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THE WHITE HOUSE
WASHINGTON

Rob - Should we both
go to the DOE
meetings at 11
+ 2 on Friday?

Susan



COLLEGE-UNIVERSITY RESOURCE INSTITUTE, INC.
1001 CONNECTICUT AVE., N.W. • SUITE 901 • WASHINGTON, D.C. 20036 • (202) 659-2104

TO: Colin Greer (for Mrs. Clinton's Staff)
FROM: Mark Gelber, President, College University-Resource Institute *u.g.*
RE: National Service Trust Fund
DATE: February 1, 1993

Please consider these thoughts concerning President Clinton's National Service Trust Fund and its relationship to education and training. Such a program is, without question, a chance to do something really significant not only about instilling the concept of service for all Americans but also in improving education.

I have organized my thoughts into three areas:

1. CONTAINING THE COST OF EDUCATION
2. GENERATING FUNDS TO PAY FOR NATIONAL SERVICE
3. PROGRAMMATIC SUGGESTIONS ABOUT NATIONAL SERVICE

1. CONTAINING THE COST OF EDUCATION

WHY IS TUITION SO HIGH?

Before we can even estimate the cost of the program and the sources of the funds needed to support it, we must deal with a more basic issue: the spiraling cost of attending college, both public and private.

Since 1980 (see accompanying chart) the cost of attending college has increased faster than anything else in our society except for the cost of health care. And while physicians' incomes have risen out of proportion to incomes of any other professional group during this period, faculty salaries have not. In fact, the cost of paying teachers, a sum which accounts for about 50% of a typical college budget, has just grown with inflation, that is, kept pace with the Consumer Price Index (CPI) which is the most accepted measure of annual inflation.

But even though faculty salaries have not increased dramatically, the number of people on the college payroll has increased as educational institutions provide more non-essential services, spend more on marketing and public relations, and enhance physical plants in an effort to be more competitive in a shrinking marketplace. Preliminary studies which our research organization completed under sponsorship of the Fund for the Improvement of Postsecondary Education demonstrated how colleges and universities could contain costs without impairing the quality of their educational services.

Consider this: in 1980, a college professor earning \$20,000 a year, could buy a modestly priced car for \$10,000 and send his/her child to a good private school for an annual fee of \$10,000. (Loans would, of course, be necessary as well as, probably, a second income.) In 2000, if the same pattern continues, that same professor would be earning \$65,000. The car would cost \$17,000 but the annual college tuition would be a staggering \$67,500!

Why? Because the salary and the car will have increased at the same rate as the CPI; but the tuition has increased, and will continue to increase, at approximately double or even triple the rate of inflation. The result: more and more parents and students go into serious debt to finance an education; federal and state financial aid budgets grow too fast; many students give up and stay away from college altogether. In light of the Clinton initiative of performing national service for education, if tuition continues to rise faster than the CPI, the proposed program, no matter what its shape, will not be affordable.

WHAT CAN BE DONE TO CONTAIN TUITION INCREASES?

There are proven solutions to this problem, some voluntary, some which could be inspired by the federal government. Colleges and universities could voluntarily agree that their fees will not increase in any year at a rate greater than the CPI, but this is unlikely. If colleges and universities became more adept at controlling their costs, they might be convinced that they could afford to offer a quality product in a competitive world and still remain within tolerable fee increases. The Fund for the Improvement of Postsecondary Education (FIPSE) has demonstrated how this might be accomplished by sponsoring research into the economic process known as "unbundling," and is currently considering refunding the implementation process at twelve pilot institutions in various parts of the country. This project will be carried out by the College-University Resource Institute (CURI).

CURI began to do research on college costs in 1968. The initial question was: why does college tuition rise faster than the CPI and faster than the Higher Education Price Index (HEPI)? If we could answer this question we could then make recommendations which would allow colleges and universities to continue to offer a quality education at more affordable prices without incurring operating deficits.

CURI developed an hypothesis which argued that tuition increased rapidly because it paid for an increasing number of programs and services that were, in many cases, only marginally related to education yet were included, or "bundled" into the tuition package. If these services and programs could be "unbundled", that is, financed in alternative ways, or eliminated if the faculty and student demand for them was marginal, we theorized that it might prove possible for colleges and universities to increase tuition less severely and, in some cases, even reduce it.

Our findings supported our hypothesis. We found that many schools had more programs and thus more administrators than they needed and that there were many alternative ways to fund marginal programs. Most importantly, we developed ways for institutions to analyze and understand their costs in ways that fostered collegiality and avoided the rancor which so frequently accompanies "cost-cutting." Unbundling, if energetically pursued, could reduce tuition fees in every institution in the United States.

Unbundling is not a new concept to higher education. Room and board, for instance, have never been bundled with tuition because some students don't live on campus and it would be absurd to charge them for services they neither wanted nor needed. Parking, on the other hand, is sometimes unbundled in the case where students who have cars pay a fee to offset the cost of extra security guards, parking gates, parking lots, etc., and students who have no cars are exempt from

this fee. Thus the cost of having cars on campus is borne by those who have cars and the tuition dollar has one less service to support. On other campuses, there is no fee for parking so its related costs are bundled in with tuition and all students share the cost whether they have a car or not.

Unbundling does not necessarily mean doing away with a service or program. Health care, for example, can be provided by the institution at considerable direct (salaries) and indirect (space, insurance, security) cost or it can be provided in association with a local hospital or clinic. In the former case, every student, regardless of a need or desire to use the college's health care service, helps to pay the bill through tuition payments. In the latter example, only students who use the service pay for it, a scenario much more like the real world.

If unbundling peripheral costs could mitigate against large annual tuition increases, the total cost of going to college would diminish thus placing a smaller burden, ultimately, on the National Service program.

There are other ways in addition to unbundling to encourage institutions of higher learning to cut costs.

* The federal government could institute a reward program whereby institutions whose fees did not outpace inflation could receive special consideration when they apply for grants from such agencies as the National Endowment for the Humanities, the National Science Foundation, the National Endowment for the Arts, etc. much the way state and government contracts give preference to firms owned by women and minorities. This program could be based on a simple point system which would, in effect, fail to reward institutions whose costs were out of control. State governments could institute similar programs.

* Financial aid could also be indexed to cost control. New York State, for example, will spend \$36 million next year in aid to private schools alone. About 82,000 of the 141,000 full time students in the state's private college receive this aid, their award based on a combination of family income and tuition costs at the school they attend. If a bonus award were made to students whose institutions "held the line" on tuition there would be no immediate increase in state aid (it would be distributed differently) but there would be long term savings as pressure were placed on colleges to solve their fiscal problems in ways other than raising fees.

* Granting college credit for knowledge gained through experience has become an accepted part of the American higher education community. There are proven mechanisms whereby a student who has knowledge relevant to his/her course of study can demonstrate that knowledge and receive credit toward a degree. In such cases, the college or university serves not as the provider of knowledge, but rather as the certifier. Such programs are cost effective for colleges and greatly beneficial for students, especially more mature students who have, in many instances, gained considerable knowledge through their experiences. If National Service accommodated this concept, the cost of a degree would go down, because NS students would have smaller tuition bills to pay. Later in this memorandum I give an example of two students, one who earns credit for her experience in NS and one who does not. The differential cost is significant.

2. PAYING FOR NATIONAL SERVICE

Let me move on to the issue that must be addressed even if cost containment measures are successful: paying for National Service. Here are some suggestions which might provide funds to support this effort. How much financial support will be provided in a 6 trillion dollar

economy depends on the policies which ultimately define the program. If it is a small program, it will have minimal impact on service or on education. But if National Service is viewed as a major departure in the relationship of citizens and their country, NS could produce major change. In any case, the focus of what follows centers on current methods of paying for education with some new ideas on revenue production.

Re-allocation of existing financial aid

* all funds now allocated for financial aid could be diverted to National Service providing Americans of all ages were engaged in the program (see Program Assumptions below);

Overhead on grants and contracts for NS

* the Federal government could require that 1% of all overhead paid to educational institutions by federal agencies be earmarked as financial aid for National Service students; the government could also request that foundations which pay overhead on grants require similar action;

Public/Private Endowment for National Service Providers

* establish an endowment whereby private foundations and the federal government create a significant pool of funds which will make direct grants to agencies which provide NS opportunities for Americans. The fund would reimburse community agencies for real costs incurred in training and overseeing NS participants and would serve as an incentive to create meaningful service opportunities. It would also encourage NS participants to work within their communities. The fund could be created by a multiple foundation venture including the largest foundations, community foundations and medium and small foundations wishing to assist in the NS program. For instance:

10 of the largest foundations each make annual grants or program related investments of \$10,000,000 (\$100,000,000); in this group might be Ford Foundation, J. Paul Getty Trust, John T. and Catherine T. Mac Arthur Foundation, W. K. Kellogg Foundation, Robert Wood Johnson Foundation, Pew Memorial Trust, Rockefeller Foundation, Andrew W. Mellon Foundation, and the Lilly Endowment. (Net worth, 1992 in excess of \$20 billion)

20 foundations each make similar grants of \$5,000,000 (\$100,000,000); in this group might be Kresge, Charles Stewart Mott, Duke, McKnight, Carnegie, W. M. Keck, William and Flora Hewlett, Richard King Mellon, Gannett, Alfred P. Sloan, J. E. and L. E. Mabee, Meadows, James Irvine, Samuel Roberts Nobel, Edna McConnell Clark, Moody, Bush, Starr, Kaiser, Surdna and others.

60 foundations each make grants of \$1,000,000; (\$30,000,000). There are numerous sources.

To put this number into perspective, the federal government now spends about \$40 million on the VISTA program which does have a significant impact on the quality of life in this country. If the foundations of the United States collectively viewed NS as a priority, their impact could be greater.

Banks and other financial institutions

Banks and credit card lenders might also be brought into the picture. The goal of the national services should be twofold: 1) to instill a sense of service in the entire American population and 2) provide for our society more trained and educated individuals so that we become a more competitive, more caring, healthier and more compassionate culture. Every American and every business should embrace these goals.

* Banks could be the mechanism for making tuition loans to students who had engaged in national service. The principle on the loan need not be paid for ten or fifteen years dependent on the number of hours spent by the individual in national service. If sufficient hours were dedicated to service, the principle might be completely forgiven.

Interest payments could begin after graduation or completion of a certified program and would be subsidized by the lending bank and the federal government. So, for instance, if a person engaged in X hours of national service prior to enrolling in college, and then had to borrow \$60,000 to attend college, the repayment would be shared by the bank and the government thus replenishing the loan fund. The federal government, through its relationship with the banking community, could ensure that interest rates were competitively low and viewed by NS participants as attractive. The corporate philanthropic community has had considerable experience in this area and could make a vital contribution to NS.

* The major credit lenders might also be invited to play a role in national service. Competing credit banks (American Express, Discover, major Visa and Mastercard institutions) could offer annuities to card holders who participate in the NS. A certain percentage of all charges to the card would automatically be invested in an account to be used to pay for training and education. For example, for every dollar charged to a credit card, the lender would deposit a specific amount into the card holder's annuity or some other financial mechanism. These funds would earn interest according to a formula based on service and could be used for educational costs. Funds so accumulated might serve as a guaranteed tuition plan

Florida and a dozen other states have instituted such plans. Parents (or other interested parties) pay a monthly fee into a pooled account for each child. With the cooperation of the state university system, students are guaranteed that their college education will be paid for with the funds accumulated in their name. Credit lenders, through a similar program, could assist in building individual accounts.

The National Service first-class postage stamp

* Another way for the federal government to raise funds to pay for NS would be through the issuance of a special first-class postage stamp which would always sell for a one cent more than a regular first-class stamp. Purchase of this national service stamp would be a voluntary act on the part of millions of Americans and businesses who might support the concept of national service but, for one reason or another, be unable to participate in the program directly. This group might include those who, because of age, occupation, family responsibilities or other personal reasons, might be unable to either give service or provide a service opportunity.

The stamp would change every three months, each version depicting a person or people engaged in National Service -- young, elderly, painting a subway platform, working in a hospital, planting a garden in an urban lot, etc. This constant renewal of the NS stamp would serve as excellent public relations for the program and generate interest in purchasing and using the stamp as well as in collecting it. We are currently doing research on the financial implications of this approach to funding National Service and we will be able to make probable income projections in the near future.

Suppose, for example, that in November and December of each year, pre-Christmas sales of first-class stamps must account for many millions of dollars. Suppose that 20 million people purchase a sheet of stamps that would now sell for \$29.00 (100 29 cent stamps) but in the service version would sell for \$30.00 or 30 cents a stamp. Although this activity would raise \$20 million in a few weeks, the national service stamps would be on sale all year. If corporations, utility companies, and other major mailers such as American Express, the fuel companies, Visa and Mastercard could be convinced by the federal government to use the service stamp on a voluntary basis only once a year and, in so doing, provide significant funds for NS.

Further, if major corporations did indeed back NS, their participation could provide significant and positive public relations for the program thus inspiring others citizens to support it as well, through use of the stamps and by providing service opportunities. Public service advertisements in major magazines, on TV and radio and in public utility invoices (corresponding to their use of the stamp or, in the case of metered mail, in the postmark, would reinforce the concept that every aspect of corporate America supports NS because NS is in the country's best interest.

3. PROGRAMMATIC SUGGESTIONS ABOUT NATIONAL SERVICE

Introduction

National Service differs from volunteerism in that those performing the service can receive pay for their work even though participation in the program will be voluntary, just as service in the military is voluntary but paid.

National Service could be small program with little impact or it could bring about major changes, especially in the way that young people perceive their role in society. Most importantly, NS could be a way to make education affordable, make educational institutions accountable, broaden the student's scope of learning and enrich society by making good use of an individual's skills and energy where it is most needed.

President Clinton, like many of his predecessors, notably John F. Kennedy, has called for national sacrifice to make the country strong. The funding of the NS program should be based on shared giving (school, banks, credit card institutions, non-participants, and recipients of NS assistance) in the short term with shared strength in the long term. To paraphrase President Clinton, we can fix what is wrong with America by using what is right with America. A "service for education" program can do this.

Some Suggestions

* individuals should be able to participate in the NS from age 16 to as long as they are fit, thus providing parents, grandparents and even great-grandparents with the option to engage in national service and, at the same time, help the younger members of their family to get an education and providing young people with real skills as well as a sense of giving to the public good.

Reflecting one of the wonderful aspects of American higher education, its diversity, students have long been creative about paying their fees. Many (60%) work while attending college, and a few even have the opportunity to attend colleges where they can contribute through their own industry to the operation of the college, thus lowering its operating costs --

and tuition -- through required service. These students also gain new skills. Many students spread out the traditional four year program over five or six or more and earn money as they go. Some begin college in less expensive public institutions and then transfer to more expensive, more prestigious private colleges thus lowering the ultimate cost of the education. Recently, some families have been pre-paying tuition fees with a monthly fee initiated at the time of the child's birth. These fees are invested in a fund which guarantees that there will be money to pay for the child's tuition.

* providing only for college graduates to engage in a few years of national service after graduation as a way to pay off their loans is an easy program to administer but it is a limited concept in that:

- 1) it limits opportunities for NS to a small segment of the population;
- 2) NS would be more beneficial for students before or during college than after graduation improving their own learning experience as well as the general learning atmosphere of the institution. Many innovative educational programs have indicated a real benefit from having older and more mature students in the classroom;
- 3) the ability to earn credits for knowledge gained through experience -- a financial and pedagogical boon to the student -- would be lost;
- 4) college graduates who choose NS at that stage in their lives may not be contributing to society as well as they might nor would they be contributing to the tax base, a factor which would add an additional increase to the cost of NS;
- 5) by inviting the older population to engage in NS thus assisting younger people, we would be dispelling the notion that young people are paying to support the older people in our society; we would be introducing, instead, a reciprocal relationship which would create a new sense of community, one especially important in a culture which will have more and more productive older people;

* hours given in service should be logged in a national computer bank and could be used, or given to someone else to use, to pay for education or career training;

* an hour of service should carry a specific monetary value regardless of the nature of the service.

In order to plan the NS program for its maximal impact on society we need to do research in the following areas:

* NS will increase the number of students and older adults who attend college and training programs? Where will they be and what programs will they need and want?

* aid to such students, based on the service credits they have earned, will replace, to some extent, their need for traditional financial aid. This is a very important fiscal issue and we must make predictions about its impact on the projected cost of NS.

Consider this example: two students (Mary and John - both 18 years old) from families of very limited resources are accepted at Central College where the cost of attending for four years will be \$50,000.

Mary started to participate in NS when she was very young and continues to this day. In the five years she worked as an assistant in a day care center, as a nurse's aid, as a reader to the blind, as a response person in the city's teenage hot line program, etc. she put in about 10 hours a week or 40 hours a month (40 hours x 60 months = 2400 hours indexed at the current minimum wage of \$4.00 an hour resulting in education credits of \$9,600. In addition, her grandparents, knowing that they wanted to help pay for Mary's education in some way, logged another 2000 hours resulting in \$8,000 worth of NS education credits. Mary now has available to her from NS \$17,600 as she begins college. Her jobs sometimes paid, sometimes not, resulted in another \$4,000 saved so Mary now has \$21,600 for college.

But more importantly, all NS participants are eligible (at participating colleges) to receive credits for knowledge gained through experiences in National Service (a hidden positive cost factor in this scenario). Because mechanisms now exists at hundreds of colleges and universities for awarding valid college credit for knowledge gained through work and life experience, this aspect of the program could be implemented immediately.

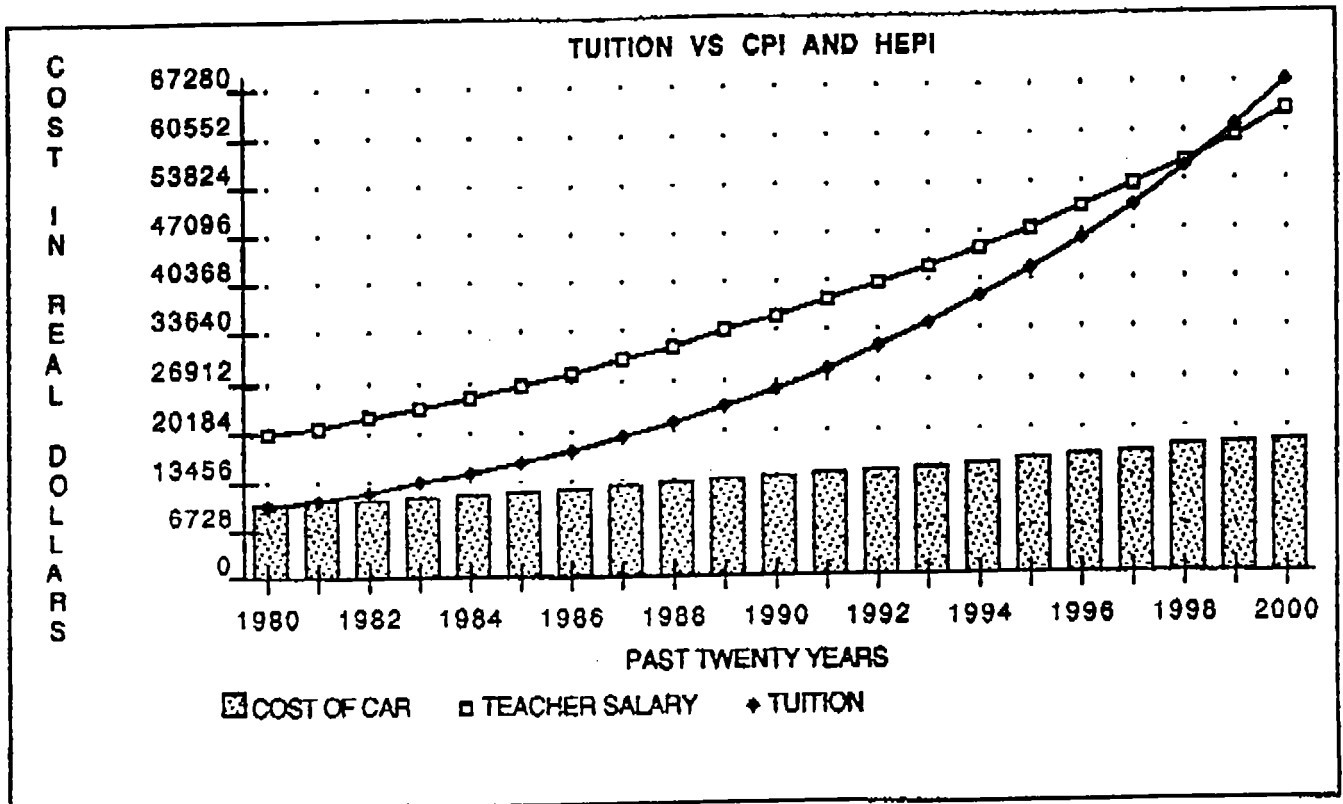
Mary wants to be a nurse so she presents to the college's NS officer a detailed account of what she did in day care, working with the elderly, reading to the blind, etc. and is awarded 15 credits toward the 120 she needs in order to graduate, a savings to her of another \$6,250 (a 12.5% reduction in the \$50,000 cost of four years at the college.)

Mary now needs the following: \$50,000 less \$21,600 she has through NS plus her savings less the \$6,250 she has earned through credit for knowledge gained through experience for a total of \$22,150.

John did not choose to participate in NS. That's too bad, because traditional forms of financial aid have almost disappeared and he will have to borrow heavily to come up the \$50,000 over four years. If he does borrow, even at the subsidized interest rate, his education will cost him as much as \$65,000. And John will receive no credits for life experience either. So there is, in this scenario, a strong reason to participate in the NS.

National Service will be a powerful force if it allows all Americans an opportunity to participate by giving service, providing for meaningful service opportunities and by providing financial support.

I appreciate your consideration of these comments.



January 26, 1993

Eli Segal
Director
National Service Program Office
The White House
1600 Pennsylvania Avenue
Washington, DC

Dear Eli:

Congratulations on your appointment to one of the most important positions in the new administration. Our nearly twenty-five years of evaluating public and private-sector programs have led us also to the conclusion that the boundless energy of our youth is a vital national resource that needs to be tapped. One of the great rewards of the kind of research we do has been the chance to hear the ideas of youngsters throughout the country. We hear again and again the teens' enthusiasm for shaping the world around them into a better place and their innovative ideas for doing so, whether we are talking with Latino-American teens in the South Bronx, African-American teens in Central Alabama, Lakota/Sioux youth in South Dakota, Cambodian-American youngsters in the Puget Sound area, or Anglo-American kids here in Lincoln.

We were delighted to learn that you are heading the effort to channel this enthusiasm, energy, and creativity into productive channels. We are not sure what kinds of legislation or programs you will be proposing but would like to have a chance to discuss your ideas as you develop them, because we have a lot of specific examples and research results that indicate what works and what doesn't work when trying to involve youth in bringing about change in their communities. We also have ideas we would like to share with you on good ways for involving young adults in community-based programs and in working with public agencies.

As you may know, the Clinton campaign staff contacted us early last fall and asked us to review drafts of the position paper on drugs and crime. We had some suggestions about the policies of strengthening police forces and diversifying police personnel. Your office can have a major influence on these policies, both because youth can be a resource for police departments and also because enhanced police staffing will permit a reemphasis on police programs for youth.

We enclose two recent drafts that will give you an idea of our thinking in these areas. The summary of our evaluation for Girls Incorporated will give you an example of one organization and one youth program that is demonstrably providing opportunities for youngsters to help bring about positive community

change. One key to this program is that older youth get more involved by leading younger teenagers from their own communities. The memo to the National Institute of Justice suggests that now would be a good time to summarize the state of knowledge and practice concerning police programs for inner-city youth. We have in the past prepared similar practical guides for law enforcement agencies that want to design innovative programs and have had the satisfaction of seeing our reports widely used.

In sum, we would be more than glad to discuss with you what we know about promising programs for involving youth in national service and will call to set up a meeting when you are settled in the District. Or, if you would like to get together sooner, please feel free to call us at LINC (617) 259-8222 or at home (617) 259-9218.

We hope you, Phyllis, and your family enjoy the stimulating atmosphere in Washington. We know that Karen and Herb and others in the Boston area are going to miss you.

Sincerely,

Marcia

Marcia R. Chaiken

Jan

Jan M. Chaiken

Executive Summary:
Girls Incorporated Project -- Teens for Teens

"Teen interns are more fun than teachers. We do good things with them. Teens in other cities should do everything we've done. Like our teen newspaper, and PartySmart with no drinking, and playing ball, and the show we did on how things have really changed for women. I want to be a Teens for Teens intern some day.

--Teens for Teens participant 1992

Teens have the power to change the world, but most of the time adults focus on the negative involvements of teens--on violent activity in gangs and drug running or irresponsible sexual activity. Many judge teenagers in the most economically depressed areas of the United States to be out of control or at high risk for violence and victimization.

Teens for Teens rejects this negative, self-defeating view of young people. Teens for Teens is based on the recognition that the majority of youth in disadvantaged neighborhoods dream of opportunities for a better life.

Teens for Teens has evolved in places where health professionals have identified severe problems but despaired of finding significant solutions because resources are so limited. High rates of teen pregnancy, infant mortality, substance abuse, AIDS and sexually transmitted diseases are typical problems. Many teens are in places where they face daily health risks; too few take action to avoid these dangers.

This is not the teens' fault. For several understandable reasons, over the last two decades the health care system has been less and less able to respond to adolescent needs. Many health care agencies can no longer take responsibility for the well-being of all the people because of the desperate needs of specific groups of people. Unless they are disabled or pregnant, adolescent girls do not fall into one of those groups and so their health needs have been neglected. And more and more, the high costs of health care mean that there are no funds left for prevention after emergency care needs have been met.

Thus attention to the overall health needs of adolescent girls is meager, even though today's adolescent girls may be tomorrow's mothers and vital members of the work force.

Girls Incorporated Forms Teen for Teens

To improve this situation, Teens for Teens draws on the high energy and creative enthusiasm of youth. Under the direction of older teen interns, groups of young adolescents learn about factors that affect their health and the health of other people in their communities. They decide which issues are most important to them, and they carry out projects in their communities to address these issues and better their communities' health and related services to adolescents.

Teens for Teens was launched in 1990. Girls Incorporated (formerly Girls Clubs of America) had been serving girls and young women in blue-collar and poorer urban and rural areas for more than 50 years. Most youngsters in Girls Incorporated programs were from families earning less than \$20,000 a year, and most lived in one-parent households. Just over half were members of ethnic and racial minorities, and one in four was between 12 and 18 years old.

Concerned as well about girls who stopped coming to its centers as they reached early adolescence, Girls Incorporated concluded that the organization needed appealing programs that could entice the teens to participate and could help them deal with conditions that placed them in jeopardy.

Teens for Teens was developed as part of a larger project, Teen Connections, designed to address health needs of girls in Girls Incorporated centers across the United States. The other Teen Connections components focused on providing case management for teens having difficulty getting services, helping teens adopt better nutrition and other basic health practices, and coordinating health services to teens.

Teens for Teens, for its part, focused on empowering teens to become advocates for better health care services. The idea was relatively simple. Under the direction of older teen interns, younger adolescent participants would identify gaps in health services or other problems in community health care systems, develop solutions, and carry out plans for improving teen health services.

A New Approach

Teens for Teens builds on research findings about what motivates youngsters in under-served areas to take constructive action to lead healthier lives. One of the most important of these is the key role adult mentors play in the lives of all adolescents. Some youth find mentors at home or in school, but many do not. Parents and teachers in disadvantaged areas, particularly, have limited resources to devote to individual children. Even public youth-serving agencies are likely to focus on youngsters with the most serious problems such as disability, abuse or delinquency. With notable exceptions, such as Big Sisters and Girls Incorporated, organizations for youth in low-income areas tend to concentrate on fostering athletic ability--mainly for boys.

Teens for Teens provides those mentors. Teens for Teens interns are trained to be guides and examples to younger teens. The interns have as their mentors the staff of the Girls Incorporated centers and in particular the Teen Connections staff. Health practitioners who come into contact with the girls during the course of their projects also serve as mentors. All these mentors are action-oriented; they show teens that it is possible to set and carry out concrete objectives in one's life. They take informed stances on health issues; they tell Teens for Teens participants about their own projects and goals; they show by example how to carry out activities to achieve these goals. And they answer youngsters' questions about why they take particular steps, how they react to setbacks, and how they make midcourse correction.

Teens for Teens also furnishes information on how to make informed, healthy choices. Providing such information is basic to the Girls Incorporated program. In Teens for Teens, interns and participants work together to identify

situations where they, their peers or other members of their communities need more information and support to make good health-related decisions.

Such situations are diverse. They may include situations with high potential for rape by strangers and dates to occur, or times when teens are baby-sitting and health emergencies take place. Some girls mention situations in which friends have become extremely thin or excessively overweight or have neglected personal hygiene.

After deciding what issues are important to them, teens contact professionals in their communities--nurses, dentists, dietitians and Red Cross representatives, for example--for relevant information given in terms they can understand.

The third aspect of Teens for Teens is preparing teens and providing opportunities to advocate for better health services. The teens learn to pass on the information they have received, using channels they think will get positive attention--workshops, displays at health fairs, teen talk shows, posters and programs and conversations with people. For example, after one Teens for Teens talk show in Bessemer, Alabama, adolescents who had been in the audience enthusiastically talked for more than 30 minutes about the lessons they had learned. While during interviews some family members complained that their teens had started to "always bug me about eating right, and not smoking, and wearing my seat belt, and other stuff like that," the remarks were made in good humor and with obvious pride.

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Teens Take the Initiative in Central Alabama

Teens in North Birmingham, Alabama, were afraid to take part in after-school activities at Hudson Junior High School because the streets were dangerous after dark. Teens for Teens members learned, however, that students in a nearby high school who were participating in SOAR, a citywide after-school drug prevention and tutoring program, were given transportation home. The teens asked the director of after-school programs if they could "ride the SOAR bus." The request made sense to the director, who notes, "The bus costs \$60 a day whether the seats are empty or full." She arranged for the bus to stop at the junior high.

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Teens Take the Initiative in South Dakota

Teens for Teens in Rapid City, South Dakota, realized that many youngsters had no place to go and nothing to do except hang out in unsupervised parks, drinking and getting into fights. Teens for Teens planned a "party-smart" evening of dance contests, health-related games and other activities they knew their peers would enjoy. They even got a locally popular comedian to appear who incorporates a strong message against substance abuse in his act.

The locale for the event had to be in neutral territory for youth groups that were often in conflict. They negotiated with a local college for a room and security for minimal cost and got local merchants to provide food and prizes. Tickets were sold for a nominal amount, with maximum quotas for each junior high school to achieve a balance of youth from different parts of the city.

As a result of the evening's success, the community is for continuing the event on a regular basis. Teens for Teens have even bigger aspirations, however. They are now advocating for a teen center.

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Meeting Local Needs

Teens for Teens empowers groups of teens to identify health issues they think are important and to take action to meet related goals they believe in. This is the role of Teens for Teens in the comprehensive approach of its parent program, Teen Connections, which also promotes the health of individual girls, intervenes for girls whose well-being has already been jeopardized and improves services for adolescent girls.

Girls Incorporated centers that include Teens for Teens as one of their programs tailor the programs to their own teens. Two examples are illustrated here--one from Birmingham, Alabama, where the centers involve primarily African-American girls, and the other from Rapid City, South Dakota, where many of the girls are Native-American and belong to Lakota/Sioux and other tribes.

Girls Incorporated of Central Alabama operates three centers, one in a middle-class area, one in an economically-depressed suburb, and one in an outlying area of the city marked by deserted steel mills, graffiti-marked bars and deteriorating housing projects with boarded-up windows. The centers fill particular niches in the needs of the girls who grow up in these areas, but Girls Incorporated works hand in hand with other service providers to carry out its programs. In addition to serving youngsters in its centers, the organization reaches out to involve youngsters in activities in the neighborhoods and schools. Teen pregnancy is one of the pressing issues in this area.

Girls Incorporated of Rapid City is the oldest component of the area's Youth and Family Services agency, which also operates a day care center, a guidance and counseling center and nutrition and drug prevention programs. Pressing issues for teens and their families in Rapid City are abuse of drugs and alcohol and lack of academic skills.

Cultural expectations shape the lives of youngsters served by local affiliates. While all adolescents may have the same basic concerns, girls in these different ethnic and racial groups often have different views on issues they deem most important. Teens for Teens allows them the freedom to decide what issues they will pursue.

In Central Alabama sensitivity to cultural concerns has long been an organizational must. The staff of Girls Incorporated are racially mixed, and Teens for Teens participants are encouraged to discuss racial differences and expectations. For example, when a staff member suggested teen suicide as an issue the teens might want to consider addressing in view of national statistics showing suicide to be one of the primary causes of death among teens, the teens told her that suicide was a "white kids'" issue and had nothing to do with them or their friends.

Many African-American girls in Central Alabama are supervised by a strong woman--a mother, grandmother or aunt--who want her charge home during specific times and expect her to attend church at specific times. Realizing the positive benefits of these sources of support, the Teen Connections staff arrange the Teens for Teens schedules around the other demands on the girls' time.

However, the larger concern is for girls without such strong sources of support. Professional staff were dismayed when some Teens for Teens participants, asked to name the person in their lives they most admired, replied, "No one." To help fill this void, African-American women who are leaders in the community are recruited to spend time with the Teens for Teens participants, where they talk to the teens about taking leadership, setting goals, working hard and taking action in the community. The teens report being very impressed by these women and their ideas.

In Rapid City, cultural sensitivity is far from a given. Leaders among the Native American tribal communities and white population often disagree over how to work with youth. Even though the Teen Connections staff advocate belongs to one tribe, Teens for Teens must take into account the perspectives of girls in other tribes as well.

The teen interns are aware of the cultural underpinning of important health-related issues among the girls and, while emphasizing the issues they have in common, bring out facets that are of particular importance to different cultures. They have pointed out, for example, that all teen girls are bombarded with "myths about women." Some myths seem to be more important to white girls, for example the myth that one must be thin to be attractive. Native American teens tend to be more concerned about the myth that only boys should take part in sports.

To campaign against these myths about women, Teens for Teens participants made colorful collages from magazine advertisements. "Myths posters" combined

pictures of models striking unnatural poses to display their bodies; the "truths" placards showed women engaged in a variety of goal-oriented actions including team and individual sports, and career related activities.

When asked to state the most important facts they learned and told other teens, one white participant responded, "Being popular has nothing to do with how your body looks." A Lakota teen said, "You don't have to be a boy to play sports. I can kick a ball from one end of the playground to the other. We're going to call the Boys Club next week and tell them that we want to have a ball game with them." Although the first teen interns in Rapid City were all white, there is now one Native-American intern and a pool of younger Lakota/Sioux participants who look forward to leading groups when they are old enough.

Getting Started in Teens for Teens

Girls Incorporated affiliates that want to add Teens for Teens to their programs need to lay a lot of groundwork, experienced staff members in Birmingham and Rapid City say. The first thing they must do is clarify their policies on adolescent health issues. Many of these policies are controversial. Clear policies prevent misunderstandings and delineate what the organization publicly supports.

Policies that require clarification involve stances on human sexuality and reproductive rights; the balance between the confidentiality of discussions with teens and requirements for reporting teens who are being physically or sexually abused; the need for parental consent to provide teens with information on "sensitive" topics; and the extent to which project staff and teens who represent Girls Incorporated can speak publicly on sensitive topics.

Centers with policies that stress preserving the status quo may want to think carefully about the suitability of a Teens for Teens to their organization. The essence of Teens for Teens is empowering teens as advocates for community change.

Next, developers of Teens for Teens programs must make sure they hire staff who are not only in tune with these goals but sensitive and flexible enough to deal informally with teens, moment to moment, to laugh with them and to praise them without condescension. One staff member in Rapid City says she seems to spend at least as much time informally talking with teens in Hardee's, a local restaurant chain, as in more formal meetings in the center or in schools.

Other attributes of successful staff are being able to work as a team and possessing the respect of other professionals. Most have established credentials as innovative leaders in previous positions and are known for being bright, energetic, and focused on improving services for teens and bettering the lives of adolescent girls.

Another task that centers opting for Teens for Teens must accomplish is to lay the groundwork in the community that will ensure that youngsters will find an encouraging response to their activities. Key activities in this regard, say directors and staff of the Girls Incorporated centers in Alabama and South Dakota, are to make presentations to administrators and practitioners in state

and local agencies. These presentations must "sell" the project in the community, to educators, health departments, local hospitals and clinics, colleges and universities, the media and policy-maker organizations.

And finally, center staff must decide how much direction they need to give their teen interns and participants, and what activities will be appropriate for young teens to undertake. When asked who decides what gets done in Teens for Teens, participants in Rapid City and Central Alabama say they do--but that sometimes the interns help them decide. The participants are free to make many final decisions and to carry out the nitty-gritty details of projects, but the professional staff and the interns structure the project so that they have a variety of viable activities to choose from.

Typically, teens are both egocentric and idealistic. Once they recognize an issue as important, they demand an uncompromising and immediate solution. This enthusiasm for resolution is the power that propels Teens for Teens. However, in order for them to achieve their objectives, they need to be guided to set realistic goals.

Guiding Teen Participants

The connection between immediate problems, larger issues, activities they can carry out in response to larger issues and long-term consequences also need to be clarified for participants. Community resources and teen intern mentors play an important role in doing this. For example, a Rapid City woman who has a disabling form of arthritis met with teen participants to tell them about what she did to make the community aware that arthritis is an important disease that strikes the young as well as the old.

The process of deciding to carry out PartySmart in Rapid City (see box on page __) illustrates the prompting young adolescents may need to make the bridge from recognizing an immediate problem to taking action on the broader issues behind the problem. In Rapid City, teen drinking and alcohol-related violence have been an ongoing concern among the adult community. When teens were injured during an incident of fighting in a nearby park, Teens for Teens participants, too, became concerned about fights. However, they did not immediately make the connection between the injuries and the fact that youth were in an unsupervised situation where drinking was taking place until the interns (the older teen leaders) led them through the logic of this conclusion. The younger girls were captivated by the interns' question, "What if kids had a place to go where they could have fun without drinking?" At this moment the ideas for a teen center and PartySmart were inspired.

Young teens also need guidance in formulating activities that are difficult enough to be a challenge yet easy enough to meet with probable success. Typical teen activities that are usually just tolerated by adults have been turned into productive Teens for Teens project activities. Examples are time on the phone to make necessary project arrangements, trips to stores to publicize Teens for Teens events or to gain the cooperation of store owners, activities in which they tell younger children or adults what to do, jobs that involve getting wet or using paint or dyes, projects that include using theatrical makeup or

dressing like adults and events involving music or food.

The flexible nature of Teens for Teens allows adolescents at different stages of social development to carry out activities they can comfortably complete. Some preteens are capable of making a presentation to a group of adults with great poise; yet some 15-year-olds can barely raise their voices to an audible level when they face an audience. A poised 12-year-old can present the ideas generated by a perceptive but shy 15-year-old.

Teen Interns and Their Training

Teens for Teens capitalizes on the substantial influence older teens can exert on their younger colleagues. The day-to-day leadership of Teens for Teens groups is provided by teen interns who are only a few years older than the participants but are able to generate enthusiasm and respect from the younger girls. They serve as role models for participants, who constantly ask the older teens about their personal lives including school, boyfriends, family life and activities.

Given this older teen influence, Teens for Teens projects try to involve interns who have demonstrated potential for leadership even though they have not yet had the opportunity to lead. This potential can be identified if the girls have previously participated regularly in an extracurricular activity where their informal influence on peers can be observed. While some interns have struggled to get average grades in school or have had other difficulties, they have also demonstrated that they can assume responsibility to carry through a project either at home, in church or in school.

Successful teen interns say the chance to work with younger adolescents was what attracted them to being interns. The pay-- minimum wage--is less of an incentive, since other jobs open to them offer more money. Rather, the interns like the chance to help younger girls deal with personal concerns and learn from others' experiences. In addition, in centers that recruit from two or more racial or ethnic groups, the interns appear to like the experience of working with teens having different backgrounds from theirs, since in school teens tend to associate only with members of their own group.

Intern training can be either formal or informal but is essential if the older teens are to fulfill their mentor roles and guide the younger girls in choosing a project and successfully carrying it out. Rapid City provides a brief formal training period and relies heavily on on-the-job training supervised by the project director. Interns receive the same formal orientation to Youth and Family Services as all professional staff. They learn about the policies of the agency, including the confidentiality policy, guidance and discipline guidelines and procedures for reporting children who are abused or neglected. Most of them are experiencing work in a formal organization for the first time. The orientation provides an introduction to the realities of accountability for budgets, space, and time--a lesson they learn more informally as they encounter limitations on all these resources.

They also learn about health issues and advocacy, but in a less structured setting. Accompanied by a professional staff member, each teen intern makes the rounds of agencies to gain their cooperation. Interns can also pursue their own

line of inquiry about health issues affecting adolescent girls. For example, one intern conducted a survey and then analyzed the data to learn about the health implications of teens' use of leisure time. Her findings supported the need for the PartySmart project.

There are also "brainstorming" sessions during which the project director leads the new interns through the Teens for Teens process, first discussing issues that the younger girls might consider important, then talking about resources and methods for teaching about the issues and finally discussing what types of projects the younger girls might like to carry out to address the issues. The sessions continue even after the interns begin to work with the participants on their own, but less frequently as they gain confidence in their abilities to deal with various issues involving behavior or substantive information.

Training for interns in Birmingham is far more formal. It includes an intensive three-day retreat on a lake in a scenic area. The interns are led through a packed agenda during which they carry out many of the same activities that they will later be supervising. The style of the supervision provided by the project staff leading the retreat becomes a model for the interns' own later guidance of Teens for Teens participants. Even the activities that seem most mundane, such as checking in and getting settled, provide examples of how to lead productive yet enjoyable events.

Once they have taken on their groups, the youngest interns, especially, tend to slip in and out of their leadership roles and at times act more like participants. But there is little confusion about which role they are playing. When they are leading, they look, stand and sound like professionals; they provide the same support and encouragement they themselves received during their training and subsequent experience.

Teens for Teens Participants and Their Projects

Once established, a Teens for Teens program has no trouble attracting new participants, but initial recruitment takes some effort. Some of the effort comes from teen interns who make arrangements to talk about the project to students in junior and senior high school classes. Teens who join are motivated by the activities they hear about. Some come at the insistence of their parent, and some come to escape an unwelcome environment at home. No matter how or why they come, they end up agreeing that the project "is cool." They learn a lot and they have fun.

The most popular and successful activities are ones that combine this learning and fun. Lectures can be "boring" but not if they are given by dynamic experts who know how to get concrete information across to young people, and they are even more interesting if held in interesting places like hospitals. Teens also like to be able to ask "any question" and get a serious answer about their health and their bodies.

Young teens relate better to the concrete than the general. They want their projects to involve people in their immediate communities. They often select projects that copy adult activities, such as health fairs and talk shows. They believe they are successful if they make dignified presentations to people in their communities and get positive, sincere reactions.

The benefits of Teens for Teens to the teen themselves are numerous. Through a comprehensive approach that includes mentoring, education about healthy choices and the opportunity to play adult roles to responsive communities, Teens for Teens prepares adolescents to be advocates for their own well-being and the well-being of their families and neighbors. At a time when hopelessness and despair are characteristic of adults in many disadvantaged communities, Teens for Teens builds adolescents' self-confidence and skills for bringing about positive change.

A Final Word

The experiences observed in Teens for Teens programs in South Dakota and Alabama provide a few final tips for other Girls Incorporated affiliates who would like to take on Teens for Teens. You are more likely to succeed if:

- o You already have a reputation for serving youngsters on the verge of adolescence and if you have already challenged the community to improve what it is doing for young people.
- o You recognize the differences between teens and younger girls and give the older girls opportunities and responsibilities that will maintain their interest.
- o You furnish formal and informal education--and ongoing support--not only during the crucial first few weeks, but throughout the project.

Teens need adult partners to bring about change and, in return, they can help shape the adult agenda for change. They can educate and enlist adults to work in their behalf. Teens for Teens in Central Alabama and Rapid City, South Dakota, have found their voice and been heard with interest and respect. Adults are responding by making sure that the services the youngsters say they need become more accessible. Teens are realizing that seemingly unresponsive bureaucracies may be staffed by deeply concerned professionals and policy-makers. By establishing an ongoing dialogue with these influential people, teens can ultimately bring about systemic improvement in services for themselves, their friends and the people in their communities.

Memorandum

To: Virginia Baldau, NIJ
From: Marcia Chaiken, LINC
Subject: An NIJ Report on Police Programs for Teenagers
Copy: Eli Segal, The White House Office for National Service

January 26, 1993

Last fall, you suggested that you would welcome ideas for topics to be addressed by NIJ after we knew the priorities of the 1993 administration.

Three priorities of the new administration that were spelled out in their position paper on drugs and crimes are these:

- o Increasing the visibility of police in communities with the highest rates of crime
- o Involving more youth in productive and constructive activities
- o Forming more partnerships to make communities safe.

Progress toward all three of these goals can be achieved simultaneously by police programs that actively involve inner-city teens in addressing the needs of their communities. Moreover, if police departments develop programs that recruit older teens for a year of service involving delivery of these programs, the Clinton administration's objective of National Service can also be furthered. By identifying specific types of police service that can be, or perhaps may best be, provided by youth during National Service, it may be possible to ameliorate the difficulties inherent in government's trying to strengthen police staffing while at the same time facing budgetary limitations.

As an outgrowth of community policing and problem-oriented policing, some law enforcement agencies have already begun to undertake programs that can fit into the objectives listed above. I would like to propose an NIJ report prepared by LINC based on past research and new case studies of programs that seem suitable for meeting those objectives. The research, which would be useful to White House and Federal agency staff for developing programs and legislation, as well as to state and local practitioners, will produce a report describing:

- o The Federal government's goals in this area, as they may be developed and refined over the coming months
- o How these goals are interrelated and can impact the effectiveness of the police
- o Types of programs that have been or can be carried out toward achieving these goals
- o Factors that promote or retard the success of such programs
- o Examples of current programs and their status
- o Practical advice for designing and implementing such programs.

The audience for this report would be police chiefs, sheriffs, and other directors of law-enforcement agencies, mayors and city councils, State directors of criminal/juvenile justice committees, and State and local directors of youth services.

The report would be based on the following methods:

- o **A review of past police programs involving community youth.** The proposed new Clinton policy directions mentioned above are at least in part similar to research-based recommendations made as much as twenty-five years ago, for example by the 1968 President's Commission on Law Enforcement and Administration of Justice. The experience of earlier programs that were initiated in response to those recommendations needs to be captured, synthesized, and placed in the context of today's inner city conditions. A review of their impact and factors that led to their continuation or disbandment, can provide important information for designing new programs.
- o **A review of the growing body of research on youth-development programs for teens in inner-city and other economically depressed communities.** The proposed new policy directions also appear to be grounded in much more recent research on what works and what doesn't work in youth development programs. This material is unlikely to be familiar or accessible to law enforcement agencies.

Designing and implementing effective youth-development programs has been found to require special skills. For example, programs for teenagers that sound creative and exciting to adults will not necessarily attract youth to participate, especially youngsters who have never considered participating in programs sponsored by formal established organizations. As staff in many youth development organizations have learned the hard way, youngsters "vote with their feet"; if they think a program is "cool" they'll participate; if they don't, they'll leave -- sometimes in the middle of a first meeting. The results of recent evaluations of programs for youth in disadvantaged neighborhoods can be summarized to provide police with clear ideas about what types of activities will and will not promote participation and other key elements for designing programs.

- o **A review of research findings on processes for building police partnerships within different types of communities.** Findings of evaluations of diverse police programs and youth-development programs strongly suggest that the backing of the local community is a key factor in success. The objective of this review would be to delineate factors that promote or retard community support, especially for programs that involve teenagers. In addition, there is a growing body of knowledge pointing toward methodical processes for learning about and implementing program activities that are culturally valued by community members. Our report will be able to provide detailed advice about integrating processes for increasing cultural sensitivity into police programs for youth.

- o Identification of related programs implemented or being developed by police departments. We would propose to undertake snowball interviews with researchers whose work has entailed visiting police departments in the U.S. or around the world and who have personally seen many different types of community-oriented police programs -- for example, starting with Goldstein, Eck, Skolnick, Bayley, Sherman, and Pate and then contacting other researchers and police staffers whom they suggest. We would also ask two or three of the knowledgeable researchers to serve as advisors to the project.

The purpose of these interviews would be to determine what programs currently exist for involving inner city youth in constructive activities and to locate examples that are considered successful, promising, or instructive. In addition, of course, some possibilities are already known to us, including the NYPD-supported HUB program for channeling talented but formerly misguided graffiti-artists into painting murals commissioned by local business people on neighborhood buildings; the partnership between specific Chicago police stations and the Chicago Area Project staff in involving troublesome youth in alternative constructive activities; and programs initiated by the Honolulu police department as part of their anti-gang/drug-use prevention efforts.

- o Case studies of police programs for youth. The case studies would focus primarily on police programs that have involved inner-city teens in carrying out constructive community activities. Police programs that involve more affluent youth are more familiar and less complicated and will not require careful writeups as case studies. The case studies would then be used as a basis for preparing a chapter on "nitty-gritty" practical advice for implementing similar programs. In addition to reviewing program documentation, interviews would be conducted with participants, police officers, and other community members involved in the program.

We would also want to meet with Federal officials who will be developing policies and legislation related to these initiatives. I envision an eighteen month project including research and report preparation. The schedule for producing the final report would of course depend on the timing of NIJ internal and external reviews.

I hope that you and others at NIJ find this an attractive idea. I realize there may be many uncertainties about appropriate timing and funding vehicles, especially in relation to the appointment of the next NIJ Director. But I hope you see the advantages of getting started on this, so that the police will have practical advice when they need it, and the development of Federal policy and programs can be based on up-to-date knowledge. I will give you a call to discuss your thoughts on how and when to proceed.

Law School Adopts Loan Forgiveness Program

By Scott Greenberger
Contributing Reporter

In an effort to broaden the career options of its graduates by eliminating the enormous debts that students incur during their Yale educations, the Yale Law School has created a massive loan forgiveness program.

Under the Career Options Assistance Program, announced last week, the Yale Law School will assume repayment of all the educational loans of graduates who take jobs with annual salaries under \$28,000.

Unlike Yale's previous program and those at many other law schools, eligibility is based almost entirely on salary and is not limited to graduates working in strictly "public-service" fields. Under COAP, all graduates in jobs involving legal work for the government, non-profit public interest law, private law serving under-represented constituencies, and teaching are eligible.

COAP was created by a special ad-hoc committee of students, faculty, and members of the administration last spring. All three groups had agreed that Yale's old program, Public Interest Career

Assistance, established in 1985, was too limited. Associate Dean Steven Yandle described COAP as a "response to needs that had to be addressed."

PICA was designed to help students interested in public service, and was viewed by some at the Law School only as "a step in the right direction," spokeswoman Catherine Lino said.

Yale's new plan, described by the University as "pioneering," is actually the country's second such program. Harvard Law School established the nation's first immediate loan forgiveness plan in 1987.

Prior to 1987, law schools offered only "delayed" forgiveness programs which assisted students with low-interest loans and assumed complete repayment only if the graduates remained for many years in eligible careers such as public service.

Officials at Yale Law School denied that the establishment of COAP was a reaction to Harvard's decision. Yandle said the new program is a response to "the needs of our own students, and not any other program."

Law School students currently pays an estimated \$21,625 a year in tuition, books, and living costs,

or close to \$65,000 for the entire three years of study. About two-thirds of the students receive grants or loans to help finance their educations, and the repayment of the loans is an immediate consideration for most graduates.

As a result, many are compelled to accept or reject job offers solely on financial grounds, which often inhibits many graduates from entering the public sector, said Yale Law Journal Editor Andrew Koppelman. Koppelman cited a professor's comparison of this situation to one in which "all Yale Medical School graduates

See LOANS, page 5

Jack/Robert

I wonder how this is working 4 years later. If you think our income contingent friends need to know about this program, don't hesitate to let them know... (Note: the author of the article will be in my office this week).

El

Law School Adopts Forgiveness Program

LOANS, from page 1

[go] into cosmetic surgery."

"Many of us would like to have some effect on the world, and [COAP] makes it easier for us to do this immediately without waiting five years to work in a high paying job to pay off debts," Koppelman said.

About 8 percent of the Class of 1988 went directly into public interest or government positions, said Judith Lhamon, director of career planning and placement at the Law School. Lhamon added that 35 percent

"Many of us would like to have some effect on the world, and this makes it easier."

— Andrew Koppelman

took jobs in private law firms and about 55 percent assumed judicial clerkships.

Yale Daily News
1988-89

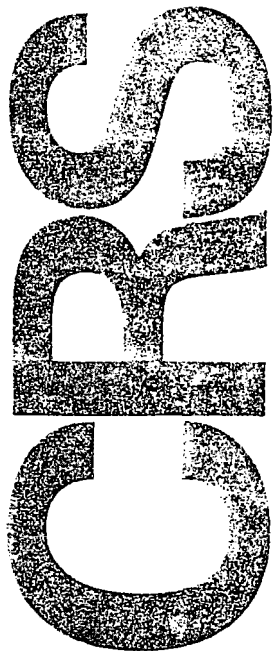
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Report No. 82-93 EPW

THE HEAD START PROGRAM--HISTORY, LEGISLATION, ISSUES AND FUNDING--
1964-1982

by
Jean Yavis Jones
Specialist in Social Legislation
Education and Public Welfare Division

Revised and Updated by
Jan Fowler
Analyst in Social Legislation
Education and Public Welfare Division



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TABLE I. Head Start Legislation, Authorizations, Funding Obligations, and Participation
1965-1982

Year	Authorizing Legislation	Public Law	Authorization	Funding Obligations	Total Children Served
1965	Economic Opportunity Act (EOA) 1964 EOA Amendments 1965	P.L. 88-452 P.L. 89-253	\$340 million <u>a/</u>	\$ 96.4 million	561,000
1966	EOA Amendments 1965	P.L. 89-253	850 million <u>a/</u>	198.9 million	733,000
1967	EOA Amendments 1966	P.L. 89-794	352 million	349.2 million	681,000
1968	EOA Amendments 1967	P.L. 90-222	950 million <u>a/</u>	316.2 million	694,000
1969	EOA Amendments 1967	P.L. 90-222	2.180 billion <u>b/</u>	333.9 million	635,000
1970	EOA Amendments 1969	P.L. 91-177	398 million	325.7 million	435,000
1971	EOA Amendments 1969	P.L. 91-177	578 million	360.1 million	420,000
1972	Continuing Resolution		Continuing Resolution	376.3 million	379,000
1973	EOA Amendments 1972	P.L. 92-424	485 million	400.8 million	379,000
1974	EOA Amendments 1972	P.L. 92-424	500 million	392.2 million <u>c/</u>	379,000
1975	Community Services Act of 1974	P.L. 93-644	such sums as necessary	441.0 million	349,000
1976	Community Services Act of 1974	P.L. 93-644	such sums as necessary	454.5 million	349,000
1977	Community Services Act of 1974	P.L. 93-644	such sums as necessary	472.9 million	322,000
1978	Community Services Act of 1974	P.L. 93-644	Automatic Extension <u>d/</u>	622.6 million	391,400
1979	EOA Amendments 1978	P.L. 95-568	such sums as necessary	680.8 million	387,500
1980	EOA Amendments 1978	P.L. 95-568	such sums as necessary	736.3 million	376,300
1981	EOA Amendments 1978	P.L. 95-568	such sums as necessary	814.2 million	378,500
1982	Head Start Act of 1981	P.L. 97-35	950 million	912.0 million <u>e/</u>	377,300 (est.)

a/ Represents overall Title II authorization. Head Start not specified.

b/ Total authorization for all EOA programs. Neither Community Action nor Head Start specified.

c/ Original appropriation was \$407.6 million. Rescission of \$15.4 million.

d/ Community Services Act of 1974 allowed automatic extension of the programs for one year unless Congress acted otherwise.

e/ Head Start appropriation, as specified in continuing resolutions, P.L. 97-92, effective December 15, 1981 through March 31, 1982 and P.L. 97-161, effective from April 1, 1982 to September 30, 1982. (From October 1 to December 15, 1981, continuing resolution funding was \$819 million).

response from those authorities or rejection of grant applications because of failure to meet desegregation policies. It might be noted that under the Economic Opportunity Act of 1964, community action agencies (CAAs) were made up of either public or private nonprofit agencies or combinations of both. Although these agencies were required to meet the criteria established by the Director of OEO with regard to the program for which they were seeking financial assistance, there was no requirement in the legislation that programs operated by CAAs be operated by or with the approval of local or State authorities. While there often was cooperation between local authorities and CAAs it was not unusual for some political friction to develop in cases where local educational and other public authorities were not included in the operation or oversight of the CAAs.

In the 1965 Economic Opportunity Amendments, Congress provided an \$850 million authorization for 1966 Title II programs. Head Start project funding more than doubled from the 1965 level of \$96.4 million to \$198.9 million for FY 1966.

C. Economic Opportunity Amendments of 1966

Despite the severe criticism which was leveled at the OEO by many of the Republican minority and some Democrats because of alleged and in some cases substantiated abuses in OEO programs, and the failure of OEO to address itself to some of those abuses, the Head Start program enjoyed fairly wide support in Congress. In the 1966 amendments to the Economic Opportunity Act, Congress included provisions which required that OEO carry out Head Start programs through community action programs (Sec. 211-1(a)). This was the first time that Head Start was specifically mentioned in the Economic Opportunity Act. Although the 1965 amendments had provided that the Director encourage the



ROBERT

UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF THE SECRETARY

February 3, 1993

MEMORANDUM FOR: Christine Varney
FROM: Billy Webster *BW*
SUBJECT: Service Programs

The attached list represents all service programs currently administered and/or funded by the Department of Education. Please let me know if you need further detail on any of these.

PUBLIC SERVICE PROGRAMS

<u>Program</u>	<u>FY 1993 Appropriation</u> (\$ in 000)
<u>Perkins Loan cancellation provisions:</u> Loans are cancelled at between 15 and 30 percent per year of service as a special education teacher, teacher of high-risk children, or teacher in a field in which there is a shortage of teachers; as a nurse or medical technician; as a law enforcement worker; in the Peace Corps or VISTA; or in combat in military.	\$14,880
<u>Work-Study Community Service provisions:</u> Institutions may use Work-Study funds to support community service activities. In the past, only 1 percent of schools have taken advantage of these provisions, but beginning in FY 1994, all schools will have to use at least 5 percent of their Work-Study allocation to support community service. The total FY 1993 appropriation for the Work-Study program is \$617 million.	n/a
<u>State Student Incentive Grant (SSIG) :</u> Grants to States encourage the provision of need-based State grant aid, including campus-based work in community service activities. While the overall FY 1993 appropriation for SSIG is \$72,437, only two States, Washington and Iowa, use a share of these funds to support community service.	\$315
<u>Douglas Teacher Scholarships:</u> This program funds annual State scholarships of up to \$5,000 to students in the top 10 percent of their high school class who agree to teach at least two years for each year of aid. Students who choose not to teach must repay a prorated portion of the aid.	\$14,731
<u>National Academy of Science, Space, and Technology:</u> This program provides annual scholarships of up to \$5,000 to undergraduate students, selected on the basis of test scores, who agree to study mathematics, science, or engineering and work in a related field for the U.S. government or a U.S.-owned corporation for at least four years. Students who fail to fulfill the service requirements must repay the full aid amount.	\$2,161

FY 1993
Appropriation
(\$ in 000)

Program

Student Literacy and Mentoring Corps:

Grants support the establishment of institutional programs in which students receive academic credit for tutoring disadvantaged children.

\$5,270

Bilingual Education Fellowships: Grants are provided to graduate students pursuing advanced degrees in bilingual education or related fields. Participants must work in a field related to bilingual education for period of time equal to that of the fellowship or repay the full aid amount.

\$5,907

Christa McAuliffe Fellowships: Teachers receive fellowships for projects to improve education through activities such as sabbaticals or the development of innovative programs of school-business partnerships. After completing the fellowship, recipients must teach in their current school district for at least two years.

\$1,964

Rehabilitation Long-Term Training: Grants to States and public or nonprofit agencies and organizations, including institutions of higher education, support long-term rehabilitation training programs. Financial aid is provided to trainees, who must work in State or non-profit rehabilitation agencies or related agencies for two years for each year of aid. Overall FY 1993 funding for this program is \$24.9 million, approximately half of which supports student assistance.

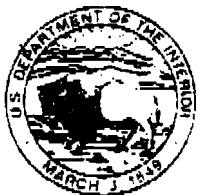
\$12,450

Total FY 1993 funding:

\$57,678

Unfunded authorities: The Higher Education Amendments of 1991 included a number of community service-related provisions that were not funded in FY 1993, the most significant of which provided Stafford Loan cancellations for students entering the teaching or nursing professions or performing national or community service.

Note: A number of Department of Education programs support institutional community service activities without directly providing service-contingent student aid. These programs, which generally function through competitive grants, include Innovative Projects for Community Service; Urban Community Service; and School, College and University Partnerships.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240TAKE
PRIDE IN
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TRANSMISSION NOTICE

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TO:

Name

ROBERT GORDON

Agency/Phone #

From:

DAN SAKURAOffice of the Secretary
1849 C Street, N. W.
Washington, D. C. 20240No. of pages to follow: 5

Date: _____

Time: _____

February 16, 1993

MEMORANDUM

To: Robert Gordon
From: Dan Sakura
Subject: National Park Service and Fish and Wildlife Service testimony

Attached is the draft testimony for Rep. Vento's hearing on Thursday on current service activities in the Park Service and with the Fish and Wildlife Service. Two career officials people from the National Park Service and the Fish and Wildlife Service plan to testify.

This testimony has already gone through the review process with OMB, but we would be happy to receive any guidance, thoughts or suggestions from your office.

My number over here is 208-4123.

DRAFT 2-8-93

STATEMENT OF DAVID L. MOFFITT, ASSISTANT DIRECTOR, VISITOR SERVICES, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS, U.S. HOUSE OF REPRESENTATIVES, CONCERNING THE YOUTH CONSERVATION CORPS PROGRAMS OF THE NATIONAL PARK SERVICE.

February 18, 1993

Mr. Chairman, I appreciate the opportunity to appear before your subcommittee today and provide you with information on the Youth Conservation Corps Program within the National Park System.

The National Park Service has been involved with the Youth Conservation Corps since 1970. Over the past 22 years significant work has been accomplished by the Youth Conservation Corps in our National Parks.

The Congress has directed each agency participating in the Youth Conservation Corps Program to expend not less than one million dollars nor more than three million dollars annually on the program. Funds expended on the program come from existing operational funds of each participating park. There is no specific appropriation for the Youth Conservation Corps Program. The program must compete with other operational needs.

The three major objectives of the Youth Conservation Corps Program are:

- To accomplish needed conservation work
- To provide gainful employment for youth, ages 15 - 18 years, male and female, and from all social, economic, ethnic and racial backgrounds
- To develop, in participating youth, an understanding and appreciation of the Nation's natural and cultural treasures.

During Fiscal year 1992 the National Park Service expended \$1,587,941 at 111 locations within the system. The appraised value of the work projects accomplished was \$2,573,663 for a cost-benefit ratio of \$1.53 return on every dollar spent for the program.

Examples of projects completed by Youth Conservation Corps Program participants last year are:

- Construction and maintenance of fencing
- Landscape beautification projects
- Trail construction and maintenance
- Sign construction and maintenance
- Erosion control projects
- Range vegetation control projects
- Restoration of historical areas and monuments

Participants in the program are required to receive environmental awareness training as part of their experience. Supervisors of the youth are park employees who are innovative and can share their environmental sensitivity with these young people. Their work projects are integrated into the normal park operational activities.

The National Park Service also participates in the Job Corps Program which is funded through the Department of Labor. In our four Job Corps Civilian Conservation Corps Centers young adults, primarily from seriously disadvantaged circumstances are given vocational and academic training. Three of the four centers are located within National Park units, Mammoth Cave National Park, Great Smoky ^{Mountains} National Park, and Gateway National Recreation Area. The fourth is located near Harpers Ferry National Historical Park. Participants in the program perform needed work within the parks as part of their vocational training.

Mr. Chairman this concludes my prepared testimony and I will be pleased to answer any questions you may have.

There are no American Conservation Corps projects in the National Park System. This program is primarily directed toward State and local governmental conservation projects.

Joseph FWP 2/11

TESTIMONY OF WILLIAM F. HARTWIG, DEPUTY ASSISTANT DIRECTOR, U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS, COMMITTEE ON NATURAL RESOURCES, U.S. HOUSE OF REPRESENTATIVES, CONCERNING THE AMERICAN CONSERVATION CORPS AND YOUTH CONSERVATION PROGRAMS ON FEDERAL, STATE AND LOCAL LANDS.

February 18, 1993

SURNAME	DATE
W. Hartwig	2/11
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W. Hartwig	2/11

Mr. Chairman, thank you for the opportunity to discuss the Fish and Wildlife Service's Youth Conservation Corps program. The Fish and Wildlife Service is not involved with the American Conservation Corps.

The Youth Conservation Corps was established as a pilot program on August 13, 1970, pursuant to Public Law 91-378. On September 3, 1974, the YCC was expanded and made permanent by Public Law 93-408. As reflected in the law, three equally important objectives are to:

- o Accomplish needed conservation work on public lands.
- o Provide gainful employment for young adults between the ages of 15 and 18 from all social, economic, ethnic and racial classifications.
- o Aid participating youths in the development of an understanding and appreciation of the Nation's natural environment and heritage.

YCC enrollees have been employed by the Fish and Wildlife Service at various facilities throughout the country, including National Wildlife Refuges, National Fish Hatcheries, and Research Stations. They have constructed handicapped accessible fishing piers, boardwalks, fences and nature trails at these facilities, and they help maintain fences, trails, observation decks, and signs. Finally, enrollees have also been responsible for conducting bird counts, relocating prairie dogs, tagging striped bass fingerlings to be released in Chesapeake Bay, as well as environmental studies and habitat improvement projects.

In addition to earning money, participants have the opportunity to gain an appreciation of their natural heritage, learn to work with others, and experience a sense of accomplishment. Local communities also benefit from the employment of their youth, and the relationship between the local community and the Service's field staff has been enhanced. In addition, local businesses enjoy the economic benefits that result from the sale of materials and supplies.

From 1981 through 1992, the Fish and Wildlife Service employed over 12,000 youths on the YCC Program at a cost exceeding \$23 million. The estimated value of projects during that period exceeded \$27 million. Although direct funding for the program was provided only in Fiscal Year 1983, the Service has supported it at a level of \$1 million during the other 10 years. A \$1 million program supports about 550 enrollees.

Mr. Chairman, I appreciate the opportunity to discuss this program, and will be glad to respond to questions.

DEPT. OF THE INTERIOR
OFFICE OF THE SECRETARY

93 FEB 18 1993
OFFICE OF THE SECRETARY
WASHINGTON, D.C.

OK *RMH 2/11/93*

**CONCEPT PAPER ON ACTION'S INVOLVEMENT
IN CARRYING OUT NATIONAL SERVICE PROPOSALS**

**OPTIONS FOR DISCUSSION
February 10, 1993**

ACTION and National Service

ACTION's experienced administrative and program staff can contribute to rapidly and successfully initiating a National Service program by:

- Increasing the number of volunteers under proven program models such as VISTA.
- Providing an infrastructure for administering other National Service initiatives proposed by the President.
- Helping to certify local volunteer service opportunities for student loan payments.
- Generating cooperative relationships with local communities, stressing local participation in funding.

For follow-up, contact:
Judy Harrington, OPP-AR
at ACTION, 202/606-4880

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Introduction

This concept paper provides a proposal, with options, for a role for ACTION in the Administration's National Service initiative.

Why Consider ACTION in the National Service Proposal?

ACTION, the Federal Domestic Volunteer Agency, supports over 2,000 volunteer projects across the country with a total budget of \$201 million and a Federal staff of 420 employees, the majority of whom are located in Regional and State offices. These projects, through the placement of local volunteers, reach out to over 50,000 local public and non-profit organizations aligned with the concept of volunteer service.

ACTION's mission is to stimulate voluntary citizen participation in addressing the needs of American communities, particularly those of the poor, the disadvantaged, and the elderly.

ACTION's entire program structure and philosophy is in addressing community needs and, as a means toward that end, in providing structure and support for volunteer projects developed by local organizations. Thus, ACTION is in a strong position to identify, help develop, and sanction bona fide community service placements.

ACTION's strengths in a national service environment are significant:

1. **The maturity and proven worth of its programs.** VISTA, RSVP, FGP, and SCP have successfully worked through issues related to the administration of volunteer service programs. Recognizing the importance of sound local project delivery and experience, as well as the importance of continuous improvement and renewal, ACTION's programs provide a cooperative, structured and creative environment for volunteers as well as projects. The Agency's management culture emphasizes partnership with local communities (including non-profit and public agencies) in fostering sound volunteer administration. Further, a variety of program models have been tested, evaluated, and proven over the last several decades, many of which have formed the basis for expanded activities, such as service learning programs and urban youth corps.

2. **Management capacity.** ACTION has significant experience in sound management of volunteer programs. Fraud, waste, and abuse have not been a major issue with ACTION programs for over a decade. Further, the local control of projects ensures that they address community needs and do not displace employed workers.
3. **Field structure.** The staff is dispersed, experienced, and knowledgeable. Roughly 60 percent of ACTION's staff are located in 47 State and 9 regional field offices. These staff are very familiar with the needs of local communities in their areas and how to leverage the resources most effectively to meet those needs.
4. **Local acceptance and support.** ACTION's programs, although by design not the Agency, have name recognition locally. VISTA, FGP, RSVP, and SCP are well known in local communities and particularly in low-income areas. All local organizations already contribute support for ACTION's volunteer programs in a public/private partnership. Each of ACTION's programs have a history of far exceeding their matching requirements for non-federal support.

Some have argued that ACTION's programs and projects are overly monitored and that paperwork requirements are excessive. The Agency believes that by reducing Congressional mandates in the Domestic Volunteer Service Act and by internal program management decisions, this perception can be changed while still maintaining strong program accountability.

Judgments will be required concerning the role of two other central organizations potentially interested in National Service -- the Commission on National and Community Service and the Points of Light Foundation. Both were established within the last few years to help promote service to the country. There are significant needs beyond the major program administration and delivery function that could be addressed by one or both of these organizations to help promote the Administration's service agenda.

Any Federal effort must also interact with the important work of the nonprofit sector, both public and private, in this country. The Federal goal should be to further encourage the development and contributions of this sector, not to replace or diminish it.

Fundamental Concepts Regarding National Service

Defining ACTION's role in National Service requires some definition of the principles of the Administration's program. This is not to prejudge the outcome of the current effort to develop the National Service proposal, but it is necessary to provide a context for reviewing the recommendations for a role for ACTION. A different concept of National Service could well lead to a potentially different role for the Agency.

This paper assumes the following regarding the National Service proposal:

1. Service should be based in communities across the country, with the activities determined, supported, and provided locally through a broad range of public and nonprofit organizations. There will not be a large, monolithic federal program, such as the Civilian Conservation Corps.
2. Service should be voluntary; it should encompass a range of full-time and part-time opportunities. Full-time service should include minor amounts for living expenses, as well as post-service stipends to help pay off college loans, to be used for college, or in some programs to be used for other legitimate specified purposes.
3. Full-time service will not be an entitlement open to all current or potential college students. Instead, the program will be defined more narrowly, with considerable care given to assure that meaningful service opportunities are available to those serving.
4. The service effort will be inclusive to Americans of all ages, and will reach out through Older American and student volunteer programs (e.g, ACTION's existing programs). National Service will not be defined simply as full-time stipended service. The Trust Fund itself, by definition, will be beneficial to those who have completed college and potential college enrollees, primarily youth, but non-college youth and Older Americans will be involved as an integral part of the effort.
5. The Federal administrative costs of the program will remain small; this will not become a major, large federal agency, but will instead be a program based on existing structures, primarily local.

Programs Providing Service Opportunities

The question exists as to what specific program opportunities will be available under the National Service proposal and how it will be administered. With regard to the full-time opportunities, the following guidelines are suggested:

1. There would be a range of service opportunities, all of which would be approved by a designated Federal agency. Service would be documented and verified by this agency, which would maintain a roster of projects and individual participation for loan verification and other purposes.
2. The specific number of service opportunities will depend upon the budget and a variety of program factors. In general, however, opportunities will expand in a number of existing programs including: Volunteers in Service to America (VISTA), urban corps such as City Year in Boston, and State Conservation Corps programs. In addition, new opportunities will be available, such as working in schools, law enforcement, and a variety of other local, community-based efforts.
3. Some programs would receive Federal support through grants. Others, such as VISTA, would be operated under existing delivery mechanisms. All programs would be based locally and operated by local organizations.
4. The specific programs do not necessarily require Federal funding. Indeed, it is anticipated that some programs will be locally funded, and indeed all would be required to have local contributions, either cash or in-kind. For example, a school system might agree to provide support for individuals to serve as teacher aides. A designated Federal organization would certify that this was an appropriate assignment under the National Service program, specify the living allowance and other requirements that must be met by the school system, and arrange to verify successful completion of service and pay the postservice stipend for payment of education loans.

Loan Program and Its Administration

This paper does not address the question of what portion of individuals' education loans should be paid for through service. This policy question is determined by costs and consideration of broader questions of Federal aid to higher education.

From the service perspective, however, the procedures can be straightforward. The service agency would not be involved in any judgments about who receives loans and the management of the front-end processing. The service agency would, however, be responsible for the post-service activity related to loans. Specifically, upon completion of service by an individual volunteer, the Federal agency responsible for service would make a direct payment either

- to an institution designated by the individual (pre-college attendee who will be using the stipend to attend college); or
- to the holder of an individual's loan (post-college service). [If there is a National Trust established to administer a single Federal loan portfolio, the payment would be made to the Trust.]

[If the determination is made that the loan repayment should not be a fixed amount, but some percentage of the total loan, the agency could easily be informed of this by the applicable loan holder and then make the payment.]

This procedure would assure program integrity, that is, that the National Student Trust would be used only for education purposes following successful completion of a period of service. It would not rely on thousands of local organizations to be responsible for the certification of service and appropriate payment. It is simply not feasible to manage a trust arrangement through thousands of local organizations, many of whom may well be small nonprofit organizations which would be burdened by such administrative requirements. Further, there would be financial integrity and other concerns raised through such an approach.

Costs of National Service

The total costs of the National Service effort will depend upon the number of participants and the specific decisions concerning the range of cost items, such as living allowances and post-service stipends.

Although a number of possible administrative and funding procedures exist, one possibility is to have ACTION appropriated monies to cover the total Federal costs of the National Service effort. This would enable the Administration to monitor and track all costs from a single location on an ongoing basis.

In addition, State, local, and private contributions would be encouraged to flow into local programs. The ultimate size of the program (number of service participants and organizations)

will then depend upon its popularity and success at the local level. This is attractive both programmatically (if it isn't working locally it should not grow) and politically (the Administration can correctly argue that the ultimate size of the program will depend upon how successful it is, not on some preset Federal funding target).

The specific appropriations to ACTION would cover the following costs for full-time service:

1. Living allowances. This would vary some by program and local cost of living, but the goal would be to achieve an average of approximately \$620 per month (105% of the poverty level for a single individual).
2. Post-service stipend. A separate, aggregate ceiling could be placed on this activity, reflecting judgments about the student aid package made available through the Federal government. [Some programs may pay a direct stipend not targeted for education purposes.]
3. Health coverage as appropriate.
4. Local project support costs. In some cases, local projects will require Federal funds for supervision and management of the service program. In other cases, these amounts will be funded locally. Although minimum matching requirements should exist, it is not feasible to expect local institutions to cover all of the project support costs.
5. Training. Volunteers should receive pre-service and in-service training. The amount, and cost, will vary by program.

The total estimated cost for full-time service, less the postservice stipend, should be between \$11-13,000, including all supervision and other costs at the local level. Assuming a postservice stipend of \$5,000 per volunteer, the direct program costs for 60,000 full-time participants would be about \$1 billion. Most of the Federal monies would be distributed through project grants.

Part-time, non-stipended service should also be encouraged, as not everyone will be interested in full-time service. Part-time service costs are dependent upon policy judgments about loan cancellations and other items. Although not advocated in this paper, if part-time service qualifies for loan cancellations, the costs of part-time participation should still be less than 50% of the costs of full-time participation, as living allowances and certain other costs would be inappropriate.

Aside from the loan cancellation issue, part-time service can and should be expanded through a variety of Federal, State, and local mechanisms. ACTION's Student Community Service and Older American Programs should be considered for such expansion; other important efforts exist as well.

The issue is also raised as to Federal administrative costs for these programs. Although this will depend upon the size and specifics of the effort, ACTION already has a nationwide staff in place and the capacity to deliver expanded activities at very marginal cost increases. In general, Federal administrative costs under the above program description will remain minor.

Role of ACTION

ACTION could have a number of alternative roles in the administration of programs under the National Service Trust. Under one scenario, the responsibilities under the program structure described above could be as follows:

1. Identifying and certifying programs and projects for participation in National Service. This activity would be performed by ACTION State offices, who would be knowledgeable about the organizations and assignments. [Such certification is necessary not as a "Federal sanction," but simply to assure that taxpayers' funds would not be used for inappropriate activities.] Further, such certification also serves as a mechanism for controlling costs under the program.
2. Funding the local operation of service programs through project grants and, in the case of VISTA, operating the program through the approval of local projects and individual volunteers to address issues related to poverty.
3. Tracking individual participation in sanctioned programs to verify that service requirements have been met for loan cancellation and other purposes.
4. Providing technical assistance and support to local organizations and individuals who contribute to the service effort.
5. Encouraging State, local, and private support for National Service. Such support is mandatory in ACTION's existing programs.

Several Issues

There are many issues that require discussion concerning ACTION's potential involvement in the National Trust proposal. Several issues are identified below, but further discussions are required.

1. *What should be the role of ACTION if the National Trust is administered by another Federal agency?*

One logical view is that ACTION's programs should be expanded as important vehicles through which service under the National Service Trust would occur. ACTION has determined that over 4,000 VISTA Volunteers, 50,000 RSVP volunteers, 3,000 Senior Companions, and 2,000 Foster Grandparents could be added above existing program levels within a year, as well as new summer VISTA programs and expanded demonstration activities. It would cost an additional \$90 million in program funds in fiscal year 1994 to accomplish this expansion. The program flexibility exists to expand the level of participation beyond the 12-month period.

The fiscal year 1994 budget to be released in March for ACTION and other organizations will be a key signal of the Administration's plans for service and volunteer programs.

Further, ACTION already has statutory authority for and experience in administering other service and volunteer programs, beyond its current six programs, where additional potential for contribution to the service effort exists.

Full-time service through VISTA, as well as potentially part-time service through the Foster Grandparent or Senior Companion Programs, would result in credits that could be converted to payments toward the cost of postsecondary education for participants or their immediate family.

2. *Should postservice stipend payments for education purposes be provided only to the individual or extended to other family members?*

Involving other family members keeps the focus on postsecondary education while recognizing important roles of those volunteers who are not interested (e.g., because of age) or not able to pursue postsecondary education themselves. It also reinforces family support systems; helps focus people on making their own career choices based on their interests and abilities; and recognizes that the "forgotten half" should be encouraged to contribute to their communities through this mechanism.

A consideration to this approach is the increase in financial costs. Debate could also focus on the definition of "immediate family."

3. *Should postservice payments be provided to the volunteer, rather than the institution?*

Paying the institution provides an inexpensive management control. Payments to individuals, on the other hand, can create substantial management control weaknesses.

4. *What alternatives exist for the funding and operation of the National Student Trust fund?*

Among the many options, in addition to the one identified above, are:

- a) Set up a separate Trust Fund for loan cancellation requirements only, with no direct link to program costs.
 - b) Include the option that State and local governments, private businesses and individuals, and other entities could contribute directly to the Fund, possibly in exchange for providing service opportunities in a specific community.
5. *What should the role of States be in the effort?*

This is a major issue; and a suggestion is that the following principles should guide a role for the States:

- 1. The goal is to involve States and to encourage their participation and funding.
- 2. Administration of the Trust Fund must be done centrally; it makes no sense to set up 50 separate State systems.
- 3. States should receive monies for program delivery where appropriate, but not all Federal monies should pass through States. (Local communities must define and support the activities, and local projects should be sanctioned.)
- 4. States would be consulted and involved in the selection and sanctioning of all projects within the State.

6. *What should be done about the coordination of community service programs in other agencies, such as Defense, HUD, Education, and Labor?*

This initially requires a determination of whether program consolidations should be accomplished. At a minimum, we believe that there are opportunities for better coordination among the agencies and departments with programs in this area.

Summary

ACTION has considerable potential to contribute to the goals of the National Service Trust, perhaps as the Federal organization responsible for interacting on an ongoing basis with the thousands of local organizations where such service will occur. A specific role for the Agency needs to be considered as part of the development of the National Service proposal. Failure to use ACTION's resources and capabilities could result in duplication of systems which already exist, fragmentation of a major Administration initiative, and potential exclusion of the thousands of volunteers already providing valuable service to the nation. ACTION has the staff expertise, program and management systems, and enthusiasm to play a key role in the National Service initiative.

Background Concerning ACTION's Programs

ACTION's current programs, authorized under the Domestic Volunteer Service Act, are:

- o **Volunteers in Service to America (VISTA)** provides opportunities for Americans of all ages and backgrounds to serve full-time in addressing the needs of low-income communities.
 - ♦ VISTA Volunteers receive money for living expenses during service and a stipend at the completion of their service.
 - ♦ The program supports over 3,300 full-time volunteers in over 700 local projects at a cost of \$39 million. The current cost, including all support, is approximately \$12,000 per volunteer service year.
 - ♦ In 1994 VISTA will celebrate its 30th anniversary having enrolled approximately 100,000 volunteers on more than 12,000 anti-poverty projects across the nation.
- o **The Retired Senior Volunteer Program (RSVP)** provides older volunteers with service opportunities and is open to all seniors age 60 and older.
 - ♦ Over 430,000 Americans serve part-time as RSVP volunteers in over 750 projects across the country and are engaged in a wide variety of activities to address local community needs.
 - ♦ The budget for this program is approximately \$33.7 million; local organizations contribute an additional \$35 million in funds and in-kind contributions. The cost of the program is less than \$.50 per hour of service.
- o **The Foster Grandparent Program (FGP)** provides low-income, senior volunteers with modest stipends to serve with community projects that help children with special needs.
 - ♦ Over 20,000 Foster Grandparents participate in more than 260 projects around the country and contribute more than 21 million hours of service.

- ♦ The Federal cost of the program is \$64.8 million; State and local organizations contribute an additional \$29 million. The cost of the program is less than \$3.00 per hour of service.
- o The **Senior Companion Program (SCP)** provides low-income senior volunteers with modest stipends to serve in community projects assisting frail elderly and other seniors with special needs who are risk of institutionalization.
 - ♦ Over 10,000 volunteers contribute over 10 million hours of service at a cost to the Federal budget of \$29.5 million, with State and local organizations contributing an additional \$17 million. The cost of this program is also less than \$3.00 per hour of service.
- o The **Student Community Service Program** provides seed money to local non-profit organizations and universities and schools to initiate or expand activities that involve high school and college students in poverty-related community service activities.
 - ♦ Approximately 13,000 students currently contribute about a half million hours of service and participate in over 60 projects at a cost of less than \$1 million.
- o **Special Volunteer Programs** develop and demonstrate innovative approaches in volunteerism.
 - ♦ Recently, this authority has been primarily used for drug prevention activities; the budget is less than \$1 million.
 - ♦ In the most recent year, over 4,000 volunteers contributed over 350,000 hours of service under this program.

In addition to these current programs, ACTION has throughout its history supported a wide variety of community-based volunteer programs.

APPENDIX

THE BUDGET

OF THE

UNITED STATES GOVERNMENT

FOR THE FISCAL YEAR ENDING JUNE 30

1966



U.S. GOVERNMENT PRINTING OFFICE, WASHINGTON 1965

GENERAL PROVISIONS—Continued

(b) No economic assistance shall be furnished under the Foreign Assistance Act of 1961, as amended, to any country which sells, furnishes, or permits any ships under its registry to carry items of economic assistance to Cuba, so long as it is governed by the Castro regime, unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Relations and Appropriations Committees of the Senate and the Foreign Affairs and Appropriations Committees of the House of Representatives. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

SEC. 108. Any expenditure made from funds provided in this title for procurement outside the United States of any commodity in bulk and in excess of \$100,000 shall be reported to the Committees on Appropriations of the Senate and the House of Representatives at least twice annually: *Provided*, That each such report shall state the reasons for which the President determined, pursuant to criteria set forth in section 604(a) of the Foreign Assistance Act of 1961, as amended, that foreign procurement will not result in adverse effects upon the economy of the United States or the industrial mobilization base which outweigh the economic or other advantages to United States of less costly procurement outside the United States.

SEC. 109. (a) No assistance shall be furnished to any nation, whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended, for any arms, ammunition, implements of war, atomic energy materials, or any articles, materials, or supplies, such as petroleum, transportation materials of strategic value, and items of primary strategic significance used in the production of arms, ammunition, and implements of war, contained on the list maintained by the Administrator pursuant to title I of the Mutual Defense Assistance Control Act of 1951, as amended.

(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended (except section 214(b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination.

SEC. 110. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used for making payments on any contract for procurement to which the United States is a party entered into after the date of enactment of this Act which does not contain a provision authorizing the termination of such contract for the convenience of the United States.

SEC. 111. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any contract for the performance of services outside the United States by United States citizens where such citizens have not been investigated for loyalty and security in the same manner and to the same extent as would apply if they were regularly employed by the United States.

SEC. 112. None of the funds appropriated or made available under this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to make payments with respect to any capital project financed by loans or grants from the United States where the United States has not directly approved the terms of the contracts and the firms to provide engineering, procurement, and construction services on such projects.

SEC. 113. Of the funds appropriated or made available pursuant to this Act not more than \$12,000,000 may be used during the fiscal year ending June 30, [1965] 1966, in carrying out section 241 of the Foreign Assistance Act of 1961, as amended.

SEC. 114. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be used to pay in whole or in part any assessments, arrearages or dues of any member of the United Nations.

[SEC. 115. Foreign currencies not to exceed \$200,000, made available for loans pursuant to section 104(e) of the Agricultural Trade Development and Assistance Act of 1954, as amended, shall be available during the current fiscal year for expenses incurred incident to such loans.]

[SEC. 116. None of the administrative expense or other funds herein appropriated shall be available in connection with the use of receipts of United States dollars, derived from loan repayments

and interest collections in the Development Loan Fund and Alliance for Progress revolving funds.]

SEC. [117] 115. None of the funds made available by this Act for carrying out the Foreign Assistance Act of 1961, as amended, may be obligated on or after April 30, 1964, for financing, in whole or in part, the direct costs of any contract for the construction of facilities and installations in any underdeveloped country, unless the President shall, on or before such date, have promulgated regulations designed to assure, to the maximum extent consistent with the national interest and the avoidance of excessive costs to the United States, that none of the funds made available by this Act and thereafter obligated shall be used to finance the direct costs under such contracts for construction work performed by persons other than qualified nationals of the recipient country or qualified citizens of the United States: *Provided, however*, That the President may waive the application of this amendment if it is important to the national interest. (*Foreign Assistance and Related Agencies Appropriation Act, 1965.*)

OFFICE OF ECONOMIC OPPORTUNITY

ECONOMIC OPPORTUNITY PROGRAM

For expenses necessary to carry out the provisions of the Economic Opportunity Act of 1964 (Public Law 88-452 approved August 20, 1964), [\$800,000,000], \$1,500,000,000 [of which not more than \$412,500,000], plus reimbursements, shall be available for youth programs under title I; not more than \$300,000,000 for community action programs under title II; not more than \$35,000,000 for special programs to combat poverty in rural areas under title III, part A (which shall be available for transfer to the economic opportunity fund and shall remain available until expended); not more than \$8,800,000 to carry out the purposes of part D of title III; not more than \$150,000,000 for work experience programs under title V; and not more than \$50,000,000 for (1) adult basic education programs under title II, (2) volunteer programs under section 603, (3) expenses of administration and coordination of antipoverty programs under title VI, and (4) migrant agricultural employees programs under title III, part B (including): *Provided*, That this appropriation shall be available for transfers to the economic opportunity loan fund for loans under [section 311] title III, and amounts so transferred shall remain available until expended: *Provided further*, That this appropriation shall be available for the purchase and hire of passenger motor vehicles, and for construction, alteration, and repair of buildings and other facilities, as authorized by section 602 of the Economic Opportunity Act of 1964, and for purchase of real property for training centers: *Provided further*, That this appropriation shall not be available for contracts under titles I, II, V, and VI extending for more than twenty-four months: *Provided further*, That this appropriation shall not be available for more than 4,000 permanent Federal positions: *Provided further*, That none of the funds contained in this Act shall be used to make indemnity payments, authorized by part D of title III, to any farmer whose milk was removed from commercial markets as a result of his failure to follow the procedures prescribed by the Federal Government for the use of the offending chemical: *Provided further*, That not to exceed \$2,000,000 of this appropriation may be transferred to "Grants to States for public assistance" to carry out existing projects authorized by section 1115 of the Social Security Act, as amended]. (78 Stat. 508-534; Supplemental Appropriation Act, 1965; authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

Identification code	1964 actual	1965 estimate	1966 estimate
04-37-0500-0-1-655			
Program by activities:			
1. Youth programs:			
(a) Job Corps.....		165,200	280,500
(b) Work training.....		132,500	245,000
(c) Work study.....		56,000	84,000
2. Community action program.....		249,000	620,000
3. Migrant agricultural employees program.....		10,000	18,000
4. Rural areas program (administrative expenses only).....		1,500	2,000
5. Work experience program.....		117,000	150,000
6. Adult literacy program.....		19,000	33,000
7. Volunteer program.....		4,500	24,500
8. General direction and administration.....		5,500	8,500
10 Total obligations.....		760,200	1,465,500

Program and Financing (in thousands of dollars)—Continued

Identification code 04-37-0500-0-1-655	1964 actual	1965 estimate	1966 estimate
Financing:			
14 Receipts and reimbursements from: Non-Federal sources ¹		-200	-500
New obligational authority		760,000	1,465,000
New obligational authority:			
40 Appropriation		800,000	1,500,000
41 Transferred to (78 Stat. 1030)—			
"Community health practice and research"		-5,000	
"Grant to States for public assistance"		-1,000	
"Indemnity payments to dairy farmers"		-8,800	
"Economic opportunity loan fund"		-25,200	-35,000
43 Appropriation (adjusted)		760,000	1,465,000
Relation of obligations to expenditures:			
10 Total obligations		760,200	1,465,500
70 Receipts and other offsets (items 11-17)		-200	-500
71 Obligations affecting expenditures		760,000	1,465,000
72 Obligated balance, start of year			430,000
74 Obligated balance, end of year		-430,000	-585,000
90 Expenditures		330,000	1,310,000

¹ Reimbursements from employees for quarters and meals furnished (Supplemental Appropriation Act, 1965).

The Economic Opportunity Act of 1964 inaugurated a determined effort to eliminate the causes of poverty in America. Many new programs were authorized by the act, most of which will be carried out by existing Federal agencies. The act also authorized the Director of the Office of Economic Opportunity to coordinate these new programs and all of the existing Federal programs aiding the poor into a comprehensive program designed to extend the opportunities for education and training, a decent job, and a life of self-respect and dignity to every American citizen.

The initial appropriation for the "war on poverty" was approved less than 4 months ago. While the public response to the programs has been even greater than anticipated, the assumptions on unit costs and proper balance among the several programs are still estimates with little support from operating experience. Therefore, the final allocation of funds in both 1965 and 1966 may vary from that shown above if experience indicates that a different distribution would utilize the available resources more effectively in the fight against poverty.

1. *Youth programs*—(a) *Job Corps*.—The Job Corps is a residential work and training program for young people, age 16 through 21, who are not now equipped for the transition to adult responsibility. Both rural and urban training centers will be operated.

The 100- and 200-man rural training centers, which will be managed by the Departments of Interior and Agriculture or through contracts with appropriate State agencies, will provide a combination work and education program aimed at raising the level of basic education and training of disadvantaged male youths. The work program will help develop work habits and basic skills, and in addition accomplish important conservation work that is needed throughout the Nation.

The larger urban training centers, to be operated through contracts with universities, industrial organiza-

tions, and private nonprofit agencies, will provide young men and women with more highly specialized vocational training as well as with general educational improvement. Job Corps program levels are estimated as follows:

	As of June 30, 1965	As of June 30, 1966
Enrollees in rural centers	11,700	16,000
Male enrollees in urban centers	7,000	12,000
Female enrollees	6,500	12,000

(b) *Work training*.—Under this activity, which is administered by the Neighborhood Youth Corps in the Department of Labor, youths age 16 through 21 will be enrolled in work and training projects which will provide productive full-time or part-time work experience in State and local public service and nonprofit organizations. The in-school and summer parts of the program will provide jobs for youths who would otherwise have to leave school because of financial reasons, while out-of-school youths will receive work experience, remedial education, counseling, and training in order to increase their employability. The funds estimated, which will be matched by a local contribution of 10% of the cost of the projects, will finance the following program levels:

	1965 enrollees	1966 enrollees
In-school	60,000	115,000
Out-of-school	65,000	122,000
Summer	50,000	53,000
	175,000	290,000

(c) *Work study*.—The work study program, administered by the Department of Health, Education, and Welfare, provides part-time jobs during the school year and full-time summer jobs for youths from low-income families who need such income in order to commence or continue an educational program beyond the high school level. Federal funds are allotted among the States for payment to institutions of higher education to cover the costs of employment on-campus or in public or nonprofit organizations. The payments must be matched at the rate of \$1 from institutional or local sources for each \$9 of Federal support.

It is estimated that approximately 800 colleges will participate in the 1965 program and about 1,000 in 1966, providing assistance to the following numbers of students:

	Academic year		
	1964-65	1965-66	1966-67
Fall semester	0	96,700	101,700
Spring semester	36,700	101,700	-----
Summer semester	64,400	101,700	-----

2. *Community action program*.—The Community Action program provides technical and financial assistance to urban and rural communities to support comprehensive action programs developed by local community action organizations. Community action grants serve to provide for new programs and to augment existing private and public resources by financing up to 90% of the costs of those new programs. Grants may be made to both public and private nonprofit agencies. The programs thus supported will be closely coordinated with other Office of Economic Opportunity programs and with related Federal programs. Remedial reading, literacy courses, job training, employment counseling, housing code improvement and enforcement, homemaker services, workshops, job development, and health services are some of the many activities that can be supported and coordinated within a local antipoverty program. The amounts re-

OFFICE OF ECONOMIC OPPORTUNITY—Con.

ECONOMIC OPPORTUNITY PROGRAM—Continued

requested will provide for action programs in approximately 300 communities in 1966 compared with 240 in 1965, and for planning grants to an additional 170 communities in 1965 and 300 in 1966. A substantial portion of these funds will be used for the development of preschool programs for culturally deprived children.

In addition to the operating and planning grants, funds are included to support research, training, and demonstration programs. Research programs are designed to identify the causes of poverty and variations in the patterns of poverty regionally and locally. The training programs include internships with local, State and Federal agencies, skills and leadership training for poor persons working with local agencies, and professional training for personnel at local, State, and Federal levels. It is estimated that 27,000 persons will be involved in such training in 1965 and 54,500 in 1966.

The demonstration programs include both experimental programs designed to test the value of proposed activities prior to initiating their use, and national priority programs providing assistance on a widespread basis in order to expedite community understanding of the values of new programs.

Technical assistance is provided to both State agencies and local communities. It will have a particular impact on rural communities and the smaller cities which may not have resources to organize their own proposals. Technical assistance grants are planned for about 30 States in 1965 and possibly 15 more in 1966.

3. *Migrant agricultural employees program.*—This activity provides a special program to meet the housing, sanitation, education, and day care needs of migratory agricultural workers and their families. Grants or contracts will be made to expedite the activities of public and nonprofit agencies now conducting programs of assistance to improve health and living conditions of migratory workers in the three major national streams of domestic migrants: (1) Texas, Arizona, and the west coast, (2) Gulf of Mexico to the Northern Plain States, and (3) Florida northward along the east coast. Loans for similar purposes are financed under the Economic opportunity loan fund.

4. *Rural areas program.*—This activity finances the administrative expenses incurred by the Farmers' Home Administration of the Department of Agriculture in operating the rural loan program authorized by title III of the Economic Opportunity Act. Program expenses are included in the schedules for the Economic opportunity loan fund.

5. *Work experience program.*—This activity provides work and training programs for unemployed parents of dependent children and for other needy persons in order to prepare them for regular employment and hence to enable them to become self-supporting. Utilizing the authority of section 1115 of the Social Security Act, the Welfare Administration of the Department of Health, Education, and Welfare will expand work and training programs for relief recipients in the States now conducting such programs and will inaugurate such programs on a project basis in communities in other parts of the country. One of the important criteria to be used in approving these grants is the potential for incorporating proj-

ects into ongoing State and local programs at the end of the experimental period. It is estimated that 88,000 persons will be assisted with the 1965 funds, while 112,000 will be enrolled on projects funded in 1966.

6. *Adult literacy program.*—This activity provides for programs of instruction for adults whose inability to read and write the English language constitutes a substantial impairment of their ability to secure gainful employment.

Matching grants will be made to assist in: (1) meeting the cost of local educational agency programs for instruction; (2) financing pilot projects to improve materials or methods; and (3) improving services provided by State educational agencies. The Office of Education in the Department of Health, Education, and Welfare will administer the program.

The funds available will train approximately 37,500 persons in 1965 and about 70,000 in 1966.

7. *Volunteer program.*—Volunteers in Service to America (VISTA) offers an opportunity on the domestic scene for volunteers with a spirit of service to work directly on the problems of poverty. Volunteers will participate in programs administered and supported by the Economic Opportunity Act, in existing Federal programs related to poverty problems, and in related State and local activities. During 1965, it is planned to recruit, select, train and support approximately 3,500 volunteers, the majority of whom will enter training in the spring of 1965. The normal period of service will be 1 year, including about 5 weeks of preassignment training. It is estimated that 5,000 volunteers will begin service during 1966.

8. *General direction and administration.*—The Office of Economic Opportunity directly administers the Community Action and the Volunteers in Service to America programs, and exercises primary responsibility for the Job Corps program, which will be operated under contract by other public and private agencies. The Office also exercises continuing coordination and review of all programs delegated to other agencies and assists in coordinating the programs of all Federal agencies into an integrated attack on poverty. This activity includes funds to support general research on poverty and to finance an information center on poverty programs.

Object Classification (in thousands of dollars)

Identification code	1964 actual	1965 estimate	1966 estimate
04-37-0500-0-1-655			
OFFICE OF ECONOMIC OPPORTUNITY			
Personnel compensation:			
11.1 Permanent positions.....		6,905	12,675
11.3 Positions other than permanent.....		450	720
11.5 Other personnel compensation.....		8,510	46,285
Total personnel compensation.....		15,865	59,680
12.0 Personnel benefits.....		1,190	4,230
21.0 Travel and transportation of persons.....		3,770	12,180
22.0 Transportation of things.....		315	310
23.0 Rent, communications, and utilities.....		650	1,200
24.0 Printing and reproduction.....		855	1,050
25.1 Other services.....		76,310	204,255
25.2 Services of other agencies.....		1,250	1,770
26.0 Supplies and materials.....		7,205	9,625
31.0 Equipment.....		1,500	1,000
41.0 Grants, subsidies, and contributions.....		247,700	554,000
Total obligations, Office of Economic Opportunity.....		356,610	849,300

Object Classification (in thousands of dollars)—Continued

Identification code 04-37-0500-0-1-655	1964 actual	1965 estimate	1966 estimate
ALLOCATION ACCOUNTS			
Personnel compensation:			
11.1 Permanent positions.....		8,545	17,117
11.3 Positions other than permanent.....		1,825	5,404
11.5 Other personnel compensation.....		485	3,174
Total personnel compensation.....		10,855	25,695
12.0 Personnel benefits.....		815	1,950
21.0 Travel and transportation of persons.....		1,250	3,975
22.0 Transportation of things.....		360	2,000
23.0 Rent, communications, and utilities.....		660	4,780
24.0 Printing and reproduction.....		230	380
25.1 Other services.....		138,050	208,440
25.2 Services of other agencies.....		130	1,220
26.0 Supplies and materials.....		9,180	65,320
31.0 Equipment.....		7,360	20,540
32.0 Lands and structures.....		44,060	33,300
41.0 Grants, subsidies, and contributions.....		190,640	248,600
Total obligations, allocation accounts.....		403,590	616,200
99.0 Total obligations.....		760,200	1,465,500
Obligations are distributed as follows:			
Agriculture.....		39,590	53,000
Health, Education, and Welfare.....		192,500	267,000
Interior.....		39,000	51,200
Labor.....		132,500	245,000

Personnel Summary

Total number of permanent positions.....	0	4,000	5,000
Full-time equivalent of other positions.....	0	500	450
Average number of all employees.....	0	2,230	4,800
Average GS grade.....	0	9.5	9.1
Average GS salary.....	0	\$8,950	\$8,300

ECONOMIC OPPORTUNITY LOAN FUND

Program and Financing (in thousands of dollars)

Identification code 04-37-4005-0-3-655	1964 actual	1965 estimate	1966 estimate
Program by activities:			
Operating costs, funded: Interest on borrowings.....		325	1,400
Capital outlay, funded:			
1. Farm family loans.....		12,500	28,000
2. Loans to cooperatives.....		4,000	7,000
3. Migrant program loans.....		500	1,750
Total capital outlay, funded.....		17,000	36,750
Total program costs, funded.....		17,325	38,150
Change in selected resources ¹		4,000	1,450
10 Total obligations.....		21,325	39,600
Financing:			
14 Receipts and reimbursements from:			
Non-Federal sources:			
Repayments on loans.....			-2,210
Interest revenue.....		-325	-1,190
21.98 Unobligated balance available, start of year.....			-4,200
24.98 Unobligated balance available, end of year.....		4,200	3,000
New obligational authority.....		25,200	35,000

Program and Financing (in thousands of dollars)—Continued

Identification code 04-37-4005-0-3-655	1964 actual	1965 estimate	1966 estimate
New obligational authority:			
40 Appropriation.....		0	0
42 Transferred from "Economic opportunity program" (annual appropriation act).....		25,200	35,000
43 Appropriation (adjusted).....		25,200	35,000
Relation of obligations to expenditures:			
10 Total obligations.....		21,325	39,600
70 Receipts and other offsets (items 11-17).....		-325	-3,400
71 Obligations affecting expenditures.....		21,000	36,200
72.98 Obligated balance, start of year.....			3,675
74.98 Obligated balance, end of year.....		-3,675	-4,230
90 Expenditures.....		17,325	35,645
Cash transactions:			
93 Gross expenditures.....		17,325	38,150
94 Applicable receipts.....			-2,505

¹ Balances of selected resources are identified in the statement of financial condition.

Rural areas program.—Loans will be made by the Farmers Home Administration of the Department of Agriculture (through their regular county office organizational structure) to low-income farm families for the purposes of acquiring or improving real estate or reducing encumbrances thereon; purchasing operating supplies and equipment; and participating in cooperative associations. Loans will also be made to low-income farm and rural families to finance small non-agricultural enterprises to supplement their income. The maximum loan is \$2,500. Approximately 7,000 rural families will be assisted in 1965. The balance of funds carried forward from 1965, together with the new obligational authority requested for 1966, will provide for approximately 15,500 loans in 1966.

Loans also will be made to help establish new cooperatives and finance existing cooperatives furnishing essential processing, purchasing or marketing services, supplies, or facilities predominantly to low-income rural families. In 1965 approximately 375 loans will be made to cooperatives that will assist 9,000 low-income rural families, and about 410 loans will be made in 1966 to assist approximately 10,000 such families.

Migrant workers program.—Loans will be made to institutions, organizations, farm associations, or individuals for improvement of housing and sanitation for migrant agricultural workers. The program is administered by the Community Action division of the Office of Economic Opportunity. Loans amounting to \$1 million in 1965 and \$2 million in 1966 are estimated.

Financing.—The capital for this fund is derived by transfer from the appropriation Economic opportunity program.

Revenue, Expense, and Retained Earnings (in thousands of dollars)

	1964 actual	1965 estimate	1966 estimate
Operating program:			
Revenue.....		325	1,190
Expense ¹		-325	-1,400
Net operating loss for the year.....			-210

¹ Excludes administrative expenses financed by "Economic opportunity program."

OFFICE OF ECONOMIC OPPORTUNITY—Con.**ECONOMIC OPPORTUNITY LOAN FUND—Continued****Revenue, Expense, and Retained Earnings (in thousands of dollars)—Continued**

	1964 actual	1965 estimate	1966 estimate
Deficit, end of year.....			-210

Financial Condition (in thousands of dollars)

	1963 actual	1964 actual	1965 estimate	1966 estimate
Assets:				
Treasury balance.....			7,875	7,230
Accounts receivable, net.....			325	1,220
Loans receivable, net.....			17,000	51,540
Total assets.....			25,200	59,990
Government equity:				
Non-interest-bearing capital:				
Start of year.....				25,200
Appropriations.....			25,200	35,000
End of year.....			25,200	60,200
Deficit.....				-210
Total Government equity.....			25,200	59,990

Analysis of Government Equity (in thousands of dollars)

	1963 actual	1964 actual	1965 estimate	1966 estimate
Undisbursed loan obligations ¹			4,000	5,450
Unobligated balance.....			4,200	3,000
Invested capital and earnings.....			17,000	51,540
Total Government equity.....			25,200	59,990

¹ The changes in these items are reflected on the program and financing schedule.**Object Classification (in thousands of dollars)**

Identification code	1964 actual	1965 estimate	1966 estimate
04-37-4005-0-3-655			
OFFICE OF ECONOMIC OPPORTUNITY			
33.0 Investments and loans.....		1,000	2,000
43.0 Interest and dividends.....		4	28
Total obligations, Office of Economic Opportunity.....		1,004	2,028
ALLOCATION TO AGRICULTURE, FARMERS HOME ADMINISTRATION			
33.0 Investments and loans.....		20,000	36,200
43.0 Interest and dividends.....		321	1,372
Total obligations, Farmers Home Administration.....		20,321	37,572
99.0 Total obligations.....		21,325	39,600

PEACE CORPS

For expenses necessary to enable the President to carry out the provisions of the Peace Corps Act (75 Stat. 612), as amended,

including purchase of not to exceed five passenger motor vehicles for use outside the United States, [\$87,100,000, together with not to exceed \$17,000,000 of funds previously appropriated which are hereby continued available for the fiscal year 1965] \$125,200,000, of which not to exceed [\$20,850,000] \$24,600,000 shall be available for [administration and program support costs.] administrative expenses. (Foreign Assistance and Related Agencies Appropriation Act, 1965; additional authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars)

Identification code	1964 actual	1965 estimate	1966 estimate
04-40-1107-0-1-152			
Program by activities:			
1. Volunteer and project costs.....	58,409	84,775	100,600
2. Administrative expenses (limitation).....	17,755	19,318	24,600
10 Total obligations.....	76,164	104,093	125,200
Financing:			
25 Unobligated balance lapsing.....	19,800		
New obligational authority.....	95,964	104,093	125,200
New obligational authority:			
40 Appropriation.....	92,100	87,100	125,200
41 Transferred to "Operating expenses, Public Buildings Service," General Services Administration (78 Stat. 655).....		-7	
43 Appropriation (adjusted).....	92,100	87,093	125,200
50 Reappropriation.....	3,864	17,000	
Relation of obligations to expenditures:			
71 Total obligations affecting expenditures.....	76,164	104,093	125,200
72 Obligated balance, start of year.....	29,077	42,656	66,749
74 Obligated balance, end of year.....	-42,656	-66,749	-86,949
77 Adjustments in expired accounts.....	-2,187		
90 Expenditures.....	60,397	80,000	105,000

The purposes of the Peace Corps are to provide trained Americans to interested countries in need of middle-level manpower and to promote understanding between the people of the United States and the peoples served.

Volunteers engage in a variety of activities at the request of host countries. Most volunteers are working in community development, both urban and rural, and teaching at all school levels. Prior to overseas assignment, each volunteer is given intensive training designed to develop required skills, to provide a knowledge of the country to which he will be sent, to develop his language abilities and to assure physical fitness for service overseas. During training all prospective volunteers are carefully evaluated through continuous observation to ensure that those selected for overseas assignment are suited for service. Since most of the training facilities and prospective volunteers are available during the summer months, planning and budgeting are based on a "program year" which runs from the beginning of September through the end of August.

1. *Volunteer and project costs.*—This activity includes all costs directly associated with volunteers in carrying out approved programs. Provision is made under this head for the medical care of volunteers overseas, the research program and voluntary service programs, formerly included in administration and program support. The number of volunteers in training and overseas will

February 10, 1993

Eli J. Segal, Assistant to the President
Director, White House Office of National Service
Washington, DC

Dear Mr. Segal:

I have followed, with interest, the articles in The Chronicle of Philanthropy regarding National Service. Even though I do not thoroughly understand the process you are proposing, I do feel I can provide some practical, as well as personal, insights as to how this project could be beneficial to low income families and individuals receiving public benefits and also those individuals attempting to build up credits to receive a college education.

In 1970, I was pregnant and unmarried. My child's father disappeared before she was born and I became acquainted with the "Welfare system". Today, I am still repaying judgments, yes plural, from my education. However, I do hold a responsible job and my child will graduate from Brandeis University, Waltham, MA, - where she has attended on grants and loans -- in May.

My escape from the "Welfare System" was not easy, but it ultimately came through my being able to build my self-esteem and self-confidence through VOLUNTEER SERVICE. At one time I was in the gutter with drinking and other behaviors. People can turn about and change if given the opportunity. I really believe "National Service" will provide that opportunity and help individuals avoid the years it took me to achieve what I have today and hope for tomorrow.

I had the ability to return to college in 1980, obtain my undergraduate degree with honors in three years, and completed 30 hours of credits towards a Masters degree program. When I was done with school in 1985 (after having received no guidance or career counseling other than being told, "You have the ability to complete college, go for it.") surprise, surprise, I was not marketable. I did not have the "professional experience" nor did I have the "connections" to obtain a "good" job.

|| Today I hold that "good" job. It wasn't until I gave of myself in becoming involved in volunteer organizations that the "good" job came about. No, I don't make lots of money, but I can pay my bills. I am off Welfare and I didn't raise a Welfare dependent child. In some respects, she's almost too independent. Her job search will be easier because she has benefitted from my experiences and through her own summer employment opportunities.

My purpose in writing is just to give my support to your ideas, with lots of my own ideas of how not to do things in motivating welfare clients. Someone recently told me, "We have to just learn to respect each other regardless of gender, sexual orientation, creed, or race." It's more than respect, it is also giving of oneself. National service will accomplish that. If you are interested in more of what I have to say as to how I accomplished 'getting off the System' in my own life, please contact me.

Sincerely,



Julie Erickson
1001 N 3rd St.
Bismarck, ND 58501

Robert:
Please draft a
specific response
to Julie &
then a "generic
anecdote" one
for Jim to use
in the future.
RA
3-5