocation of funds from existing programs for an initial stage of flexible block grants. For example, Sens. Kassebaum and Dodd and Reps. Payne and Morella have co-sponsored a Youth Development Block Grant Bill that would reallocate \$400 million to expand and coordinate youth development programs for youth ages 6 to 19.

JTPA Youth Programs Reform. If the Administration were to pursue legislative reforms of JTPA IIB and IIC, we would probably propose consolidation and (1) greater geographic concentration of resources to saturate distressed inner-city and rural communities with mentoring, after-school activities, contextual learning and guarantees of employment and/or education for those who play by the rules; (2) a complete overhaul of the system to focus on a genuine work-based learning program based on the CET model for out-of-school youth and school-to-work for in-school youth; (3) expansion of residential youth service corps; and (4) a joint DOL/DoED dropout prevention program.

Design Issues. If agency and White House Deputies were to decide that a bold legislative option should be included in the decision memorandum to the President, more staff work would needed to be develop a range of possible options. For example, the youth development fund model devolves most decisionmaking to local institutions on how to design youth development programs. Yet the JTPA II model is also a decentralized, formula program that has not achieved positive results. An alternative would be to consolidate programs to promote strategies that have proven results, e.g. (for education and training programs -- the school-to-work/work-based learning vision presented above).

Additional Resources: The issues of additional resources should also be addressed in the context of the reform agenda. For example, there is a great disparity--in the magnitude of billions of dollars--between public investment in the education of youth who go to college and those who don not. On average, the public invests roughly \$5000 between the ages 16 and 24 to educate youth who drop out of school, compared with \$25,000 for youth who

SUBOPTION III A. -- Maximizing Existing Reinvention Tools to Focus on High School Completion, School-to-Work, Work-Based Learning, and Job Linkages for At-Risk Youth.

With the passage of School-to-Work and ESEA Title I, DoEd and DOL gained important new tools that will give communities flexibility to combine funds from JTPA IIB and IIC, Perkins Voc Ed, ESEA Title I and School-to-Work, to support the type of skills building, contextual learning and job linkage that we envision for in-school and out-of-school youth from high poverty neighborhoods. At the same time, results of the National JTPA Study showed disappointing results for youth, particularly with JTPA II C year round programs for youth.

DOL and DoEd are working on a paper that assesses how much can be achieved with new waiver and joint funding authority. Proposed reform activities for both in-school youth and out-of-school youth programs are described in the attached appendix. These reforms focus on combining JTPA IIB and IIC programs (\$800 million and \$600 million respectively) and linking them to comprehensive strategies for at-risk youth that aim (1) to increase high school completion rates and build school-to-work systems; and (2) enroll youth who have dropped out in CET-like, work-based learning programs. In short, through waiver authority and other tools, the vision is the creation of a "virtual" youth development grant for in-school youth (merging Perkins, JTPA, ESEA, etc..) to support school-to-work systems and a parallel effort for out-of-school youth that shifts the focus of funding for out-of-school youth to the CET model.

We will have a better assessment later this week of how effective these proposed administrative reforms are likely to be.

PROS:

- Begins real reform to move the JTPA system towards a sharp focus on work and work-based learning of the successful CET program for out-of-school youth, and towards the school-to-work system, an Administration priority, for in-school youth.

- Avoids a legislative battle on reform that is not likely to be won next year.

CONS:

- It will be very difficult to change the highly decentralized JTPA system, which is designed to allow local providers to develop their own programs.

- It is unclear whether the success of CET and other models lies in program components that can be replicated or in the competence of individual staff and management, which may not be readily replicated.

graduate from college. The social costs of such disparities are particularly great with inner-city, minority youth. Society eventually spends a huge amount of resources on inner-city youth who drop out of high school -- in the form of AFDC, Food Stamps, Medicaid, public housing and criminal justice costs. As many as three-fourths of inner-city black male high school drop outs between the ages of 25-34 had criminal records in the 1980s. (Inner-city black high school drop outs had an incarceration rate of 27% while black high school graduates had an incarceration rate of only 4%.) The proportion of young males under the supervision of the criminal justice system more than doubled between 1980 and 1993. Some estimate that society is spending on average approximately \$100,000 in present discounted value simply on incarceration costs for each black male high school drop out.

If we could devote more resources up front into effective human capital development, particularly for inner-city youth, we would in the long term save much more money in social welfare and criminal justice costs, not to mention reducing the incidence of violent crime. DoED has put forth a legislative proposal for Youth Empowerment Zones that would address this investment deficit by providing 60 or so impoverished communities with flexible grants of approximately \$30 million each in return for developing a comprehensive youth development and employment plan and building in strong accountability. The proposal would reach the 60 school systems with the largest number of poor children. The ideas behind this legislative proposal -- concentration of more resources for comprehensive youth development and employment strategies in low-income areas -- should be considered as part of the reform and investment agenda.

PROS:

- . A bold, highly visible commitment to reducing, consolidating and simplifying federal programs in the name of encouraging local flexibility, less red tape, and better services to youth would be a good message to start off the second part of the term.
- . It fits with the message of NPR and addresses public discontent with federal bureaucracies.
- . It would free local communities from the constraints of narrow categorical programs and gives them the flexibility to design programs that are flexible and adaptable to the needs of local youth. It reduces the administrative burden on grantees of filling out multiple applications and reporting data to numerous federal agencies.

CONS:

- . Congressional reaction from committees and members who have created and now oversee the range of categorical programs will not be favorable.
- . Advocacy Groups that represent grantees currently funded by categorical programs will not be pleased. Also, if the funds turn out to be too small and spread too thinly when consolidated, the effort could be seen as an abandonment of youth services.

. There is some risk that you could lose JTPA II C funding altogether, given its poor record, in the context of failed reform fight and thereby lose the opportunity to take advantage of new waiver and joint funding tools. (This underscores the need to think about ways to preserve and enhance the investment agenda for this population.)

YOUTH DEVELOPMENT COMMUNITY BLOCK GRANT (YDCBG)

Summary of S. 673

The Youth Development Community Block Grant (YDCBG) Act of 1995, S. 673, was introduced in the Senate by Senator Kassebaum (with Senators Inouye, Domenici, Stevens, Coats, Santorum, and Kerrey) in April, 1995. The bill was reported out of the Senate Labor and Human Resources Committee in late July. Floor action by the full Senate has not yet been scheduled.

Purposes

The YDCBG's purpose is to create a comprehensive federal strategy for community-based youth development services, and to support communities in designing community strategic plans for youth development that:

- support the primary role of the family in positive youth development;
- give priority to prevention of youth problems and crime;
- promote community coordination and collaboration in meeting the needs of youth;
- support the development and expansion of community-based youth development services to respond to local needs; and
- promote community partnerships that link youth development services with law enforcement, education, recreation, and other segments of the community.

Funding

The YDCBG would repeal the following federal programs and combine their funding:

- Safe and Drug Free Schools;
- Dropout Demonstration program;
- Crime bill prevention programs;
- Public Health grants for prevention of alcohol and drug abuse among high-risk youth and community coalition demonstration projects to support health and human service needs for minority males;
- Juvenile Justice grants for gang-free schools and communities, mentoring, and local delinquency programs;
- National Youth Sports Program; and
- Anti-Drug Abuse Act of 1988 grants for prevention relating to youth gangs and runaway and homeless youth.

The YDCBG authorizes \$900 million for fiscal year 1996 and such sums for fiscal years 1997 through 2000. This authorization amount is the sum of the fiscal year 1995 appropriations for the above existing programs, plus the estimated fiscal year 1996 appropriations for the crime bill programs, less 10 percent.

Distribution of Funds

The YDCBG distributes federal funds to states on a formula basis. In a given fiscal year, at least 95% of the authorized amount must be allotted to states and communities. A small state minimum and set aside for Native American populations is included in the legislation. Every county will receive some level of funding for youth development activities. The allocation formula gives equal weight to the size of the youth population (ages 6-18), the proportion of the youth population living below the poverty line, and increases in the rate of serious juvenile crime.

Administration

The bill allows for the use of existing administrative structures at the federal, state, and local levels.

Local Role. The primary administrative structure of the YDCBG is the Community Youth Development Board, appointed jointly by the Chief Executive Officer of the County, a representative of the schools, a representative of the local youth development community, and a representative from the substance abuse prevention community should none of the other appointing officials have such expertise. The appointing authorities shall consider for inclusion on the board, representatives of community-based youth-development organizations, local governments, community-based youth-serving organizations, law enforcement, local schools and local education agencies, local businesses, juvenile and family courts, family or domestic violence organizations, community foundations, the religious community, and parents and youth participants in local youth programs. At least one member of the board must have demonstrated expertise in the design and delivery of youth development services, and at least one member of the board must have expertise in youth substance abuse prevention (may be the same member). Two or more counties may agree to appoint or designate a multi-county Community Board.

As part of its application to the state for funds, the local board must prepare and submit a community strategic plan that includes:

- a current assessment of community needs and resources;
- specific process and outcome objectives for youth development programs; and
- measures of program effectiveness that will be used to evaluate progress of programs.

The local board is responsible for:

- monitoring and evaluating the progress of programs,
- providing technical assistance, and
- awarding grants to youth development programs.

The local board must report annually to the state on its funded programs and activities, and the extent to which programs achieved the process objectives and outcome objectives specified in the community strategic plan. (Local boards can use 5% of their first-year funds for an initial 6 months of planning; they may use up to 5% of their total allocation for planning, administration, coordination, and evaluation expenses.)

All YDCBG-funded programs must:

- address community youth development priorities as defined by the local board;
- recognize the role of the family in youth development;
- involve parents, youth, and community leaders in the program;
- coordinate services with other programs in the community;
- and establish process and outcome objectives responding to local needs.

(The federal share of program costs is limited by the legislation and decreases over time. A program may use up to 10% of funds received for planning, administration, coordination, and may use up to an additional 5% for evaluation expenses.)

State Role. The state distributes funds to counties based on the federal allocation formula. A state must designate an entity, either new or existing, to:

- devise a mechanism to receive regular input from the youth development community, law enforcement, schools, and others to coordinate activities statewide and assess the effectiveness of programs;

- review community youth development plans for compliance with the Act;
- distribute funds;
- monitor operations of community boards;
- provide technical assistance on the development and implementation of community strategic plans; and
- report annually (and include an independent audit) to the Assistant Secretary on the programs and activities funded under the Act, and the extent to which local boards achieved the process and outcome objectives specified in the community strategic plan.

(A state may reserve 4% of its allotment to carry out activities required to administer the programs carried out in the state. States may reserve 3.5% of their allotments for discretionary funding of local programs to respond to emergency situations and to serve areas with high concentrations of low-income families.)

Federal Role. The Assistant Secretary for Children and Families in the Department of Health and Human Services will administer the YDCBG. The Assistant Secretary will:

- establish mechanisms to receive advice and input from a representative mix of youth development organizations, youth-serving organizations, educational agencies, law enforcement, etc. to improve the effectiveness and increase coordination of federal youth development activities;
- develop national policy goals and a national strategic plan;
- develop and establish a system for monitoring and evaluating the effectiveness of funded activities;
- provide a system of training and technical assistance to states and communities; and
- provide financial assistance to support research-based youth development demonstrations; and
- report every 2 years to the President and Congress on the funded activities, and include an assessment of their effectiveness in meeting their process and outcome objectives.

(The Assistant Secretary can reserve 3% of the allocation for these activities.)

Prepared by the Ad Hoc Working Group on Integrated Services
September 1995

HOPE UNIVERSITY INITIATIVE: Connecting People to Opportunity

This possible 1997 initiative would help connect the residents of poor communities -- including at-risk youth and their parents -- with opportunities for learning and employment. It builds on an emerging set of initiatives at HUD to bring education and employment opportunities to low-income housing through a combination of technology and services. HUD's initiatives exploit the incentives of property owners to invest in their residents as a way of preserving their investments and increasing their returns.

This initiative would expand that approach in scope and enlarge its impact, in part by making existing Federal funding more flexible and letting communities concentrate it on innovative efforts in the poorest areas. Rather than create another Federal program, the initiative would give local leaders who have demonstrated both commitment and initial success the ability to combine funding from specified Federal grant programs and use it in a flexible way consistent with the general purposes of those programs. This approach builds on the principles of HUD's reinvention and the National Performance Review.

The HUD Community Connections/Campus Learning models are the core of a new approach to the problems of poor communities. This approach can exploit the sudden availability of low-cost computer and telecommunications technology. In contrast to previous efforts that separately addressed housing, employment, education, and other needs, this approach would allow community leaders and property owners to construct comprehensive development and support systems and then capture the returns on these investments directly in the form of increased rents, reduced security and maintenance costs, and stronger community connections. The Federal government would capture savings in the form of reduced subsidy costs.

THE PROBLEM

Our nation risks losing a generation of inner-city residents to violence, inadequate education, and hopelessness. While decades of Federal programs have attempted to solve the multiple problems faced by these communities, numerous barriers to the implementation of effective local efforts remain. Often a wide array of public programs exists to serve youth and families, but these services are fragmented along functional and agency lines. Housing programs have worked in isolation from education, employment, and other services.

Developing a more comprehensive and effective approach to the issues facing our cities requires: (1) concentrating attention and resources on poor communities, and especially on at-risk youth and their parents; (2) supporting, on a broad scale, new models for connecting people with opportunity that are developed and run by community leaders, property owners, and private firms; (3) making the Federal government a better partner, capable of letting communities that want to tackle this problem use existing funding streams in innovative ways and rewarding their

efforts; and (4) exploiting newly available and increasingly inexpensive computing and telecommunications technology.

A NEW APPROACH

Although several design issues are still open, it could include the following elements:

- Focus on providing youth/families with integrated, intensive services. The goal would be to support localities in their efforts to create new models for concentrated, integrated delivery of various services to both youth and their families to help them develop into healthy productive members of their communities. Localities would be empowered to build collaborative initiatives involving city governments, churches, schools, non-profits and others to more effectively and efficiently meet the full range of needs of individuals, families and communities. The efforts of Kent Amos in the District of Columbia are one example of this comprehensive approach. Amos' program provides day care and head start for pre-school children; after-school care and food for teens; high school equivalency and other workplace training and counseling for adults; and may begin to provide limited health care services to children and families -- all in a single central city location.
- Allow combining of Federal grant funds across Federal agencies. Communities could, at their option, combine a certain proportion of their funding from each of several programs in different departments (could include HUD, Education, Labor, HHS, Justice, and others) into a single flexible local fund in order to carry out their proposed plan. The ability to combine funds to better address local needs is one of the cornerstones of the initiative; it is also one of the most difficult to implement. The combined funds would be used to meet the general purposes of the source programs, but would not be subjected to extensive rules and regulations on uses of funds and eligible activities. This may require waivers of rules and/or statutory requirements of the various formula grant programs that are the source funds. Although community participation would be voluntary and communities would likely combine only a portion of their formula grants, these existing grant programs could provide up to \$20 billion in available Federal resources. Using Federal money from existing grant programs allows the possibility of a far greater Federal commitment than would be possible through a new categorical grant program.
- Use a university residential model. Especially in assisted housing but also in other poor communities, the most promising approaches may be those that create an environment for learning where people live. Educational opportunities can be offered to people of all ages, exploiting modern technology and tapping existing project income and reserves to pay capital costs. The resulting gains in income and reductions in project maintenance and security costs are directly beneficial to residents and property owners. These returns can be internalized and reinvested to build social and economic capital throughout the neighborhood. Working models of this have been created in HUD-assisted housing here

in Washington and elsewhere. However, these models could be broadened if communities were able to easily link to other services -- such as day care, nutrition, health care, counseling -- to build comprehensive systems of support for personal growth and community development.

- Use a performance contract approach. As a condition for pooling formula grant funding, as in the Empowerment Zones program, communities could be required to develop strategic plans describing how the resources would be used in conjunction with State, local, and private sector resources and committing to specific performance benchmarks. These plans would list the Federal grant funds to be combined and the services that would be integrated, and show how the integrated approach would improve program effectiveness. Continued or expanded pooling of funds would be contingent on achieving interim performance targets.

THE WHITE HOUSE
WASHINGTON

October 26, 1994

MEMORANDUM FOR YOUTH DEVELOPMENT SUB-GROUP

FROM: SHERYLL CASHIN, NEC

SUBJECT: Draft Options Paper

Attached is a revised draft of options that attempts to reflect the consensus of the group. The Sub-group co-chairs will now begin work with White House deputies on a larger urban policy draft. Agencies will be given an opportunity to respond to that draft. In the meantime, if you have any concerns about the substantive direction of the attached draft, I would appreciate hearing from you. At this juncture, we are not planning on having any more meetings at the sub-group level. An overall deputies meeting is likely in the next two weeks. Thank you for your input. Please call me if you have any questions or concerns.

CONFIDENTIAL

YOUTH DEVELOPMENT SUB-GROUP
Executive Summary

We propose generally that the President challenge communities to create neighborhoods that offer safety and opportunities for young people -- in other words, to build a "youth development infrastructure" in distressed communities to intervene early with at-risk youth, prevent crime and, provide sustained attention through high school to channel youth to the economic mainstream. Communities would be challenged to meet core goals for youth, for example: (1) a caring adult in the life of every child; (2) safe and supportive environments; (3) meeting Goals 2000 and School-To-Work; and (4) a clear pathway to work or college.

Two-Tiered Strategy: Assuming there is support for such a challenge, we would propose a two-tiered strategy. Starting in January or February of 1995, we would announce the RFP for the challenge and the availability of planning grants. The actual awards would be along two tiers: (1) an award of intensive grants for 15 communities; and (2) a broad challenge to the nation, coupled with smaller grants to reach a large number (500 - 1000) of school clusters or neighborhoods, which could be part of a ongoing national campaign for youth.

Design Issue: We must consider whether and/or how the Welfare Reform Teen Pregnancy Initiative should be reflected in this challenge.

Alternatives for issuing the challenge: The memo then describes three strategic options for achieving this vision: (1) packaging and coordinating existing programs; (2) coupling such a package with new discretionary funding or a tax incentive to create new private sector jobs and training opportunities for youth; and (3) regulatory and/or legislative reform.

Option I - Using Existing Programs: Build incentives into the application for the Model Intensive Grant (Crime Bill) and into applications for other new grant programs to facilitate the combination of funds to support a unified youth development strategy that meets the goals of the challenge. Successful communities would receive coordinated packages of youth development funding. National Service and National Guard and Reserves offer manpower and facilities to support community strategies. (Note: new funding may be needed for the second tier of packages if we are to have a meaningful second tier.)

Option II - Additional Funding for Jobs: This option would build on Option I by adding resources to the challenge to create more job opportunities, primarily in the private sector, for disadvantaged youth. It proposes either: (1) investing \$7.5 million in up to 30 targeted areas ~~to support~~ to raise the employment rate dramatically (from 40% to 75%) among youths ages 16 to 25; or (2) funding job creation through a capped wage credit analogous to the Low Income Housing Tax Credit or through an amendment to the TJTC.

Option III - Bold Reform: This option addresses (1) reforms we can achieve to improve outcomes for disadvantaged youth using existing waiver and regulatory authority; and (2) a bolder proposal for consolidation and reform of exiting youth development programs, that could be coupled with a proposal for additional spending.

Summary of Budgetary Proposals: Below are the budget items presented in the draft. Of all of the new spending items, there appears to be strong consensus for giving first priority to job creation.

Option I:

Second Tier: To do a meaningful "second tier" that provides resources to 100 to 300 additional places, we may need additional funds that could be put into Title I ESEA demonstration authority (which is quite flexible) or more National Service Volunteers. (The Welfare Reform Teen Pregnancy Initiative was able to reach 1000 schools for \$300 million.) More staff work is needed to flesh out all possibilities regarding the second tier. Alternatively, we could simply provide information, guidance and technical assistance, coupled with maximum coordination of crime bill and other programs, without a formal goal of a second tier.

Continued increases for existing job training programs: The group supports continued funding and scheduled increases for the Youthbuild (HUD), JobCorps (DOL), and the DOD/National Guard ChalleNGe program (a 22 week residential training program for high school dropouts run by the National Guard). All of these programs would be highlighted as part of the overall youth challenge.

Option II:

Job Creation (Discretionary). To fund saturated job creation in 30 places, reaching approximately 16,000 youth, we would need approximately \$200 million a year over 5 years in additional funding for Youth Fair Chance. \$100 million annually would fund job creation in 15 places that could be combined with the first tier of the youth challenge. (No new legislation needed.)

Job Creation (Tax Incentive). A capped wage credit, analogous to the Low Income Housing Tax Credit, or an amendment to the TJTC have been suggested to fund job creation. The capped wage credit could be limited to the 15 first tier communities. Revenue losses depend on design. We can cap it as low as needed.

Option III:

Both the regulatory and legislative reform options are intended to be budget neutral. An open issue is whether these reforms should attempt to achieve more concentration of resources for low-income areas and/or an infusion of additional resources.

YOUTH DEVELOPMENT SUB-GROUP DRAFT OPTIONS -- SAFETY AND OPPORTUNITIES FOR YOUTH

DRAFT

Youth in distressed urban communities suffer from compounded and interacting problems: a breakdown of family, extended family and community structures; a lack of shared value systems that support individual responsibility; increasing economic isolation; teenage pregnancy and young parents without the skills to raise their children; a high-level of exposure to criminal violence and a paucity of safe and nurturing environments; and few connections to the labor market and thus little structure of rewards, discipline, and work.

Most Americans recognize and are deeply concerned about this loss of human potential and the social toll of youth violence. This concern cuts across class, race, gender, party and geographical location. And, many are seeking common sense, attainable solutions.

We propose that the President challenge communities to create neighborhoods that offer safety and opportunities for young people -- in other words, to build a "youth development infrastructure" in distressed communities to intervene early with at-risk youth (ages 10-18 or even younger), prevent crime and, provide sustained attention through high school to channel youth to the economic mainstream. This challenge would say to youth and communities, we will work harder to expand opportunities to you, but you -- and every youth and adult in the community -- must take personal responsibility for working harder to take advantage of these opportunities.

We would challenge communities to meet core goals. The following are some examples of possible core goals:

- . **A caring adult in the life of every child** -- Youth should have sustained nurturing relationships with responsible adults. Ensure this by providing consistent, high-quality mentoring in the context of recreation, academics, community service and work. Some preference would be given to programs that will have paid staff and/or national service volunteers to ensure sustained, long-term interventions over several years. Some preference would be given to programs that focus on the family and parental support so that parents will have the skills to raise their child.
- . **Safe and supportive environments** -- Youth should have "safe havens" (e.g., 24 hour schools, community-based clubs and National Guard Armories) that are consistently open and available.
- . **Meeting Goals 2000 and School-To-Work** -- Youth should complete school or achieve high skills standards. Use mentoring, recreational and/or safe haven components to provide activities that are designed to help kids stay in school and graduate, and offer both in-school and out-of-school youth work-based or "contextual" learning so they gain skills to compete in the mainstream economy.

A clear pathway to work or college -- Young people who stay in school or meet specified skills goals should be rewarded with a guaranteed private-sector job or access to college. By leveraging the private sector, investing in job developers that provide access to the labor market, or, where necessary, through direct job creation, communities can reward youth who take personal responsibility for their future. This would require investment only in job linkage/creation strategies that strongly emphasize private sector work and personal responsibility (as opposed to "warm and fuzzy" services).

[Issue -- Should we have a direct linkage between the youth development goal and community policing? If so, how would this goal be crafted. What is the proper role for community police officer or community policing strategy in this vision?]

Process Goals: Beyond these substantive goals, the challenge would also have process goals: i.e., (1) community involvement in the design and implementation of the strategy; (2) designing activities that treat youths as assets to be of service in the community; and (3) strong accountability that requires communities to set performance benchmarks with the possibility of reduced funding for nonperformance.

This challenge would set clear goals -- but recognize that every community would meet the challenge differently. It would rely on approaches that are energized by partnerships of families, community-based organizations, schools, churches, the business community, colleges and universities, law enforcement and other key institutions.

This is a theme about which the President has spoken passionately over the last year and for which he has consistently been praised for providing much-needed leadership. It appears to be his best, and most natural platform for speaking to the American people. It is a theme that is central to the welfare reform proposal, the Crime bill and the entire lifelong learning agenda. A message that communities must come together to offer safety and opportunities for youth and that the entire community must take responsibility to use those opportunities has moral resonance. It also makes sense to people who see a generation being lost and realize that the place to start in rebuilding our communities is with our young people.

The Youth Development sub-group believes that this message and vision should be a centerpiece -- if not the centerpiece -- of the Administration's urban agenda. Based on what we know from research, it is the vision that we believe has the best chance of changing life circumstances and preventing crime in our inner cities.

Alternatives for issuing the challenge: Described below are three alternatives for achieving this vision: (1) packaging and coordinating existing programs; (2) coupling such a package with new discretionary funding or a tax incentive to create new private sector jobs and training opportunities for youth; and (3) regulatory and/or legislative reform.

Two-Tiered Strategy: Assuming there is support for such a challenge, we would propose a two-tiered strategy. Starting in January or February of 1995, we would announce the RFP for the challenge and the availability of planning grants. The actual awards would be along two tiers: (1) an award of intensive grants for 15 communities; and (2) a broad challenge to the nation, coupled with smaller grants to reach a large number (500 - 1000) of school clusters or neighborhoods, which could be part of a ongoing national campaign for youth.

OPTION I -- USING EXISTING PROGRAMS

Under this option, we would "package" together key youth development programs -- particularly new Crime Bill programs, to promote coordinated community planning to meet the challenge. The overall features of this option are as follows:

January/February 1995, Announcement of Challenge and Planning Grants. Key agencies would be asked to use discretionary money under current authority and appropriations to offer a total of approximately 30 planning grants of approximately \$100,000 each. An announcement of the planning grants (and of the request for proposals for the Model Intensive Grant and other key youth development programs) could launch the challenge. In addition, the grants could help build support for appropriating funds for crime bill prevention programs in FY96.

First Tier: Intensive Grants for Safety and Opportunity Youth. In October 1995, the 15 winners of the Model Intensive Grant would be announced. Communities will have submitted a youth development and crime prevention plan that shows how they would use the model intensive grant and other federal youth programs, as well as private sector and community resources, to meet the goals of the challenge.

Second Tier: Broader Challenge to the Nation to Support Safety and Opportunity for Youth. The President would also challenge the entire nation to meet these goals. The Administration would provide information, technical assistance, guidance on waiver strategies and other support to help communities meet this vision. We could also make small grants or grant packages available through existing authorities to additional communities. Some possibilities include: (1) additional investments in National Service; (2) ESEA, Title I demonstration authority (DoEd suggests an investment of \$100 million annually in new funds to create a second tier in 100-300 school clusters, which would reach approximately 400 to 1000 high poverty schools. The demonstration authority allows funding for all activities we envision, except direct job creation); (3) Prevention Council grants (e.g., of \$500,000 to \$1 million) (existing funding is \$90 million over 6 years, some of this grantmaking could be devoted to the second tier); and (4) using powerful legal authority of office of juvenile justice to aggregate discretionary funds from different agencies that carry out federal "juvenile delinquency" programs or activities (broadly defined to include any program that involves delinquency prevention, treatment, and juvenile training) and redirect such funds to an "exceptional need or an exceptionally effective program or activity."

Coordination Techniques. Rather than try to actually consolidate the application process for a number of programs (a legal impossibility), we would try to build incentives into the application for the Model Intensive Grant and into applications for other new grant programs to facilitate the combination of crime prevention and other funds to support a unified youth development strategy that meets the goals of the challenge. We would maximize existing federal tools for program coordination, for example, (1) giving extra points to applicants that propose to use existing block grant funds to support a unified strategy; (2) giving extra points to applicants that propose to use School-to-Work waiver authority to combine JTPA, ESEA and Perkins and other funds for skills development and job linkage as part of a unified strategy; (3) giving competitive priority for a menu of federal competitive youth development programs to communities that have submitted a unified strategy that meets the goals; and (4) coordinating as much as possible the timing, regulatory requirements, and rollout of relevant youth programs.

Waiver Requests. The community strategic plans would include requests for waivers from regulatory and legislative impediments to innovation and meeting the challenge. The MIG application would specifically highlight new, existing waiver authority under School-to-Work and other Education and Labor programs.

Programs and Resources to be Coordinated. The Model Intensive Grant ("MIG") would be the lead mechanism for spurring communities to develop a strategic youth development plan that uses a number of federal resources to achieve the goals of the challenge in targeted high poverty neighborhoods. Given the amounts and the flexibility available in the Model Intensive Grant, we believe it can be used successfully to encourage coordination and leverage. Agencies have indicated that the following additional discretionary programs might be part of coordinated package for which applicants receive competitive priority:

- Crime Bill FACES and Community Schools Programs
- Crime Bill Assistance for Delinquent and At-Risk Youth
- DOJ High Risk Youth Program (flexible authority to demonstrate effective models for drug abuse prevention and treatment)
- DOL Youth Fair Chance Program
- Youthbuild
- [-- JobCorps ?]
- [-- National Guard Challenge ?]

Through the MIG application, we would encourage applicants to coordinate the following sources (and inform them about new waiver authority that allows for combination of JTPA, Perkins, ESEA Title I and STW funds):

- Crime Bill Block Grants and Existing HHS Block Grants
- ESEA Title I
- JTPA Title IIB and IIC
- Perkins Voc Education

-- School-to-Work High Poverty and other Grants

Federal Partners. Some agencies in particular have tangible resources they can offer to local communities to help them achieve the goals of the challenge, if the local communities are willing to use some of their MIG or other funding to share costs.

National Service: With local cost sharing, we could create teams of VISTA workers and locally-sponsored AmeriCorps volunteers to help communities meet the challenge. For both the "First Tier" and "Second Tier" communities, National Service could offer (1) one or more VISTA workers (paid volunteers) and (2) educational awards for a number of new AmeriCorps volunteers (i.e., the applicant community nominates Americorps candidates from their community to be part of the youth development strategy, and pays for their two-year operational costs and National Service guarantees educational awards for the volunteers after two years of service.) [The exact details and numbers for National Service commitments have to be worked out. This is what National Service can do at existing appropriations levels.]

Defense Department (National Guard and Reserves): DOD has already begun a number of pilot programs involving partnerships between the National Guard and Reserve and local communities. At no or low extra cost, Guard and Reserve units receive realistic training, while addressing community needs as a by-product of their training. Current pilot projects include (1) infrastructure/engineering training -- units train by working on infrastructure and renovation projects in distressed communities; (2) healthcare -- units train by providing assistance to medically underserved communities; and (3) job training and youth programs -- with additional Congressional support, units run a number of programs targeted to at-risk youth. The Guard and Reserve would commit to expanding these activities for both "first tier" and "second tier" communities that wish to participate. Specifically, they would offer (1) Safe Haven use of Guard armories, with the community picking up costs of running programs for youth; (2) infrastructure/engineering training opportunities for local youth, with the local unit and community planning together local rehabilitation projects and cost-sharing arrangements; and (3) opportunities to participate in healthcare and other youth development programs, such as Guardcare and ChalleNGe. (Secretary Perry would ask all Governors to set up an action committee with representatives from each Reserve component in the state to facilitate collaboration between service units and communities in planning activities and mutual commitments.) [Details need to be worked out on numbers of safe havens, guard and reserve units, etc. that could be available, commitment of Sec. Perry.]

Continued Expansion of Youthbuild, JobCorps and ChalleNGe. The group supports continued funding and scheduled increases for the Youthbuild (HUD), JobCorps (DOL), and the DOD/National Guard ChalleNGe program (a 22 week residential training program for high school dropouts run by the National Guard). Those programs could be highlighted as part of the youth challenge application as possible resources for placing targeted youth in

training slots. The Administration should support the permanent expansion of the DOD ChalleNGe program (currently funded as about \$60 million) to all fifty states (which would cost about \$140 million or more depending on the scale). (Armed Services committee staff have indicated that this is likely to happen this spring when the program comes up for permanent authorization).

Coordination with a Public/Private Entity. A public/private entity could take on the mission of launching a high profile campaign for youth development focused on the challenge. If a public/private entity is created to promote the welfare reform teen pregnancy prevention initiative, it might take on this wider mission.

Relationship to Empowerment Zones and Enterprise Communities. This initiative could be tied to the EZ/EC initiative by giving priority to applications from designated ECs which show how the activities under the challenge grant are tied to the overall activities of the EC strategic plan.

PROS:

- . Provides a platform for the President to continue speaking to the American public on crime and youth and builds support for FY96 appropriations for crime bill programs.
- . Given enormous budget pressures, the only available tool may be by better use of existing resources. It builds on the reinvention theme that has been central to this Administration.
- . It channels new Crime Bill resources into proven prevention models that build on what we know works and focuses poor communities on implementing the President's lifelong learning agenda and emphasis on work.
- . When coupled with activities of a private entity, it could be the centerpiece of a national campaign for youth.

CONS:

- . The problems faced by poor urban communities are immense. Merely repackaging the initiatives we have in place will be insufficient if we really want to change opportunities for residents of distressed urban areas.
- . By consolidating resources and targeting them in a few places, we may be ensuring that only the fairly sophisticated communities benefit.
- . In some communities, relying solely on job linkages and leveraging private sector for job creation, will not be enough to guarantee jobs for targeted at-risk youth.
- . Some programs included in the package are not focused exclusively on the vision we have presented and we may draw the ire of Congress if we target them too heavily on

youth. (However, there is a potentially strong correlation between youth development and crime prevention, e.g., high school completion strongly correlates to criminal avoidance, particularly for minority males.)

Coordination without legislative changes will be incremental and place heavy burdens on the local applicants to fit various federal fragments together.

OPTION II -- FUNDING FOR JOB CREATION

This option would build on Option I by adding resources to the challenge to create more job opportunities, primarily in the private sector, for disadvantaged youth. It is designed to address the following concerns: (1) the strongly-held belief of many members of the group that there are not enough private sector jobs or incentives for private sector employers to hire inner city youth and young adults; and (2) evidence from studies showing that for low-income urban youth peer influence and acceptance are crucial in shaping attitudes about work.

SUBOPTION II A. -- Funding for Job Creation through Youth Fair Chance.

DOL, with considerable support from HUD and other members of the group, has proposed to fund direct job creation through the Youth Fair Chance program, which provides for school-to-work activities and occupational training for youth in high poverty areas of 25,000 persons (up to 50,000 in exceptional cases). Included in the program authorization is a job guarantee component, but it has never been funded. DOL proposes to harness Youth Fair Chance in the following manner:

Saturation Approach: Provide \$7.5 million to up to 30 targeted areas to raise the employment rate dramatically (from 40% to 75%) among youths ages 16 to 25 (employing about 2000 youth in each area). (Could do 15 places, tied to MIG competition, for an additional \$100 million.)

Tie Employment to Staying in School and Responsible Behavior: The program would be designed to avoid creating incentives to drop out of school. Participation would be conditioned on meeting requirements for responsible behavior: avoiding crime and drugs; regular attendance and satisfactory performance at work; remaining in high school until graduation, or returning to school to complete a GED or alternative education program. Non-job guarantee funds would be used to support drop-out prevention, contextual/STW skills training and improvements in college entry.

Require Private-Sector Commitments: First priority should be given to sites that would use the funds for private sector wage subsidies (e.g. 50% of the first year of wages) and that obtain commitments from a metropolitan-wide consortium of firms that guarantee a certain number of job slots for targeted youth.

Funding and Selection Alternatives: Currently there are 16 existing youth fair chance sites. We recommend a level of funding that would allow some existing sites to build in a job guarantee component as well as offer the opportunity for new sites to compete. The completion could be consolidated with the Model Intensive Grant challenge (no legal barriers) or it could be run separately. Funding of \$200 million we could reach about 30 sites and 16,000 youth [check numbers].

PROS:

- . Addresses frontally a critical problem -- joblessness and attendant social effects -- in high poverty communities, without requiring new legislation and for a relatively modest sum.
- . Designed to build networks that lead to private sector jobs for disadvantaged youth, in addition to creating job slots, and therefore improves chances for long-term benefits.
- . Saturation model, which has never been tried, addresses changing normative behaviors in an entire community, in addition to providing jobs.

CONS:

- . May unnecessarily subsidize job guarantees that could be created without such subsidies, as with the Boston Compact.

SUBOPTION IIB -- Funding Job Creation Through Tax Incentives.

Two ideas have been offered for trying to achieve the job creation goal through tax incentives. They are as follows:

Capped Wage Credit, Analogous to the Low Income Housing Tax Credit (LIHTC). With the LIHTC, intermediary organizations such as LISC act as brokers to market credits and involve investors and developers in affordable housing projects. OMB has proposed an analogous, portable wage credit that could be tied to the 15 "first tier" challenge communities. Each of the 15 areas would be allocated a capped amount of wage credits that, as part of their youth development and employment strategy, the would market to regional employers to get commitments for a guaranteed number of job slots from a consortium of employers. Eligibility might be limited to School-to-Work participants to enhance that initiative and reward those who play by the rules. Revenue losses have not been estimated.

Revised Targeted Jobs Tax Credit. DOL has proposed amending the credit to include participants in School-to-Work programs. Revenue losses could be substantial but could be curbed if it were limited to participants from high poverty areas.

PROS:

- . A wage credit is a tax cut and therefore has political appeal and is preferable to discretionary spending.
- . We are on record as supporting a revised TJTC, so it makes sense to try to achieve our objectives with this mechanism.

CONS:

- . Both options need to be scored and vetted with Treasury on issues of cost and administrative feasibility.
- . Wage credits are costly and have had questionable results in influencing employer hiring decisions.

OPTION III -- NEW LEGISLATION -- YOUTH EMPOWERMENT AND REFORM

This option is based on the premise that the problems faced by poor urban communities are immense and that the current federal response is inadequate. Merely repackaging the initiatives we have in place or making marginal expansions of current programs -- as is proposed in Options I and II -- will be insufficient if we really want to change opportunities for residents of distressed urban areas.

There are 6.4 million children age 0-18 and two million youth age 18-24 living below the poverty line in center cities. In order to affect the lives of a substantial percentage of these children and youth we should consider large scale investments. (DoEd has proposed spending of up to \$2 billion a year targeted at approximately 60 inner-city communities).

Others in the group feel that we cannot justify, politically or otherwise, seeking such substantial new funding or new categorical legislation without first addressing improvements in existing youth programs, many of which have been shown not to work. This school of thought, led primarily by the DPC, contends that inadequate funding levels are not the problem as much as poor usage and fragmentation of existing funding.

This option addresses (1) reforms we can achieve to improve outcomes for disadvantaged youth using existing waiver and regulatory authority; and (2) a bolder proposal for consolidation and reform of exiting programs, that could be coupled with a proposal for additional spending.

SUBOPTION IIIB. -- Legislative Consolidation and Reform.

The DPC will be pursuing legislative options for broadening existing statutory and regulatory waiver authority to support revitalization of distressed communities. Youth development, training and employment programs will be included in this strategy.

Single, Youth Development Fund. Some in the working group have proposed an even broader vision -- i.e., the consolidation of categorical youth programs into a single federal youth development funding mechanism (a "Youth Development Fund"). The most sweeping of bold options could restructure dozens of programs involving hundreds of millions of dollars. The elimination of programs could be accompanied by a specific estimate of how many less people it would take the federal government to run the programs, and those savings could be added to program dollars available. Alternatively, we could announce a longer term assault on replication and lack of coordination, beginning with a major effort to consolidate youth services on a few limited fronts (e.g. JTPA II and other youth training and employment programs -- a total of 16 programs). Or we could support a limited reallocation of funds from existing programs for an initial stage of flexible block grants. For example, Sens. Kassebaum and Dodd and Reps. Payne and Morella have co-sponsored a Youth Development Block Grant Bill that would reallocate \$400 million to expand and coordinate youth development programs for youth ages 6 to 19.

JTPA Youth Programs Reform. If the Administration were to pursue legislative reforms of JTPA IIB and IIC, we would probably propose consolidation and (1) greater geographic concentration of resources to saturate distressed inner-city and rural communities with mentoring, after-school activities, contextual learning and guarantees of employment and/or education for those who play by the rules; (2) a complete overhaul of the system to focus on a genuine work-based learning program based on the CET model for out-of-school youth and school-to-work for in-school youth; (3) expansion of residential youth service corps; and (4) a joint DOL/DoED dropout prevention program.

Design Issues. If agency and White House Deputies were to decide that a bold legislative option should be included in the decision memorandum to the President, more staff work would needed to be develop a range of possible options. For example, the youth development fund model devolves most decisionmaking to local institutions on how to design youth development programs. Yet the JTPA II model is also a decentralized, formula program that has not achieved positive results. An alternative would be to consolidate programs to promote strategies that have proven results, e.g. (for education and training programs -- the school-to-work/work-based learning vision presented above).

Additional Resources: The issues of additional resources should also be addressed in the context of the reform agenda. For example, there is a great disparity--in the magnitude of billions of dollars--between public investment in the education of youth who go to college and those who don not. On average, the public invests roughly \$5000 between the ages 16 and 24 to educate youth who drop out of school, compared with \$25,000 for youth who

SUBOPTION III A. -- Maximizing Existing Reinvention Tools to Focus on High School Completion, School-to-Work, Work-Based Learning, and Job Linkages for At-Risk Youth.

With the passage of School-to-Work and ESEA Title I, DoEd and DOL gained important new tools that will give communities flexibility to combine funds from JTPA IIB and IIC, Perkins Voc Ed, ESEA Title I and School-to-Work, to support the type of skills building, contextual learning and job linkage that we envision for in-school and out-of-school youth from high poverty neighborhoods. At the same time, results of the National JTPA Study showed disappointing results for youth, particularly with JTPA II C year round programs for youth.

DOL and DoEd are working on a paper that assesses how much can be achieved with new waiver and joint funding authority. Proposed reform activities for both in-school youth and out-of-school youth programs are described in the attached appendix. These reforms focus on combining JTPA IIB and IIC programs (\$800 million and \$600 million respectively) and linking them to comprehensive strategies for at-risk youth that aim (1) to increase high school completion rates and build school-to-work systems; and (2) enroll youth who have dropped out in CET-like, work-based learning programs. In short, through waiver authority and other tools, the vision is the creation of a "virtual" youth development grant for in-school youth (merging Perkins, JTPA, ESEA, etc..) to support school-to-work systems and a parallel effort for out-of-school youth that shifts the focus of funding for out-of-school youth to the CET model.

We will have a better assessment later this week of how effective these proposed administrative reforms are likely to be.

PROS:

- . Begins real reform to move the JTPA system towards a sharp focus on work and work-based learning of the successful CET program for out-of-school youth, and towards the school-to-work system, an Administration priority, for in-school youth.
- . Avoids a legislative battle on reform that is not likely to be won next year.

CONS:

- . It will be very difficult to change the highly decentralized JTPA system, which is designed to allow local providers to develop their own programs.
- . It is unclear whether the success of CET and other models lies in program components that can be replicated or in the competence of individual staff and management, which may not be readily replicated.

graduate from college. The social costs of such disparities are particularly great with inner-city, minority youth. Society eventually spends a huge amount of resources on inner-city youth who drop out of high school -- in the form of AFDC, Food Stamps, Medicaid, public housing and criminal justice costs. As many as three-fourths of inner-city black male high school drop outs between the ages of 25-34 had criminal records in the 1980s. (Inner-city black high school drop outs had an incarceration rate of 27% while black high school graduates had an incarceration rate of only 4%.) The proportion of young males under the supervision of the criminal justice system more than doubled between 1980 and 1993. Some estimate that society is spending on average approximately \$100,000 in present discounted value simply on incarceration costs for each black male high school drop out.

If we could devote more resources up front into effective human capital development, particularly for inner-city youth, we would in the long term save much more money in social welfare and criminal justice costs, not to mention reducing the incidence of violent crime. DoED has put forth a legislative proposal for Youth Empowerment Zones that would address this investment deficit by providing 60 or so impoverished communities with flexible grants of approximately \$30 million each in return for developing a comprehensive youth development and employment plan and building in strong accountability. The proposal would reach the 60 school systems with the largest number of poor children. The ideas behind this legislative proposal -- concentration of more resources for comprehensive youth development and employment strategies in low-income areas -- should be considered as part of the reform and investment agenda.

PROS:

- . A bold, highly visible commitment to reducing, consolidating and simplifying federal programs in the name of encouraging local flexibility, less red tape, and better services to youth would be a good message to start off the second part of the term.
- . It fits with the message of NPR and addresses public discontent with federal bureaucracies.
- . It would free local communities from the constraints of narrow categorical programs and gives them the flexibility to design programs that are flexible and adaptable to the needs of local youth. It reduces the administrative burden on grantees of filling out multiple applications and reporting data to numerous federal agencies.

CONS:

- . Congressional reaction from committees and members who have created and now oversee the range of categorical programs will not be favorable.
- . Advocacy Groups that represent grantees currently funded by categorical programs will not be pleased. Also, if the funds turn out to be too small and spread too thinly when consolidated, the effort could be seen as an abandonment of youth services.

There is some risk that you could lose JTPA II C funding altogether, given its poor record, in the context of failed reform fight and thereby lose the opportunity to take advantage of new waiver and joint funding tools. (This underscores the need to think about ways to preserve and enhance the investment agenda for this population.)

3:00 p.m.
No

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THE WHITE HOUSE
WASHINGTON

October 27, 1995

MEMORANDUM FOR DISTRIBUTION

FROM: PAUL DIMOND

SUBJECT: Urban Policy and FY97 Budget Meeting on Monday, October 30

Attached is a draft discussion paper for the Urban Policy and the FY97 Budget meeting on Monday, October 30 from 1:00pm-3:00pm in room 476 OEOB. I look forward to seeing you there.

Please be sure to call Julia Charnovitz at 456-2800 for clearance.

DRAFT**COMMUNITY EMPOWERMENT: POLICY OPTIONS**

"There are places in our country where the free enterprise system simply doesn't reach....We [are] ignore[ing] the biggest source of economic growth available to the American economy, the poor economies isolated within the United States of America. I believe that government must become a better partner for people in places in urban and rural America that are caught in a cycle of poverty. I believe that we have to find the ways to get the private sector to assume [its] rightful role as a driver of economic growth [in these communities.]"

President Clinton
Affirmative Action Address
July 19, 1995

- 1. Goal:** help persons in and communities in genuine need to help themselves join in economic growth and renewal in the new economy

Issue: Alternative Goals -- Competitive Cities? Non-economic goals?

2. Economic Circumstances facing persons in and communities in genuine need:

- Wages. For poor individuals and families, the basic problem is too little income from jobs and work. (For the past generation redistribution unrelated to work has provided working-age families and individuals with a declining share of what has been a basically stagnating median family incomes. Over 80% of children in families headed by a single parent who bears a child before graduating from high school, working and marrying now live in poverty, while less than 8% of children in families born to married parents who graduate from high school and work now live in poverty.)
- Niches. For poor cities and neighborhoods, the basic problem is too little economic activity and earnings from jobs, work, business, investment, commerce and consumption and too little capacity to fill a viable niche in the changing local regional economy. (In the first generation after WWII, from 1947-1972, cities could not compete economically for the long-line industrial plants in the old mass production economy; for the next generation, from 1973-1992, cities struggled to fill a variety of new niches in the transition from the old economy as manufacturing continued to become a smaller and smaller share of economic activity in most cities. In the new knowledge, intensive information-age economy, cities are not at such an inherent competitive disadvantage; but communities with low-skill workers or insufficient amenities will be unless they find the means to connect to high growth sectors of the local regional economy. How to build on competitive advantages and strengths of particular communities in need may provide at least as promising an approach to renewal as seeking to comprehensively address all disadvantages and deficits.)
- Choice. People vote with their feet -- and with their personal investments of time and money -- on where they want to live, work, go to school, shop, recreate, serve, and invest, and which communities they want to join. (Complete isolation from the many streams of economic growth in a local regional economy has been both a cause and

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affect of restricted opportunity and choice for persons and communities in genuine need. The number of census tracts in metropolitan areas with high concentrations of poverty rose from 3200 in 1980 to 5000 in 1990, while the population density in these high poverty census tracts declined by 12%. It may be easier to reverse this cycle of geographically expanding poverty by working with the flows of the choices in the local region -- rather than seek to reverse the tide -- in order to help persons and communities in genuine need join and contribute to the many streams of economic growth in the local regional economy.)

- Economic Growth. A national economy that averages 2.5%/year or better growth through the year 2000 -- with unemployment averaging substantially below 6% -- may offer a unique opportunity to address these underlying economic circumstances. (In most local metropolitan regions, area unemployment -- excluding inner-city, high-poverty neighborhoods -- will then average well below 5% for an extended period of time. Sustaining growth in each local region will depend more than it ever has on firms employing inner-city residents to add value through their work and on developing inner-city neighborhoods as viable niches contributing to the growth of the local regional economy.)

Issue: Other relevant economic circumstances? Regional Variation? Other metrics for analyzing circumstances?

3. Relevant Clinton-Gore Policies

- National economic plan for sustained economic growth
- A Balanced Budget that puts people and communities first, rather than an extreme budget that further frays working families, communities, and the safety net for persons in the most need
- EITC and minimum wage to make work pay
- Welfare reform to make work and child support a requirement
- 100,000 cops, community policing, Safe and Drug-Free schools to provide safety and security of person, property, neighborhoods and schools
- Lifelong Learning Agenda to help all Americans better equip themselves with the skills they need to find work where they can add more value at higher paying jobs.
- Community Empowerment: EZ's and EC's, Community Development Banks, Community Reinvestment Act reform, SBA and GSE reform, Empowerment Contracting, and "Brownfields" redevelopment to make capital, other financial resources and support, and more economically productive land available to persons in and communities in genuine need.

Issues: Other relevant Clinton-Gore Policies?

4. Possible purposes of policy options that we may consider

- Implement, Build-on, roll-out or make meaningful Clinton-Gore Policies throughout 1996 and Second Term (e.g., EZs and ECs, School-to-Work, Adult Workforce Development)
- Enact in 1996
- Propose to define the differences for 1996 election and Second Term

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Issues: To be seriously considered, each proposal faces fierce competition for the scarcest resources -- President's time and attention, public appreciation and media interpretation, and budget dollars.

5. Two-part framework for evaluating proposed policy option

- Does it enable private sector and free enterprise to work in communities in genuine need to increase profitable economic activity?
- Does it enable persons now residing in these communities to help themselves and their families earn higher incomes through work?

Issues: Are the two parts complementary and mutually reinforcing or in tension and conflict? Are there alternative strategies?

6. Proposals to enable private sector and free enterprise to work in poor communities in genuine need to increase profitable economic activity:

- Better Access to Capital, Business Expertise Angels, Customers
 - Private sector intermediaries vs. direct government assistance
 - Influence, subsidize markets (e.g., IDB incentives, portfolio leverage, securitization, GSE goals, CRA reform, jaw-boning)
 - Equity and "Risk" capital?
 - Empowerment Lending and Contracting
 - Supply and customer networks and clusters?
 - Targeted tax incentives?
 - Underserved markets?
 - Locational and other potential competitive advantages?
 - Others?
- Lower Cost of Doing Business
 - Brownfields development
 - Expensing subsidy
 - Wage subsidy
 - Training support
 - Safety and security
 - Targeted tax incentives?
- Thriving Neighborhoods?
 - Home ownership?
 - New Urban Village?
 - Retail services?
- Other?

Proposals for One Best Ideas:

1. "The President should 'Own' the Capital Access Agenda" (Treasury-HUD-NEC-Commerce-CEA-OMB)
2. "Brownfields Development"(DPC-EPA-CEA)
3. "Secondary Markets-Securitization/Private Intermediaries" (Commerce, NEC, OMB)
4. "Micro-enterprise and small business venture funding" (SBA,Treasury)
5. "Community Enterprise Venture Funds--Mainstream Financial Angels--

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Competitive Advantages" (Porter-NEC-Commerce-HUD)

6. "Thriving Communities -- Home Ownership, Mixed Income Housing, Rehabilitation" (HUD-NEC-OMB)

Issues: Do any of these proposals have a credible chance of substantially increasing the total of profit-making, economic activity in communities in genuine need? Is the object to enable the growth of new nodes and clusters of economic activity to export goods and services from poor places, to build self-sustaining "villages" with retail services and small businesses, and/or residential neighborhoods with a broader income mix and more home ownership? Or to establish the conditions to enable communities in genuine need to find their own, more self-sustaining niches in the local region? Is this a process of strategic planning by some larger governmental or public-private entity or is this a process of altering the economic incentives, enabling private intermediaries, and allowing expanded opportunities for firms and families residing in and moving into these communities to achieve a greater whole from the sum of their independent choices and actions?

7. Proposals to enable persons in genuine need now living in such communities to help themselves and their families earn higher incomes through work:

- Linking persons to job openings wherever located
- Expanding opportunity for individuals and families to choose to live near expanding job openings
- Subsidizing private or public employment
- Good schools, access to post-secondary education and training, higher skills

Proposals for One Best Ideas:

1. "Job-Link, Now" to implement G.I. Bill for America's Workers/Welfare-to-Work for persons in communities in genuine need based on (DoL, NEC, Wilson)
2. "Urban Excellence Corps/I Have a Dream Partnerships" to implement school-to-work, Careers/Workforce portions for youth in G.I. Bill for America's Workers, and access to higher education and good jobs wherever located (NEC, DoL, DoEd, National Service)
3. "End Public Housing as We Know It -- empower families, tenants, and communities rather than local public housing fiefdoms and other owners of federally subsidized monopolies" -- to move families from dependence to self-sufficiency, to demolish public housing that is a blight, to assure market competition in public and subsidized housing, and to promote tenant and community-based ownership and responsive private management (HUD, NEC, DPC)
4. "EZ-EC Youth Education, Training and Jobs Empowerment" to provide jobs and links to lifelong learning for all 18-24-year-olds in a number of EZ, EC or EC eligible or PHA communities (DoL, HUD, DPC)
5. "Performance-Based Charter Schools and Public School Choice" to provide

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families in poor communities with the same choice and control over the quality of public schooling as parents with greater economic means and to provide schools with clear mission (OVP, DoEd, HUD, NEC, DPC)

6. "21st Century Education Technologies, 21st Century Schools --Now" to make sure that implementation of President's vision for transforming public schooling doesn't pass by the schools in poor communities (OVP, OSTP, DoEd, DoC, NEC, DPC)

7. "Shining the light of full disclosure on unconscionable restrictions on equal opportunity in the daily life of American families and communities" -- third-party testing, disclosure, and widespread media coverage of barriers to access in hiring, housing, home mortgages, consumer and business lending, consumer purchases based on race, ethnicity, and community; aggressive defense of HMDA and CRA (NEC, Justice Department, HUD, Treasury)

8. Reinvention Proposals -- "One Best Ideas"

"Campus of Learners/Hope University" (HUD, OMB)

"Performance Partnerships/Beyond Reinvention" (HUD, OMB)

"Transforming HUD into New Department of Community Partnerships and Homeownership" (HUD, OMB)

"Sustainable Development and Regional Transportation" (EPA-DOT)

Issue: Are these proposals all based on comprehensive integration of government services for poor persons in poor places? How does any proposal for comprehensive integration of government services address goals related to economically thriving families and communities? Does reinvention mean government personnel and systems are more responsive on the ground to clients based on governmental evaluation of benchmarks and performance or does it mean devolving choice to customers and responsibility to local institutions and private intermediaries? How is this responsive to goals of economically thriving families and communities?

9. What is the short list of candidates for our "One Best Idea"

Issues: Do we have any "one best ideas" that have a real chance of "breaking through"? If not, are we stuck with making a credible claim that we have a "comprehensive" strategy for "community empowerment?" Or should we (a) offer "one least bad" options (i) for building business in communities in genuine need and (ii) for connecting persons in genuine need now living in these communities to higher incomes through work and (b) target other "least bad" ideas into EZs and ECs? Should we also recommend for each of the major Clinton-Gore initiatives that will be rolling out in 1996 some way to make sure that it has a chance of working in communities in genuine need?

HOPE UNIVERSITY INITIATIVE: Connecting People to Opportunity

This possible 1997 initiative would help connect the residents of poor communities -- including at-risk youth and their parents -- with opportunities for learning and employment. It builds on an emerging set of initiatives at HUD to bring education and employment opportunities to low-income housing through a combination of technology and services. HUD's initiatives exploit the incentives of property owners to invest in their residents as a way of preserving their investments and increasing their returns.

This initiative would expand that approach in scope and enlarge its impact, in part by making existing Federal funding more flexible and letting communities concentrate it on innovative efforts in the poorest areas. Rather than create another Federal program, the initiative would give local leaders who have demonstrated both commitment and initial success the ability to combine funding from specified Federal grant programs and use it in a flexible way consistent with the general purposes of those programs. This approach builds on the principles of HUD's reinvention and the National Performance Review.

The HUD Community Connections/Campus Learning models are the core of a new approach to the problems of poor communities. This approach can exploit the sudden availability of low-cost computer and telecommunications technology. In contrast to previous efforts that separately addressed housing, employment, education, and other needs, this approach would allow community leaders and property owners to construct comprehensive development and support systems and then capture the returns on these investments directly in the form of increased rents, reduced security and maintenance costs, and stronger community connections. The Federal government would capture savings in the form of reduced subsidy costs.

THE PROBLEM

Our nation risks losing a generation of inner-city residents to violence, inadequate education, and hopelessness. While decades of Federal programs have attempted to solve the multiple problems faced by these communities, numerous barriers to the implementation of effective local efforts remain. Often a wide array of public programs exists to serve youth and families, but these services are fragmented along functional and agency lines. Housing programs have worked in isolation from education, employment, and other services.

Developing a more comprehensive and effective approach to the issues facing our cities requires: (1) concentrating attention and resources on poor communities, and especially on at-risk youth and their parents; (2) supporting, on a broad scale, new models for connecting people with opportunity that are developed and run by community leaders, property owners, and private firms; (3) making the Federal government a better partner, capable of letting communities that want to tackle this problem use existing funding streams in innovative ways and rewarding their

efforts; and (4) exploiting newly available and increasingly inexpensive computing and telecommunications technology.

A NEW APPROACH

Although several design issues are still open, it could include the following elements:

- Focus on providing youth/families with integrated, intensive services. The goal would be to support localities in their efforts to create new models for concentrated, integrated delivery of various services to both youth and their families to help them develop into healthy productive members of their communities. Localities would be empowered to build collaborative initiatives involving city governments, churches, schools, non-profits and others to more effectively and efficiently meet the full range of needs of individuals, families and communities. The efforts of Kent Amos in the District of Columbia are one example of this comprehensive approach. Amos' program provides day care and head start for pre-school children; after-school care and food for teens; high school equivalency and other workplace training and counseling for adults; and may begin to provide limited health care services to children and families -- all in a single central city location.
- Allow combining of Federal grant funds across Federal agencies. Communities could, at their option, combine a certain proportion of their funding from each of several programs in different departments (could include HUD, Education, Labor, HHS, Justice, and others) into a single flexible local fund in order to carry out their proposed plan. The ability to combine funds to better address local needs is one of the cornerstones of the initiative; it is also one of the most difficult to implement. The combined funds would be used to meet the general purposes of the source programs, but would not be subjected to extensive rules and regulations on uses of funds and eligible activities. This may require waivers of rules and/or statutory requirements of the various formula grant programs that are the source funds. Although community participation would be voluntary and communities would likely combine only a portion of their formula grants, these existing grant programs could provide up to \$20 billion in available Federal resources. Using Federal money from existing grant programs allows the possibility of a far greater Federal commitment than would be possible through a new categorical grant program.
- Use a university residential model. Especially in assisted housing but also in other poor communities, the most promising approaches may be those that create an environment for learning where people live. Educational opportunities can be offered to people of all ages, exploiting modern technology and tapping existing project income and reserves to pay capital costs. The resulting gains in income and reductions in project maintenance and security costs are directly beneficial to residents and property owners. These returns can be internalized and reinvested to build social and economic capital throughout the neighborhood. Working models of this have been created in HUD-assisted housing here

in Washington and elsewhere. However, these models could be broadened if communities were able to easily link to other services -- such as day care, nutrition, health care, counseling -- to build comprehensive systems of support for personal growth and community development.

- Use a performance contract approach. As a condition for pooling formula grant funding, as in the Empowerment Zones program, communities could be required to develop strategic plans describing how the resources would be used in conjunction with State, local, and private sector resources and committing to specific performance benchmarks. These plans would list the Federal grant funds to be combined and the services that would be integrated, and show how the integrated approach would improve program effectiveness. Continued or expanded pooling of funds would be contingent on achieving interim performance targets.

COMMUNITY EMPOWERMENT: POLICY OPTIONS

"There are places in our country where the free enterprise system simply doesn't reach....We [are] ignor[ing] the biggest source of economic growth available to the American economy, the poor economies isolated within the United States of America. I believe that government must become a better partner for people in places in urban and rural America that are caught in a cycle of poverty. I believe that we have to find the ways to get the private sector to assume [its] rightful role as a driver of economic growth."

President Clinton
Affirmative Action Address
July 19, 1995

- 1. Goal:** help persons in and communities in genuine need to help themselves join in economic growth and renewal in the new economy

Issue: Alternative Goals -- Competitive Cities? Non-economic?

2. Economic Circumstances facing persons in and communities in genuine need:

- Wages. For poor individuals and families, the basic problem is too little income from jobs and work. (For the past generation redistribution unrelated to work has provided working-age families and individuals with a declining share of what has been a basically stagnating median family incomes. Over 80% of children in families headed by a single parent who bears a child before graduating from high school, working and marrying now live in poverty, while less than 8% of children in families born to married parents who graduate from high school and work now live in poverty.)
- Niches. For poor cities and neighborhoods, the basic problem is too little economic activity and earnings from jobs, work, business, investment, commerce and consumption and too little capacity to fill a viable niche in the changing local regional economy. (In the first generation after WWII, from 1947-1972, cities could not compete economically for the long-line industrial plants in the old mass production economy; for the next generation, from 1973-1992, cities struggled to fill a variety of new niches in the transition from the old economy as manufacturing continued become a smaller and smaller share of economic activity in most cities. In the new knowledge, intensive information-age economy, cities are not at such an inherent competitive disadvantage; but communities with low-skill workers or insufficient amenities will be unless they find the means to connect to high growth sectors of the local regional economy. How to build on competitive advantages and strengths of particular communities in need may provide at least as promising an approach to renewal as seeking to comprehensively address all disadvantages and deficits.)
- Choice. People vote with their feet -- and with their personal investments of time and money -- on where they want to live, work, go to school, shop, recreate, serve, and invest, and which communities they want to join. (Complete isolation from the many streams of economic growth in a local regional economy has been both a cause and

affect of restricted opportunity and choice for persons and communities in genuine need. The number of census tracts in metropolitan areas with high concentrations of poverty rose from 3200 in 1980 to 5000 in 1990, while the population density in these high poverty census tracts declined by 12%. It may be easier to reverse this cycle of geographically expanding poverty by working with the flows of the choices in the local region -- rather than seek to reverse the tide -- in order to help persons and communities in genuine need join and contribute to the many streams of economic growth in the local regional economy.)

- Economic Growth. A national economy that averages 2.5%/year or better growth through the year 2000 -- with unemployment averaging substantially below 6% -- may offer a unique opportunity to address these underlying economic circumstances. (In most local metropolitan regions, area unemployment -- excluding inner-city, high-poverty neighborhoods -- will then average well below 5% for an extended period of time. Sustaining growth in each local region will depend more than it ever has on firms employing inner-city residents to add value through their work and on developing inner-city neighborhoods as viable niches contributing to the growth of the local regional economy.)

Issue: Other relevant economic circumstances? Regional Variation? Other metrics for analyzing circumstances?

3. Relevant Clinton-Gore Policies

- National economic plan for sustained economic growth
- A Balanced Budget that puts people and communities first, rather than an extreme budget that further frays working families, communities, and the safety net for persons in the most need
- EITC and minimum wage to make work pay
- Welfare reform to make work and child support a requirement
- 100,000 cops, community policing, Safe and Drug-Free schools to provide safety and security of person, property, neighborhoods and schools
- Lifelong Learning Agenda to help all Americans better equip themselves with the skills they need to find work where they can add more value at higher paying jobs.
- Community Empowerment: EZ's and EC's, Community Development Banks, Community Reinvestment Act reform, SBA and GSE reform, Empowerment Contracting, and "Brownfields" redevelopment to make capital, other financial resources and support, and more economically productive land available to persons in and communities in genuine need.

Issues: Other relevant Clinton-Gore Policies?

4. Possible purposes of policy options that we may consider

- Implement, Build-on, roll-out or make meaningful Clinton-Gore Policies throughout 1996 and Second Term (e.g., EZs and ECs, School-to-Work, Adult Workforce Development)
- Enact in 1996
- Propose to define the differences for 1996 election and Second Term

Issues: To be seriously considered, each proposal faces fierce competition for the scarcest resources -- President's time and attention, public appreciation and media interpretation, and budget dollars.

5. Two-part framework for evaluating proposed policy option

- Does it enable private sector and free enterprise to work in communities in genuine need to increase profitable economic activity?
- Does it enable persons now residing in these communities to help themselves and their families earn higher incomes through work?

Issues: Are the two parts complementary and mutually reinforcing or in tension and conflict? Are there alternative strategies?

6. Proposals to enable private sector and free enterprise to work in poor communities in genuine need to increase profitable economic activity:

- Better Access to Capital, Business Expertise Angels, Customers
 - Private sector intermediaries vs. direct government assistance
 - Influence, subsidize markets (e.g., IDB incentives, portfolio leverage, securitization, GSE goals, CRA reform, jaw-boning)
 - Equity and "Risk" capital?
 - Empowerment Lending and Contracting
 - Supply and customer networks and clusters?
 - Targeted tax incentives?
 - Underserved markets?
 - Locational and other potential competitive advantages?
 - Others?
- Lower Cost of Doing Business
 - Brownfields development
 - Expensing subsidy
 - Wage subsidy
 - Training support
 - Safety and security
 - Targeted tax incentives?
- Thriving Neighborhoods?
 - Home ownership?
 - New Urban Village?
 - Retail services?
- Other?

Proposals for One Best Ideas:

1. "The President should 'Own' the Capital Access Agenda" (Treasury-HUD-NEC-Commerce-CEA-OMB)
2. "Brownfields Development"(DPC-EPA-CEA)
3. "Secondary Markets-Securitization/Private Intermediaries" (Commerce, NEC, OMB)
4. "Micro-enterprise and small business venture funding" (SBA,Treasury)
5. "Community Enterprise Venture Funds--Mainstream Financial Angels-

Competitive Advantages" (Porter-NEC-Commerce-HUD)

6. "Thriving Communities -- Home Ownership, Mixed Income Housing, Rehabilitation" (HUD-NEC-OMB)

Issues: Do any of these proposals have a credible chance of substantially increasing the total of profit-making, economic activity in communities in genuine need? Is the object to enable the growth of new nodes and clusters of economic activity to export goods and services from poor places, to build self-sustaining "villages" with retail services and small businesses, and/or residential neighborhoods with a broader income mix and more home ownership? Or to establish the conditions to enable communities in genuine need to find their own, more self-sustaining niches in the local region? Is this a process of strategic planning by some larger governmental or public-private entity or is this a process of altering the economic incentives, enabling private intermediaries, and allowing expanded opportunities for firms and families residing in and moving into these communities to achieve a greater whole from the sum of their independent choices and actions?

7. Proposals to enable persons in genuine need now living in such communities to help themselves and their families earn higher incomes through work:

- Linking persons to job openings wherever located
- Expanding opportunity for individuals and families to choose to live near expanding job openings
- Subsidizing private or public employment
- Good schools, access to post-secondary education and training, higher skills

Proposals for One Best Ideas:

1. "Job-Link, Now" to implement G.I. Bill for America's Workers/Welfare-to-Work for persons in communities in genuine need based on (DoL, NEC, Wilson) *Monday*
2. "Urban Excellence Corps/I Have a Dream Partnerships" to implement school-to-work, Careers/Workforce portions for youth in G.I. Bill for America's Workers, and access to higher education and good jobs wherever located (NEC, DoL, DoEd, National Service) *Youth Initiative*
3. "End Public Housing as We Know It -- empower families, tenants, and communities rather than local public housing fiefdoms and other owners of federally subsidized monopolies" -- to move families from dependence to self-sufficiency, to demolish public housing that is a blight, to assure market competition in public and subsidized housing, and to promote tenant and community-based ownership and responsive private management (HUD, NEC, DPC) *Urban*
4. "EZ-EC Youth Education, Training and Jobs Empowerment" to provide jobs and links to lifelong learning for all 18-24-year-olds in a number of EZ, EC or EC eligible or PHA communities (DoL, HUD, DPC)
5. "Performance-Based Charter Schools and Public School Choice" to provide

Ensure the job linkage strategy

Economic Development

families in poor communities with the same choice and control over the quality of public schooling as parents with greater economic means and to provide schools with clear mission (OVP, DoEd, HUD, NEC, DPC) *you do*

6. "21st Century Education Technologies, 21st Century Schools --Now" to make sure that implementation of President's vision for transforming public schooling doesn't pass by the schools in poor communities (OVP, OSTP, DoEd, DoC, NEC, DPC)

7. "Shining the light of full disclosure on unconscionable restrictions on equal opportunity in the daily life of American families and communities" -- third-party testing, disclosure, and widespread media coverage of barriers to access in hiring, housing, home mortgages, consumer and business lending, consumer purchases based on race, ethnicity, and community; aggressive defense of HMDA and CRA (NEC, Justice Department, HUD, Treasury)

8. Reinvention Proposals -- "One Best Ideas"

"Campus of Learners/Hope University" (HUD, OMB)

"Performance Partnerships/Beyond Reinvention" (HUD, OMB)

"Transforming HUD into New Department of Community Partnerships and Homeownership" (HUD, OMB)

"Sustainable Development and Regional Transportation" (EPA-DOT)

Issue: Are these proposals all based on comprehensive integration of government services for poor persons in poor places? How does any proposal for comprehensive integration of government services address goals related to economically thriving families and communities? Does reinvention mean government personnel and systems are more responsive on the ground to clients based on governmental evaluation of benchmarks and performance or does it mean devolving choice to customers and responsibility to local institutions and private intermediaries? How is this responsive to goals of economically thriving families and communities?

9. What is the short list of candidates for our "One Best Idea"

Issues: Do we have any "one best ideas" that have a real chance of "breaking through"? If not, are we stuck with making a credible claim that we have a "comprehensive" strategy for "community empowerment?" Or should we (a) offer "one least bad" options (i) for building business in communities in genuine need and (ii) for connecting persons in genuine need now living in these communities to higher incomes through work and (b) target other "least bad" ideas into EZs and ECs? Should we also recommend for each of the major Clinton-Gore initiatives that will be rolling out in 1996 some way to make sure that it has a chance of working in communities in genuine need?

TO GAYNOR

FROM CATHY

The attached is FYI. I spoke with Mr. Landrum on the phone and told him to submit the request to Presidential Advance and Scheduling.

He's sending the request to them -- this copy is FYI.



To: Bruce Reed
Deputy Assistant
to the President for National Policy
From: Roger Landrum
President, Youth Service America
Re: Meeting of National Service Entrepreneurs
with President
Date: September 21, 1995

We launched the Youth Service America (YSA) Fund for Social Entrepreneurs in April at the National Press Club. From a nation-wide search of hundreds of candidates, we selected the finest seven young social entrepreneurs who are launching highly innovative non-profit national service programs that offer the greatest potential of positively changing the landscape of national and community service. You tried to arrange a brief meeting of these entrepreneurs with President Clinton when they were in town in April. I know you were unable to arrange this because the President was unavailable, but I am following up on your pledge to try again.

The seven social entrepreneurs will be in Washington for their third strategic retreat: to help them focus on key issues they are encountering in launching their ventures.

We wanted to try to see if we could arrange a very brief visit of these public service entrepreneurs with President Clinton at the White House sometime on October 17, 18 or 19 while they are in town. The President will be meeting seven inspiring and visionary young leaders in their 20s or early 30s. Collectively, they are launching the City Years, the Public Allies or Teach for Americas of tomorrow. At the meeting the President could shake hands with the 7 entrepreneurs, thank them for their leadership and exchange a few words. We also wanted to distribute a press release and take several photos at the meeting. We hope to integrate this photo into the press stories that are being done on the program.

The YSA program and the entrepreneurs have been covered in the Los Angeles Times, the Boston Globe, the Chicago Tribune, and the Chronicle of Philanthropy, among others. A story is in process with Parade. We are in the process of working to get further print coverage and television coverage.

It is our expectation that over the next decade the 60 young leaders YSA's Fund for Social Entrepreneurs supports in helping to launch their new community service start-ups will represent the best new ideas and programmatic innovations in the youth service field.

We believe that it would be a useful event for the President. It would give the President an opportunity to bring home the importance of national service and active citizenship, at a time when national service funding is coming under Republican attack. At the same time, by supporting YSA's Fund for Social Entrepreneurs (which is entirely privately funded), he could show that national service needs to be woven into the fabric of everyday life and that the private sector needs to co-invest with the government.

This White House visit would accomplish several things for the young entrepreneurs. It would make the entrepreneurs realize the importance of their ventures to the country's future and provide them with moral backing from our nation's leader. It would help give the entrepreneurs more press which will help them raise private sector funds for their programs, and it will help highlight the importance of a program like Youth Service America's Fund for Social Entrepreneurs in encouraging and rewarding youth leaders to start up national and community service programs.

If there are questions about the program or the proposed White House stop-by, please contact me at 202-296-2992 x25 or the Director of the program, Tom Sander, at extension 26. We look forward to your earliest convenient reply as we are trying to finalize the schedule.

Background: Youth Service America has a history of fostering new and innovative community service programs. For example, YSA helped incubate City Year (by serving as its fiscal agent and mentoring its founders). These young entrepreneurs, like the ones who started City Year, represent the greatest of our youth leaders. Youth Service America provides them with a three-year relationship involving personal stipends, seed money for their program, and most importantly mentoring, training and technical assistance to launch their start-up not-for-profits. The Kellogg Foundation has provided a \$1 million seed grant for the Fund. Additional funding is being sought through corporate and other foundation support.

FAX COVER SHEET

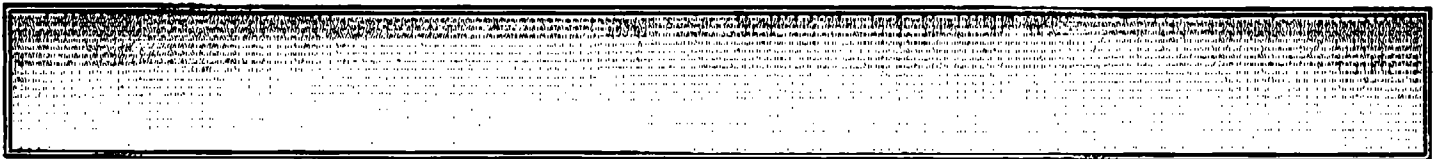


1101 15TH STREET NW
SUITE 200
WASHINGTON, DC 20005
202/296-2992 X24
202/296-4030 FAX

TO: Bruce Reed Kathy
FIRM: The White House
FAX #: 456-5557
FROM: Roger Landrum
Edward Marshall
DATE: October 4, 1995
TIME: 4:30p.m.
PAGES: 3 (including cover)

COMMENTS:

**EVERYBODY CAN BE GREAT
BECAUSE EVERYBODY CAN SERVE**
MARTIN LUTHER KING, JR.



October ??, 1995

MEMORANDUM TO THE PRESIDENT

From:

Subject: Administration Initiatives on Teen Pregnancy

Caution
Rough first cut.
Will discuss at meeting
DRAFT
With Carol
Tues
-J.

To follow up on our recent conversations regarding teen pregnancy and on the successful October 5 meeting with private sector leaders, we wanted to provide a brief overview of administration efforts on teen pregnancy including a work plan and timeline for next steps. To implement these plans, we will begin holding weekly meetings with appropriate White House and administration staff and will provide you with regular updates on our progress.

Overview

We propose to frame the administration's activity in this area as a five-part program:

1. *Research/Evaluation* The federal government has a clear and important role in supporting efforts to learn more about teen pregnancy and its root causes.
2. *Supporting and Promoting Local Demonstrations* The federal government is also uniquely well suited to fund demonstration efforts to determine what works in addressing the problem and to share that information with other communities.
3. *Private Sector Initiative* Addressing teen pregnancy will require, as you have said, a partnership among all sectors of society. We are working to encourage the formation of a private sector campaign/organization to mobilize the private components of a public/private partnership.
4. *Youth Initiative* Addressing teen pregnancy requires bold and broad strategies to engage youth early and offer them positive alternatives to early parenting and ill-advised sexual behavior. With OMB and the relevant agencies, we will develop a proposal for a youth initiative that could be a central element of your FY97 budget and 1996 State of the Union.
5. *Foster Care/Adoption* While not strictly teen pregnancy issues, we will still be looking at proposals in these areas since the failure of those systems is both a cause and effect of the high levels of teenage pregnancy.

Work Plan

The following is a brief status report and a list of next steps in each of these five areas:

Research and Evaluation

Over the past year HHS completed an exhaustive review of recent literature on adolescent sexual behavior, pregnancy, and parenthood and on the effectiveness of teen pregnancy prevention programs. In addition, they have [DEBBIE: are there any other highlights to be cited in thumbnail fashion?]

- o Next steps: We will (1) develop a comprehensive listing of all the research funded in the past year by all departments on teen pregnancy and related issues and (2) prepare a comprehensive overview of the agencies' research agenda for the coming year.

Supporting Local Demonstrations

HHS recently made awards in two significant demonstration programs, the Adolescent Family Life Program (\$4.2 million to 15 communities) and the Community Coalition Partnership Program for the Prevention of Teen Pregnancy (\$6.5 million to 13 communities). [DEBBIE: Any others from HHS or other Departments to highlight?]

- o Next Steps: We will (1) develop a comprehensive list of all demonstration programs funded in the past year by all departments; (2) develop a mechanism for pooling the results from programs in all agencies to make information easily available to communities and to publicize its availability; (3) compile information about all upcoming grants in the coming year and make that information widely available to all communities.

Promoting a Private Sector Initiative

Your October 5th meeting was the culmination of months of groundwork, but also only the first step in making a private sector organization a reality.

- o Next Steps: (1) We will be working with participants in the meeting and others to make the most of the momentum from the meeting. We hope that agreement in principle about forming an organization and an initial structure can be worked out within a couple of months and that an announcement of its intended creation can be made before the end of the year.

(2) Dr. Foster -- As you know, we have worked out for Dr. Henry Foster to join the administration in a part-time role as a Senior Advisor to the President on Teen Pregnancy. We would like to announce his position and put out a comprehensive update on the administration's teen pregnancy initiatives in early November.

Youth Initiative

Secretary Shalala, senior officials at OMB and other Departments, and your Domestic Policy staff are very interested in preparing for your consideration a series of options for a major Youth Initiative that could be a centerpiece of the FY97 budget and the 1996 State of the Union. Truly addressing teen pregnancy requires an effort that goes far beyond dealing with sex education and increasing pressure to defer child-bearing. We must find a way to communicate hope and opportunity to our youth on a broad scale. We realize that this initiative needs to have a creative and exciting new angle to make it newsworthy and must not involve considerable new resources.

- o Next Steps: We will be convening a work group this week to begin developing options for your consideration as part of the budget process.

Foster Care and Adoption

With the pressures on the foster care system increasing and the level of resources available to it decreasing, and with the ongoing need to increase adoption, we will set a group to working on options for further Presidential and federal action in this area as part of our work group on teen pregnancy. We will consider the recommendation to create a Presidential Advisory Commission on the subject as well as other more action-oriented steps.

"Each church -- only
Catholic."

Conclusion

As you know, a lot of activity has been taking place throughout the administration on these issues. We intend to expand this activity, improve coordination among the various agencies around this issue, and to publicize better what we are and plan to do through a series of events and announcements this fall. By the 1996 State of the Union, we believe you will have a significant track record of achievement to point to in fulfillment of your pledge in the 1995 address.

~~December~~ Youth Initiative - Meeting -- October 10, 1995

Why are kids getting pregnant, using drugs...

"Something to say yes to."

- ~~Youth~~ ERA???

- Community Development Trust...

New York University



KIMBALL LADIEN, M.D.



1732 W. School St.
Chicago, IL 60657
312/248-6808

Bayan Milner
On the Policy Council
White House

September 26, 1995

Dear Bayan,

Thank you again for your tireless efforts to improve
Safe Haven in Chicago & potentially other sites as well. We truly can
break the all-too-common cycles of gangs, drugs, abuse & homelessness
while saving tax dollars in the process. The more we all work together
the better our chances of success. I truly believe that Safe Haven
can help us to achieve their goals for the benefit of all.

Best wishes,

K
Kim Ladien, MD
Medical Director & President



KIMBALL LADIEN, M.D.



Saving Our Children--Breaking the Cycles

1732 W. School St.
Chicago, IL 60657
312/248-6808

"If within the next decade we can again walk down any street anywhere in America at any time of the day or night and both feel and actually be safe, then we are starting to do our job. If we can go into any home and find love and caring; if we can go into any school and find learning and growing; if we can go into any workplace and find productive and drug-free employees; if we can reach out into any neighborhood and find a sense of pride and commitment to the Community, then indeed a new millenium will have been reached. This is our goal. This is our dream. It is one I hope to share with you all. Working alone we can accomplish little. But working together we can change the world. As we read history and set the agenda, we have only a few years to go and not a second to lose."

Safe Haven--Breaking the Cycles:
Towards a Gang-Free, Drug-Free, Full-Employment Economy in
America by the Year 2000--Kimball Ladien, MD

Through the Empowerment Zone, Casey Foundation and other similar initiatives Chicago has the opportunity to become a model for the country in breaking the cycles of gangs, drugs, abuse and joblessness in a win-win fashion that benefits all and saves tax dollars in the process. Much as with the original CCC and WPA, Safe Haven's Community Service Corps (CSC) would transform present welfare subsidies into community-based jobs and apprenticeship training programs. CSC activities would range from community policing/ resident patrols, day care, teacher's aides, tutoring and after-school programs to recycling/clean-up crews and home health care aides for the elderly and disabled to name but a few (Table 1).

A motto of Safe Haven is that A PENNY OF PREVENTION IS WORTH A DOLLAR OF CURE. If we could reduce gang crime, drugs and teen pregnancies in Illinois by even 10% we would be saving over \$400M annually. By reinvesting at least some of these savings into expanding prevention oriented programs such as high-quality, affordable daycare and after-school programs, we would achieve a multiplier effect with even greater savings (both financial and human) in future years.

Figure 1 illustrates reductions in teen pregnancies, welfare and crime by 50, 60 and 75%, respectively, through the introduction of even a traditional Resident Management Corporation (RMC) in Washington, DC. It was estimated that over a 10 year period, this could represent a \$5.7M savings at this one site alone. Through a Prevention-Oriented Community Incentive Plan (POCIP), communities would be able to keep such savings to be reinvested based on local priorities from economic development and improved safety to home health care for the elderly and scholarships and apprenticeship training programs for the young. Thus, communities would have both the means (CSC) and the incentives (POCIPs) for true Empowerment in every sense of the term.

Regardless of the specific sites involved, both within and outside of the Empowerment Zones at least five priority programs could be rapidly implemented. These programs would be locally run (through RMCs, CBOs, LSCs, etc) with many of the financial and social benefits staying within these communities as the nucleus for a self-sustaining and expanding win-win cycle of benefits.

1. Resident Patrols/Community Policing. Who better than residents to empower in taking back their own neighborhoods?
2. High-quality, affordable day care/pre-Head Start programs. Who better than parents to work with their own children, gaining job and parenting skills while strengthening the community?
3. CSC teacher's aides. The number one predictor of a child's academic success is parental involvement. Who better than parents to work with teachers in "super-Corner school" programs?
4. After-School programs. By having tutoring, sports, support groups and other structured activities available, gang activities can go down and academic standards can go up. Where better to bring communities together than in our schools and churches?
5. Apprenticeship and on-the-job training programs. By ensuring that all adult community members have JOBS, NOT SUBSIDIES in the private and/or public sector, we truly empower communities for the benefit of all while reducing overall program costs.

Figure 2 illustrates a One-Stop Case Management approach to integrating and coordinating the various services already available in the community to ensure the maximum benefits from these many individual efforts and programs. By comprehensively assessing the needs of children and families in a holistic fashion (eg, work, education, supportive services, criminal justice, health, etc), we can develop Individualized Goals Profiles (IGPs) to help ensure that everyone is moving forward in positive directions benefiting themselves, their families and the community at large. By all agencies and institutions within the community working together in these efforts, significantly more people can be included and overall costs can be reduced.

Figures 3 and 4 illustrate the use of "Freedom Quotations" (FQs) and IGPs to document past histories and monitor progress towards future goals. By balancing rights and responsibilities we can ensure that everyone is "part of the solution" in deeds as well as words. By all of us moving down Freedom's Road together, we truly can achieve "a gang-free, drug-free, full-employment economy in Chicago by the year 2000" for the benefit of all. We invite all to join us in this effort. The communities we save will be our own. Let these be goals truly worthy of us all.

Kimball Ladien, MD

klsh539.695

Empowerment Zone Resource Provider
Program Model Form

Safe Haven	Kimball Ladien, MD (Director)	312/248-6808
-----	-----	-----
Organization	Contact Person	Telephone

Topic Area: Community Empowerment--increasing jobs and education

1. Program goals: A Gang-Free, Drug-Free, Full-Employment Economy in Chicago by the Year 2000 that saves tax dollars in the process

2. Program Activities: Much as with the original CCC and WPA, a Community Service Corps (CSC) guarantees present welfare recipients JOBS in the public and/or private sector. CSC activities range from resident patrols/community policing, day care, teacher's aides and after-school programs to home health care assistants, construction, recycling, on-the-job training and apprenticeship programs to name but a few.

3. Program Scope: While Safe Haven/CSC programs would be set up within the designated Empowerment Zones, other sites could also chose to implement them as well.

4. Who should be involved?: By definition, Safe Haven is aimed at involving ALL community members (from students to parents to senior citizens), businesses and organizations as "part of the solution" in DEEDS as well as words.

5. What partnerships are needed?: Through the use of a One-Stop Case Management design, all resources within a community including schools, businesses, churches, police, CBOs and other public and/or private social service agencies and public officials are integrated into a highly cost-effective coalition for goal setting, strategic planning and the accomplishment of RESULTS for the benefit of all--clients and taxpayers alike.

6. Funding and resources needed: By pooling public and private money already being spent within a community into an integrated One-Stop Case Management fund, we can actually save a significant amount of tax dollars which can then be reinvested into expanding services and job opportunities within the community.

7. Potential Funding sources: A motto of Safe Haven is that A PENNY OF PREVENTION IS WORTH A DOLLAR OF CURE. If, for instance, we can reduce gang crime, drugs and teen pregnancy by even 10%, we would be saving Illinois over \$400M annually. By reinvesting such savings into even further expanding prevention-oriented programs from high-quality, affordable day care and after-school programs to scholarships and apprenticeships, we could achieve a multiplier effect with even greater savings in future years. HUD Empowerment Zone funding would thus be used to "prime the pump" for programs that ultimately would save instead of cost money.

Table 2. Sample Savings and Services with Safe Haven in Chicago

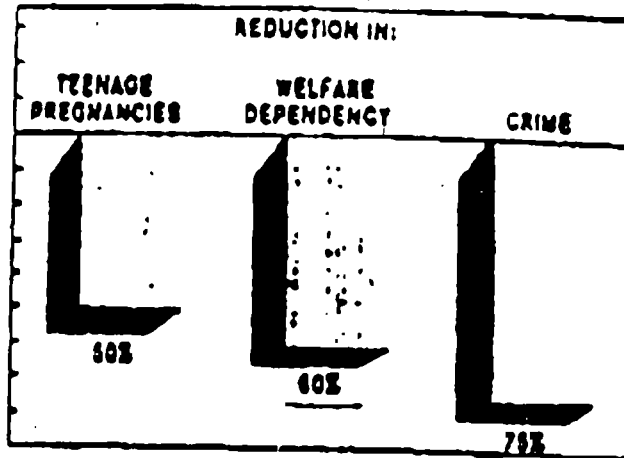
Estimated Present Costs	Target #	Savings /program
<u>Streets and Sanitation</u>		
\$20,000/year-Sanitation (garbago, blue bag, etc) *	500	\$10,000,000
\$10,000/year--grafitti removal, clean-up, etc *	500	5,000,000
<u>CHIA</u>		
\$3,000/avg repair to vandalized apartments	200	600,000
\$3,000/avg rent lost/apt-year	200	600,000
\$20,000/avg security guard salary/year	100	2,000,000
\$15,000/avg maintenance salary/year	100	1,500,000
<u>Chicago Police Department</u>		
\$35,000/avg salary CPD officer	50	1,750,000
<u>Chicago Public Schools</u>		
\$10,000/teacher's assistant	200	2,000,000
\$10,000/after-school coach	200	2,000,000
\$10,000/after-school tutor	200	2,000,000
<u>Department of Human Services</u>		
\$15,000/crisis intervention worker	200	3,000,000
\$10,000/meals-on-wheels assistant	200	2,000,000
\$15,000/home health care provider assistant	200	3,000,000
<u>Chicago Park District</u>		
\$15,000/yr--grounds maintenance *	200	3,000,000
\$15,000/yr--recreation supervisor	100	1,500,000
Total		\$39,950,000

* Activities include individuals in probation/parole restitution and Urban Boot Camp programs.

Figure 4.28

SUCCESS INDICATORS OF RESIDENT MANAGED
PUBLIC HOUSING
(KENILWORTH-PARKSIDE DEVELOPMENT, WASH., DC)

X CHANGE



SOURCE: NAEL CENTER FOR NEIGHBORHOOD ENTERPRISE

Figure 4.19

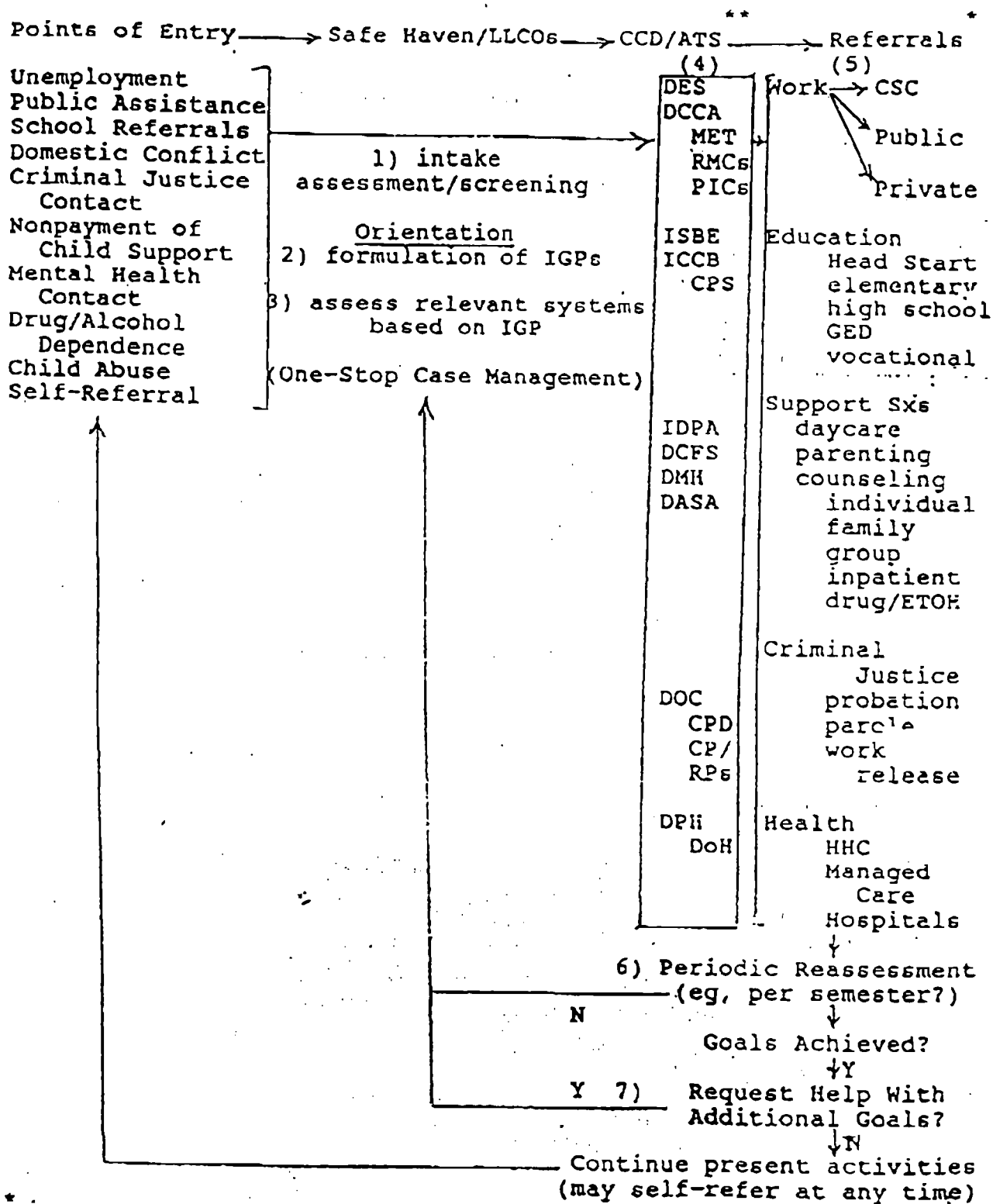
Cost Benefit of Resident Management
Kenilworth-Parkside Development



Total D.C. savings over 10 years = \$8.7 million
Source: Coopers & Lybrand (1990)

From Sprague & Alexander, 1989

Figure 1. Safe Haven One-Stop Case Management Flow Chart



* Over time, communities (eg, RMCs) take more central role.

** Central Computerized Database/Automated Tracking System

--Individualized Goals Profile (IGPs)--assign to needed cmpts).

SAFE HAVEN-EMPOWER CHICAGO

Figure 2. CSC Participant IGP Assessment WorksheetIdentifying Data

Name:
Address:
Phone #:
DOB:

Family Members:
Ages:
Status:

Current Status

Work:

Education:

Supportive Services:

Criminal Justice:

Individualized Goals Profile

Immediate:

1 month:

6 months:

1 year:

2 years:

5 years:

10 years:

lifetime:

Figure 38 The Social Inequality and Factors of Interdependence

at Factors

- Case number
- low birth weight
- poor interdependence interaction
- poor OOT/OTM follow-up
- maternal alcohol/drug abuse
- exposure to interuterine infections (including AIDS and other venereal diseases)
- interuterine exposure to other toxins

Adolescence

- single family home
- maternal alcohol/drug abuse
- birth trauma

Adolescence

- poor nutrition
- deprived developmental environment
- abuse and neglect
- poor sense of self and self-esteem

Adolescence

- lack of positive role models
- abuse and neglect
- violent home and community environments
- exposure to alcohol and drugs
- poor education environments and support
- poor self-image, hopelessness, helplessness

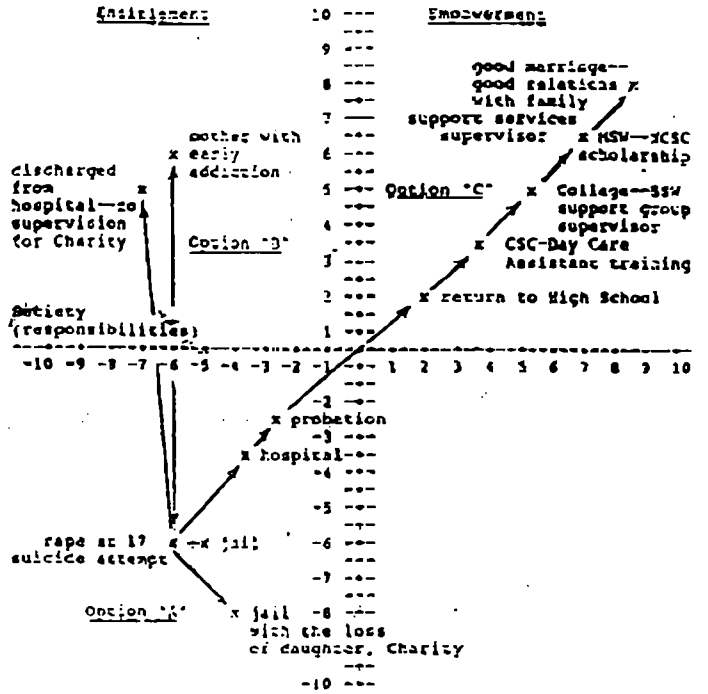
Adolescence

- declining school performance/truancy
- negative peer relations/gangs
- alcohol/drug abuse
- abusive/traumatic home and community environments
- lack of positive role models
- promiscuity
- pregnancy
- poor self-image, hopelessness, helplessness

Adolescence

- lack of education/skills/work experience
- unemployment
- alcohol/drug abuse
- gang/criminal activities/incarceration
- lack of support services (eg, day-care, medical coverage)
- poor self-esteem, hopelessness, helplessness
- unemployment, entitlement
- sexual and child abuse
- pregnancy

win - loss



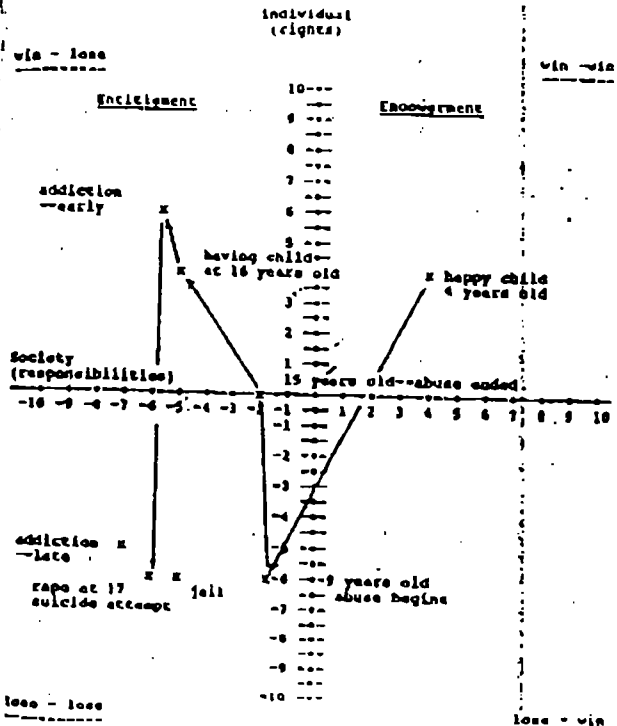
loss - loss

loss - win

Figure 4A Case 1, Tamy B.

happy child age 4	loved by parents (4) - occasional fighting by parents (2)	4
abused age 5	family generally (4) - withdrawn when parents fight	4
	escapes beatings keeps family together (2) - poor self-esteem pain (8)	-4
	sed child (4) - poor grades (5) (Cs - Ds)	-1
abuse ends age 10	abuse stopped (4) - moved back to public housing with family (4)	0
	sed child (4) - poor grades (Ds - Fs) (6) drinking, unsafe sex	-2
having child age 10	living on her own guaranteed income no school (2) - living in poverty but "giving up" mislabeled "costs" (3)	4
	sed adult (2) - unwell mother (7) on welfare, drop out	-3
addiction - early	short-term "high" from drugs (8) - drugs further reduce perceived "costs" (3)	-4
	sed adult (2) - unable to protect (8) daughter, Charity	-4
rape-suicide attempt	"decompensation" "giving up" (2) - poor self-esteem depression (8)	-6
	sed adult (2) - unable to protect (8) daughter, Charity	-6
late addiction	"reassigned" to addiction (3) - poor self-esteem depression (8)	-3
	limited (2) - dealing drugs and (9) other criminal activities	-7
	chance to stop addictions (3) - poor self-esteem feeling "trapped" (9)	-4
	keeping offender off the streets (3) - costs of keeping offender in prison	-6

Figure 4B Case 1, Tamy B.



loss - loss

loss - win

Bince feed
White House



Bince

For anything that you & Secretary Shalala can do to help
will be greatly appreciated. Time & results are of the essence.
Please call me.
Thanks

9/27/95



KIMBALL LADIEN, M.D.

1732 W. School St.
Chicago, IL 60657
312/248-6808

Secretary Donna Shalala
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20003

September 26, 1995

VISION AND LEADERSHIP--PLEASE!

Dear Secretary Shalala,

On September 7, I wrote to you about utilizing Safe Haven's Community Service Corps (CSC) as a means of significantly expanding the number of after-school and related prevention-oriented, community-based programs that could be funded around the county while saving tax dollars in the process. Again, much as with the original CCC and WPA, Safe Haven's CSC would have present public aid recipients working in various local community programs as a means of ensuring that everyone is literally "part of the solution" in deeds as well as words. By allowing communities the opportunity to keep any savings they achieve through the implementing of CSC, One-Stop Case Management and related innovative programs, Safe Haven offers a means of making every one of the Community Schools programs to be funded by the end of this week economically self-sustaining in future years.

The minimum goals for Safe Haven in Chicago are at least a 25% improvement in academic outcomes and a 25% reduction in gangs, drugs, dropouts and teen pregnancies over the next 5 years while saving tax dollars in the process. If the Safe Haven programs are fully implemented throughout Chicago, however, we should be able to at least double even these significant outcomes. As such, Safe Haven is by far the most cost-effective programs for positive social change available anywhere in the country. And what can work in Chicago can just as easily work in New York, Los Angeles or anywhere else around the country--if only there is the vision and leadership to make it happen.

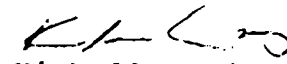
In spite of the hands-down benefits of Safe Haven relative to other presently available programs as well as the support of Chicago's South and West Side Empowerment Zones, the Chicago Public Schools, Senators Simon and Braun, Congressmen Gutierrez, Rush and Flanagan and many others, I was astounded to find out from ACF Deputy Commissioner Joe Matolla that Chicago may not even be one of the sites presently under consideration for funding, let alone replication. When I asked Mr. Matolla to name another program that a cost-benefit analysis would show came even close to Safe Haven's savings, Mr. Matolla's response was that "We don't do cost-benefit analyses." It is precisely the lack of such

common-sense practices that give your critics all the ammunition they need when they point to the waste and inefficiencies of the present system. It is precisely to correct these problems while there is still time to make a difference that I make the following three requests:

1. Please reevaluate Safe Haven based on potential cost savings, sustainability and replicability. If you can find a more cost-effective program, fund it. Otherwise at the very minimum please fund Safe Haven-Empower Chicago so that we can be a model for the country as a win-win approach to breaking the cycles of gangs, drugs, abuse and joblessness while saving tax dollars in the process."
2. Please help us in offering Safe Haven as an "add on" to the programs to be funded by ACF so that they can be both expanded and self-sustaining by next year. Since Congress has cut off funding for ACF's Community Schools program after FY96, these communities have everything to gain and nothing to lose.
3. Help us in having Safe Haven demonstrations incorporated as part of a national evaluation program in the present House-Senate welfare reform bill reconciliation process. By having a rigorous cost-benefit analysis of these programs at multiple sites, we could have strong empirical data available by next year so that similar positive outcomes and cost savings could be achieved in other communities throughout the country.

If Safe Haven is not funded this year, then next year when the Community Schools funding ends, so will the majority of these programs. By your acting now, not only can these programs be saved, but they can be even further expanded upon in future years by the savings to be achieved through the implementation of Safe Haven. Unfortunately, however, as is clear from their lack of action to date, Joe Matolla and Olivia Golden are not going to act on their own on even the first two of these proposals in spite of their ability to do so. It is thus going to take your leadership if the goals of Safe Haven of a "gang-free, drug-free, full-employment economy in America by the year 2000" are to have any chance of moving forward. It is for this reason that I urge your assistance on these matters while there is still time to make a difference. A MODICUM OF VISION AND LEADERSHIP--PLEASE.

Sincerely,


Kimball Ladien, MD

cc: Bruce Reed
Wendell Primus
Joe Matolla
Paul Simon
Carol Moseley-Braun
Bob Dole
Mel Burton

klsh572.995

* P.S. Funding Safe Haven should have nothing to do with politics, but everything to do with
GOOD GOVERNMENT, common sense. 2





KIMBALL LADIEN, M.D.

1732 W. School St.
Chicago, IL 60657
312/248-6808

Secretary Donna Shalala
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20003

September 7, 1995

Dear Secretary Shalala,

Senators Simon and Braun among many others have recently written to you in support of Safe Haven as an innovative approach to breaking the cycles of gangs, drugs, abuse and joblessness in a win-win fashion that benefits all and saves tax dollars in the process. Much as with the original CCC and WPA, Safe Haven's Community Service Corps (CSC) would transform present welfare subsidies into community-based jobs and apprenticeship training programs. CSC activities would range from community policing/resident patrols, day care, teacher's aides, tutoring and after-school programs to recycling/clean-up crews and home health care aides for the elderly and disabled to name but a few.

A motto of Safe Haven is that A PENNY OF PREVENTION IS WORTH A DOLLAR OF CURE. If we could reduce gang crime, drugs and teen pregnancies in Illinois by even 10% we would be saving over \$400M annually. A One-Stop Case Management system significantly streamlines Safe Haven's community-based service delivery system and saves even more money in the process. By reinvesting at least some of these savings into expanding prevention-oriented programs such as high-quality, affordable daycare and after-school programs, we would achieve a multiplier effect with even greater savings (both financial and human) in future years.

I am writing to you now specifically concerning ways to significantly expand the number of after-school and related projects funded through ACF in a way that can potentially be useful in the upcoming Senate debate on welfare reform as well. As my enclosed letter to ACF grant officer Linda Perez suggests, Safe Haven's CSC model would save more than enough money to allow us to also implement the Chicago Board of Education's FACES program whose DOE funding was recently cut by Congress. Similarly however, implementation of Safe Haven models in other communities as well would allow HHS a means of funding a significantly larger number of programs while saving tax dollars in the process. As such Safe Haven would be a win-win for all involved: HHS, Congress, communities and taxpayers alike.

Regardless of the specific sites involved, both within and outside of Chicago, at least five priority CSC programs could be rapidly implemented. These programs would be locally run (through RMCs, CBOs, LSCs, etc) with many of the financial and social benefits staying within these communities as the nucleus for a

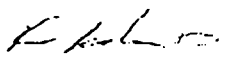
self-sustaining and expanding win-win cycle of benefits.

1. Resident Patrols/Community Policing. Who better than residents to empower in taking back their own neighborhoods?
2. High-quality, affordable day care/pre-Hoed Start programs. Who better than parents to work with their own children, gaining job and parenting skills while strengthening the community?
3. CSC teacher's aides. The number one predictor of a child's academic success is parental involvement. Who better than parents to work with teachers in "super-Comer school" programs?
4. After-School programs. By having tutoring, sports, support groups and other structured activities available, gang activities can go down and academic standards can go up. Where better to bring communities together than in our schools and churches?
5. Apprenticeship and on-the-job training programs. By ensuring that all adult community members have JOBS, NOT SUBSIDIES in the private and/or public sector, we truly empower communities for the benefit of all while reducing overall program costs.

In addition to Senators Simon and Braun, Sheila Burke and Nelson Rockefeller in Senator Dole's office, have now also expressed potential interest in this Safe Haven approach. ACF's Deputy Commission Joe Matolla was not sure if legislation would be needed to offer Safe Haven to other sites as well. If we at least have the Safe Haven programs up and running in Chicago now, however, we will have a model for humanely "ending welfare as we know it" that can still have a positive impact on the Senate debate. For this reason, anything that you can do to expedite implementation of Safe Haven in Chicago will be greatly appreciated. If we can find a way of offering these same programs to other communities as well the savings in both financial and human terms will be that much greater.

Because of the short timeframes involved, I would greatly appreciate the opportunity to discuss the specifics of these proposals with you and/or Wendell Primus by some time early next week if at all possible. The more that we all work together, the more likely we are to be successful in these endeavors.

Sincerely,


Kimball Ladien, MD
Medical Director and President

cc: Wendell Primus
Peter Edelman
Mary Jo Baines
Olivia Golden
Paul Simon
Carol Mosely Braun
Bob Dole
Bill Clinton

klsh560.995



KIMBALL LADIEN, M.D.

1732 W. School St.
Chicago, IL 60657
312/240-6808

Sheila Burke
Chief of Staff
Senate Majority Leader's Office
Washington, DC 20510

September 14, 1995

LEADERSHIP MATTERS!

Dear Sheila,

Thank you and Nelson Rockefeller again for your time last week to discuss Safe Haven and its relevance to the present welfare reform debate. Given the vote in the Senate yesterday, however, it is clear that there is a great deal of needless polarity on these issues which can still be positively resolved with the demonstration of clear, bipartisan leadership. For instance, if instead of a "family cap" on AFDC payments, we simply require both mothers and fathers not paying adequate child support to participate in Community Service Corps (CSC) programs from day one, we would be establishing a significant deterrent to out-of-wedlock births, balancing the rights and responsibilities of both parents, while actually improving the services available to the children involved and saving money in the process. Similarly, requiring single teen mothers to not only stay in school, but be involved in day care programs with their own children and others would have the effect of improving parenting and job skills and providing Safe Havens for their children while reducing the overall costs of these programs and potentially providing jobs to many of these mothers upon graduation in an area where there is clearly much need for these services. Such CSC-oriented interventions would be a win-win for all involved.

On a similar note, as we discussed, HHS presently has the potential to significantly expand the number, quality and positive results of after-school programs available throughout the country with no additional spending necessary. As outlined in further detail in my enclosed letters to Secretary Shalala and Linda Perez, simply incorporating Safe Haven's CSC and One-Stop Case Management programs into the Administration for Children and Families' pending Community Schools grants would allow us a win-win way to fund substantially more after-school programs by as early as September 30. Again, your, Senator Dole's and Secretary Shalala's leadership in these matters could result in a highly positive win-win for all involved--children, communities and taxpayers alike.

When now-Congressman Jerry Weller was still an Illinois State Representative, he introduced into our House an Earnfare-II Safe Haven (E-II/SH) bill with the following three provisions:

1. Community Service Corps (CSC). All abled-bodied public aid recipients, including AFDC, GA and some others (eg, drug addicts on SSI) are involved in some form of productive work in the public and/or private sector from day one of any benefits.
2. Parental Responsibility Act (PRA). Noncustodial parents either pay adequate child support or perform an equivalent amount of community service on an ongoing basis.
3. Prevention-Oriented Community Incentive Plan (POCIP). Communities are block-granted present social service funds with broad latitude for implementing CSC, One-Stop Case Management and other similar innovative programs. Communities are allowed to keep any savings they achieve to be reinvested as local citizens see best fit.

While E-II/SH is to be reintroduced this year, Earnfare-I, which implemented CSC-type work programs for GA recipients already saves Illinois about \$300M annually. Earnfare-I also passed in 1992 on a vote in our House of 114-0! That's leadership.

With such Safe Haven reforms, communities would have both the means (CSC) and the incentives (POCIPs) for finally breaking the all-too-viscious cycles of gangs, drugs, abuse and welfare ONCE AND FOR ALL. These are amendments that can and should still be implemented in a truly bipartisan approach to welfare reform.

I have often said that Penicillin isn't a Republican or Democratic "issue." It is simply good medicine. So, too, Safe Haven is designed first and foremost as simply GOOD GOVERNMENT. Truly, a Penny of Prevention is worth a Dollar of Cure. The more that we all work together to deal with the underlying causes and not just the symptoms of our present social epidemics of crime, drugs, abuse and joblessness, the better it will be for us all. Not only can we achieve "a gang-free, drug-free, full-employment economy in America by the year 2000," we must set such a goal if we are truly to remain leaders and models for others as we approach the 21st Century.

With the bipartisan support of many from Senators Simon and Braun to Congressmen Weller, Ewing and Flanagan, we are now in a position to begin to implement Safe Haven demonstrations in Chicago and other communities around the country literally by the end of this month. Your and Senator Dole's assistance in this matter could help in turning this decade-long dream into a reality for the benefit of all. Truly, LEADERSHIP MATTERS!

Sincerely,


Kimball Ladien, MD

cc: Donna Shalala
Wendell Primus
Olivia Golden
Paul Simon
Carol Moseley Braun
Bill Clinton
Mel Burton

klsh569.995

Chicago Tribune EDITORIALS 8/3/95 **Wis. Welfare Plan Is Blueprint for Nation**

Today we are going to end welfare in Wisconsin. There will be no more welfare offices, no more welfare checks, no more welfare families. — Wisconsin Gov. Tommy G. Thompson

Some people will instinctively abhor Thompson's promise as a mean-spirited threat, unworkable and heartless in the extreme. But take a closer look at Thompson's latest welfare reform effort, and you'll see a blueprint for the kind of reform that President Clinton once promised but has never delivered.

Under last week's unprecedented proposal, Wisconsin would guarantee an immediate job to everyone who applies for welfare, and require them to take the job to receive benefits. The program would include job training, child care and financial counseling.

No excuses. Recipients would have to work even if they have small children, or if they have no diploma or job training. Those who are disabled would have to work to the best of their abilities. Juvenile mothers would have to live with their parents or in foster care.

Participants without a work background would be given subsidized "trial jobs" in the private sector and would be expected to move into unsubsidized jobs in two years. People not prepared for even trial jobs would qualify for community service work to develop work habits and skills.

Details and cost estimates haven't been worked out for the program, which will be presented to the Wisconsin Legislature this year. Its fate also hangs on the outcome of federal welfare reform. Serious questions must be answered about costs, and how committed the state is to providing the promised social services. Also, would such a plan work in a state with higher unemployment?

Beyond such details, though, is a breakthrough in thinking about the welfare system and its widely recognized failures. At its core, the welfare system fails because it nurtures dependence. When considering the merits of Thompson's proposal, one must ask: Is it better for the children of families on welfare to be supported by parents who work, or who don't? Are life lessons better learned by struggle or by entitlement?

The answer should be clear.

- Empowerment - Rights AND Responsibilities
- Let's make reform - positive win-win for everyone
- Remember - it was FDR who originally introduced the CCC & WPA
- Safe Haven - a CSC - good preventive medicine - GOOD GOVERNMENT
- A bipartisan consensus could bring people together for the benefit of all

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2011-0255-S
rc240

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- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
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- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

o Credit for each young person
~~never~~

- Traditional IRA

~~Education~~ Savings Account

- Working Students Tax Credit

- Super EITC for students

- Expanding on School to Work for the young people
(particularly disadvantaged)

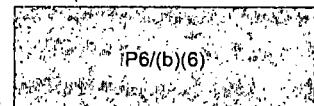
→ National Service → Youth as Resources

- Youth Apprenticeships -- as a way of developing partnerships

- Why don't we think about a way to go into partnerships with
state and localities.

→ - rather than retreating -- we may want to go back
and say we would be willing to give up something on
our end just expand NS

Amount



[001]

HVO/NPP - Fatherhood Initiative - - -

Doc proposal could be split into two parts

Community Coalitions /
Neighborhood Violence - Jersey
Fatherhood
National Service

SUSAN -

I just got a page regarding the final numbers

The Corp. is authorized
~~the~~

in 2 different committees -

VISTA & seniors in labor, HTS

(where we got an appropriations

mark) and ACorps and

Learn & Serve (school + university-
based) + Corp. admin. # HUD - VA (where

we were zeroed out)

so depends on which

mark you mean.

Susan -

I just got a page with a request for final numbers
(Senate) for AmeriCorps. Do you happen to have ~~this~~ this information
with you?

Pavline -- 65374

We've been zeroed out in
both House & Senate. President
has publicly said he would veto any
HUD/VA bill w/out funding for corporations.
Kassebaum is being helpful. WH / Rep.
discussions have already begun but
we don't know yet where funding level
will settle out.

October 26, 1995

**Department of Housing and Urban Development
Campuses of Learners**

Background. 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.

To connect public housing developments and residents to the mainstream of urban economic life, HUD has launched a "Campuses of Learners" initiative. 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, community colleges, universities, and corporations, the Campuses 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.

Campuses of Learners are being designed and built for both learning and living in a safe environment. The architecture and landscaping integrate schools, parks, community colleges and universities. Every unit at a site is wired and residents enjoy full access to technology. Lab sites provide computer classes, language skill, life skills training, and GED classes to accommodate the schedules of working mothers, children and the elderly.

HUD is encouraging PHAs to enter into partnerships with universities, technical institutes and colleges. Together, these partnerships can develop specialized education and technology classes, share computer hook-ups, mentoring programs, and student housing in the development.

Funding for this initiative is presently 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.

Proposal/Funding. HUD proposes substantially expanding the Campuses of Learners initiative in FY 1996 and FY 1997. The FY 1996 Senate appropriations bill contains a \$500 million initiative to demolish and replace some of the nation's worst public housing projects. If enacted, HUD would direct this initiative toward implementation of the Campuses of Learners model. The Department's FY 1997 budget will request \$500 million for the same purpose.

October 26, 1995

October 26, 1995

**Department of Housing and Urban Development
Drug Elimination Program: Youth Sports**

Background. HUD has administered a public housing drug elimination program since 1988. The program is currently funded at \$290 million. A relatively small portion of Drug Elimination funds (\$13 million) go to a program that provides positive role models, a safe and enriching experience and a lot of fun for children of all ages.

HUD believes that after school organized sports, cultural and educational programs for children send an implicit drug-free message: an athlete cannot be in top form or compete at the highest level while taking drugs, and coaches, public housing staff and involved community members become adult role models. In addition to promoting the rewards of hard work and dedication, the benefits of physical fitness and the value of teamwork, the Youth Sports Programs provide a crucial "safe place" for children.

Local housing authorities can design their own programs and apply for grants. HUD also promotes programs that are not limited to participation by public housing residents. In addition to the sports focus, the program provides a "life skills curriculum" to the participants. Children participate in conflict resolution, self-esteem and other educational programs. We have found that the desire to participate in the sports or cultural activity increases the young participant's receptivity to the development lessons being taught.

HUD serves not only as a catalyst in promoting these Youth Sports Programs, but also helps forge partnerships with local community groups, housing officials and national sports organizations. Some of the largest providers of services under the Youth Sports Programs are Boys and Girls Club of America, the Police Athletic Leagues and the 4-H program. Drug Elimination funding does not cover the entire cost of these programs but does make it possible for public housing children to participate.

Proposal/Funding. HUD's FY 1997 budget requests continuing the drug elimination program at its existing funding level (\$290 million), with a reasonable set-aside for youth sports activities. The drug elimination program and its youth support component are under budgetary attack. The FY 1996 House appropriations bill, for example, would eliminate the program. We believe youth sports programs must be seen as part of a larger comprehensive continuum of care for youth. HUD proposes the Presidential promotion and expansion of these sports programs and their further integration with other educational, family and employment initiatives.

October 26, 1995

**Department of Housing and Urban Development
Inner City Games**

Background

Inner City Games is a youth initiative that has received relatively little attention to date. Inner City Games grew out of the HUD sponsored Youth Sports Program. It is an olympic-type athletic event held last year in 5 cities. Over 125,000 kids participated in Los Angeles at an event hosted by several sports and media celebrities. In addition to competing in sports events, the kids staged a cultural performance choreographed by Debbie Allan.

HUD helped establish the Intercity Games Foundation, which is chaired nationally by Arnold Schwarzenegger. Unlike some of the Youth Sports Program activities, Inner City Games, as its name denotes, is open to all children. Local boards in the participating city must include a public housing representative and the children from public housing have access to the sports activities. The games promote the interaction of children from across the city. The final olympic styled Games are the culmination of the sports programs that incorporate the "life skills" curriculum designed for the Youth Sports Program.

Proposed Expansion

HUD and the Foundation hope to expand the Inner City Games to 15 cities next summer. Home Team Magazine, which Scholastic Coaches has agreed to publish, would link participants from one city to another and serve as a venue for the children themselves to be featured. This would in turn create a positive role modeling effect. Children living in Campuses of Learners would have access to a proposed HomePage on the World Wide Web. The Games, which may be telecast, would serve as a great opportunity to highlight and celebrate the catalyst and partnership role of HUD and this Administration in creating healthy alternatives for the youth of our cities.