

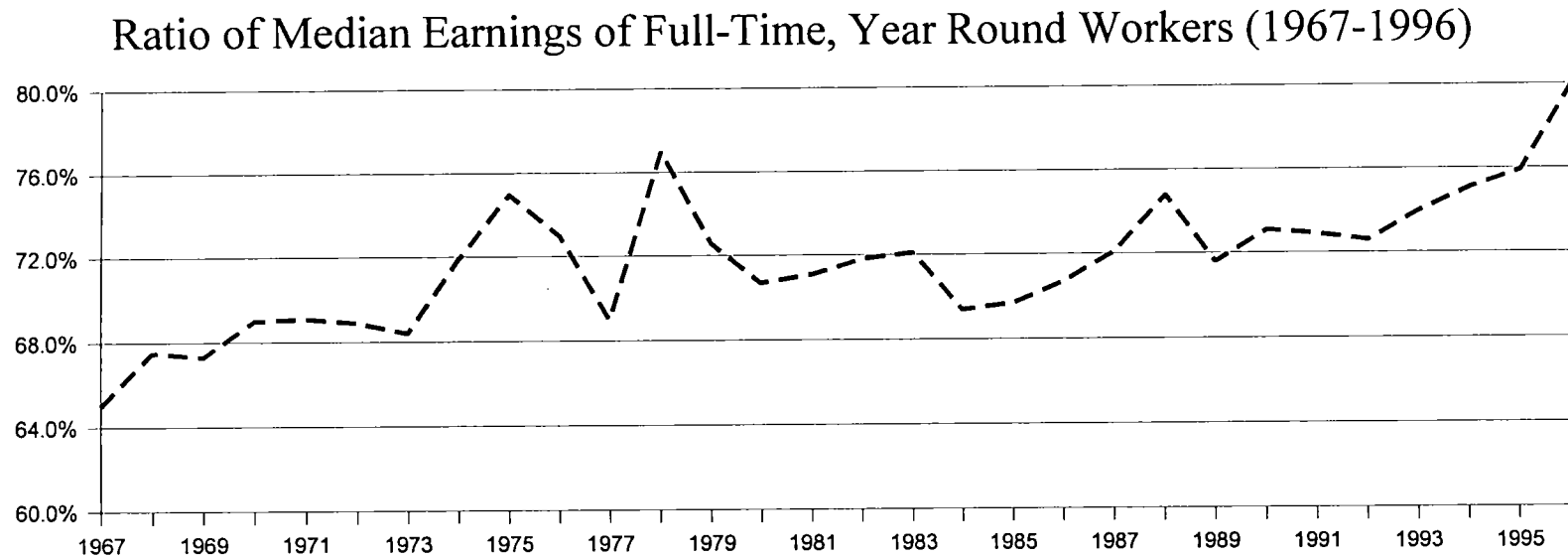
THE CONTINUANCE OF RACIAL DISPARITY

**AFL-CIO
JUNE 1998**



Chart 1

The Earnings Ratio of African American Men to White Men Has Stagnated Since 1978

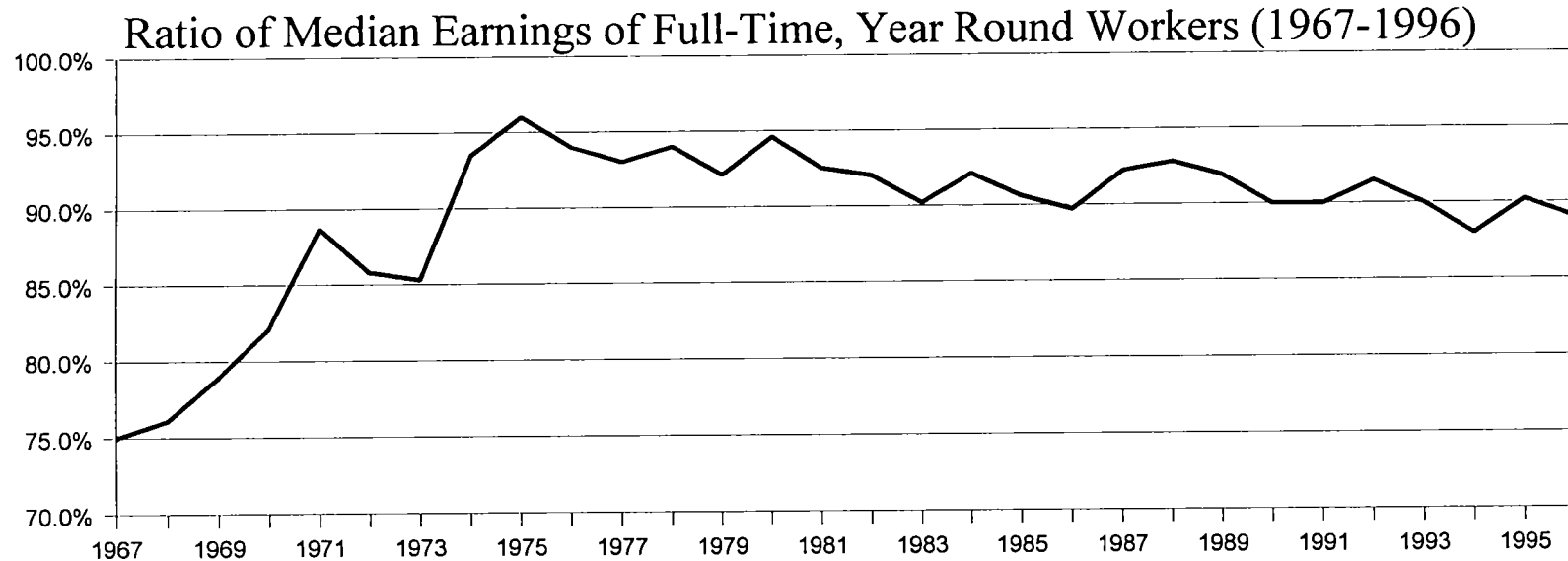


Bureau of the Census. Historical Income Tables. Web site: <http://www.census.gov/hhes/income/histinc/>

- African American men experienced tremendous progress in earnings through 1978. In 1967, a typical African American man earned only 65% of the earnings of a typical white man, by 1978 this ratio had increased to 77%.
- Although there was some year-to-year fluctuation, the earnings ratio stagnated between 1978 and 1992.
- Since 1992, the earnings ratio has shown a clear upward trend, but it did not exceed its 1978 level until 1996.

Chart 2

The Earnings Ratio of African American Women to White Women Has Declined Since 1975



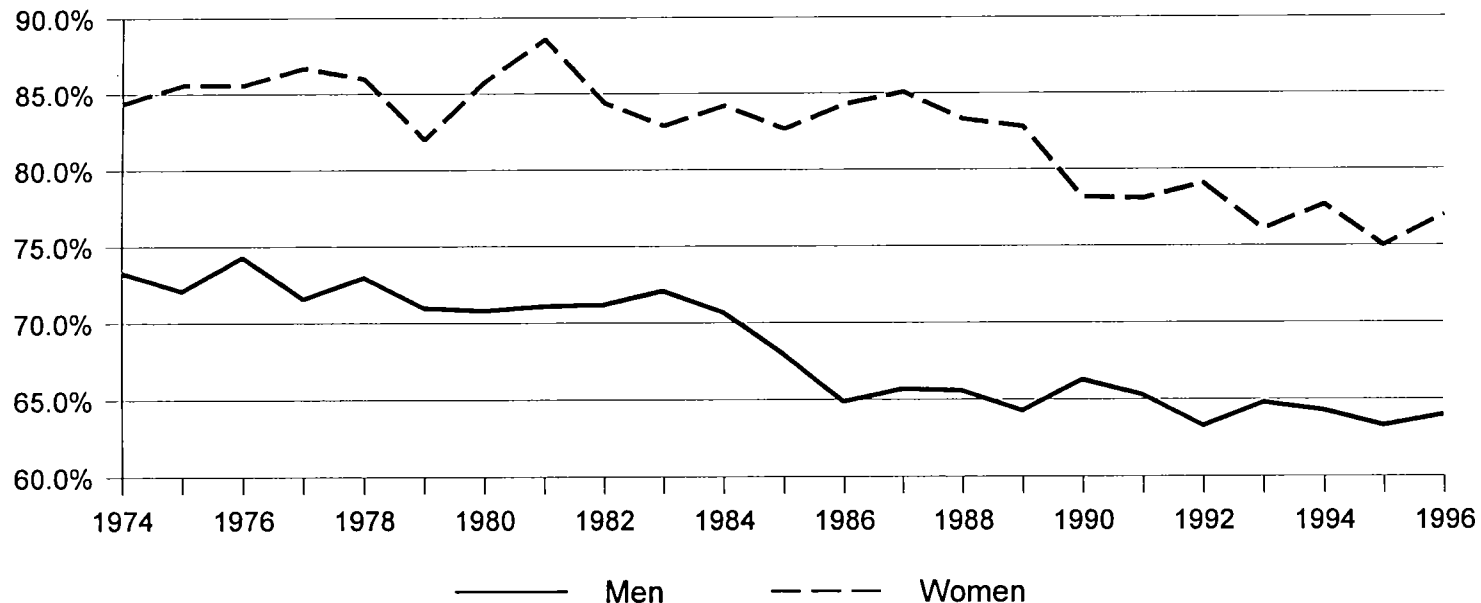
Bureau of the Census. Historical Income Tables. Web site: <http://www.census.gov/hhes/income/histinc/>

- The earnings of a typical African American woman compared to a typical white woman increased sharply through 1975 to 96%.
- By 1975, African American women had almost closed the earnings gap to white women
- Since 1978, the earnings ratio of African American women has shown a downward trend. By 1996, African American women earned only 89% of what white women earned.

Chart 3

The Earnings Ratio of Latinos to Whites Has Plummeted Since the Early 1980s

Ratio of Median Earnings of Full-Time, Year Round Workers (1974-1996)

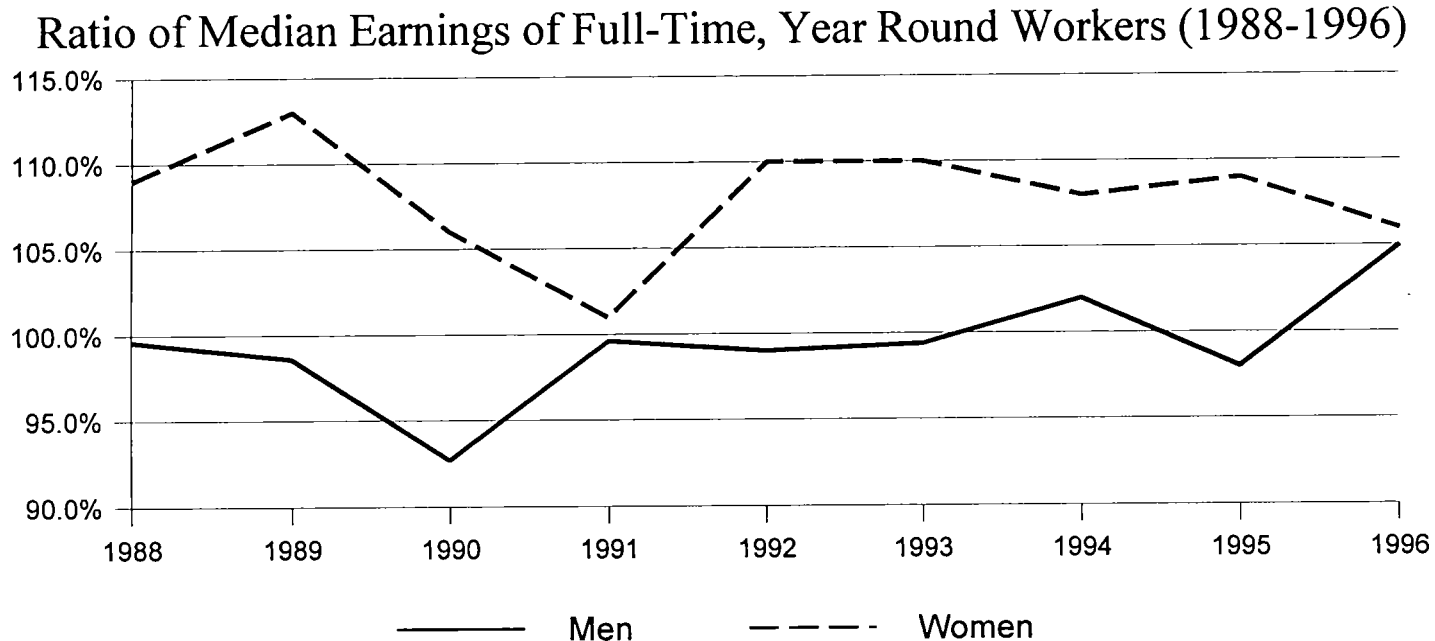


Bureau of the Census. Historical Income Tables. Web site: <http://www.census.gov/hhes/income/histinc/>

- Since 1974 (the first year of data) the earnings of a typical Latino man and Latino woman have declined sharply compared to their white counterparts.
- In the first half of the 1980s, Latino men saw their earnings plummet relative to the earnings of white men.

Chart 4

Earnings of Asian Americans Are Comparable to the Earnings of Whites



Bureau of the Census. Historical Income Tables. Web site: <http://www.census.gov/hhes/income/histinc/>

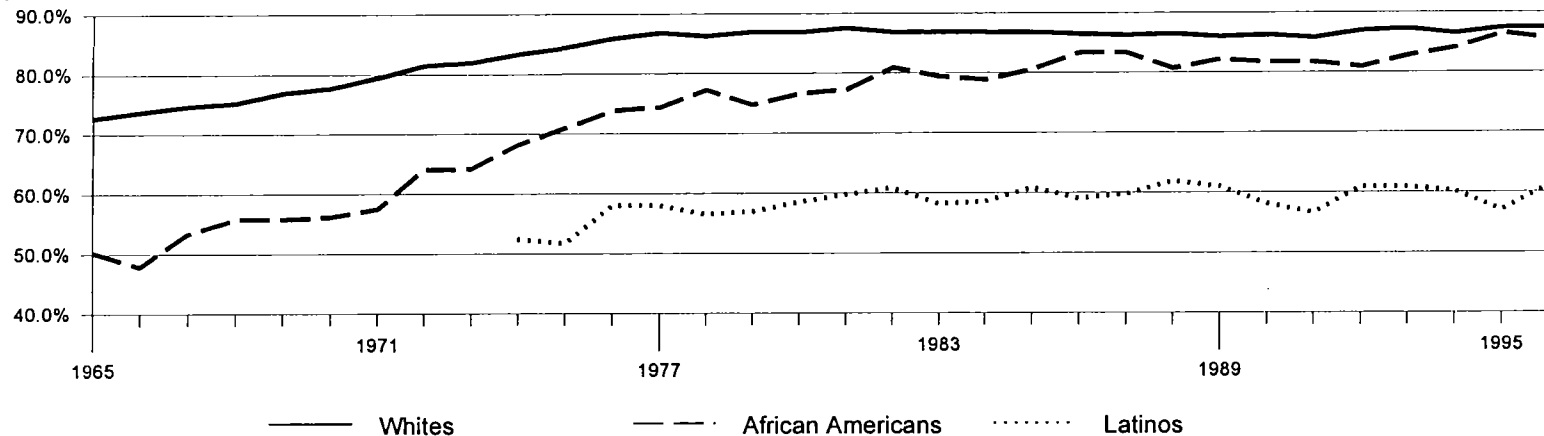
- Asian American workers have earnings comparable to that of white workers.
- Since 1988 (the first year of data), the earnings ratio of Asian American men to white men increased, but declined slightly for Asian American women.

Chart 5

The Education Gap Narrowed for African Americans, But Not for Latinos

do we have a comparable chart for college completion?

The Percentage of 25 to 29 Year-Olds by Race, Who Have Completed Four Years of High School (1965-1996)

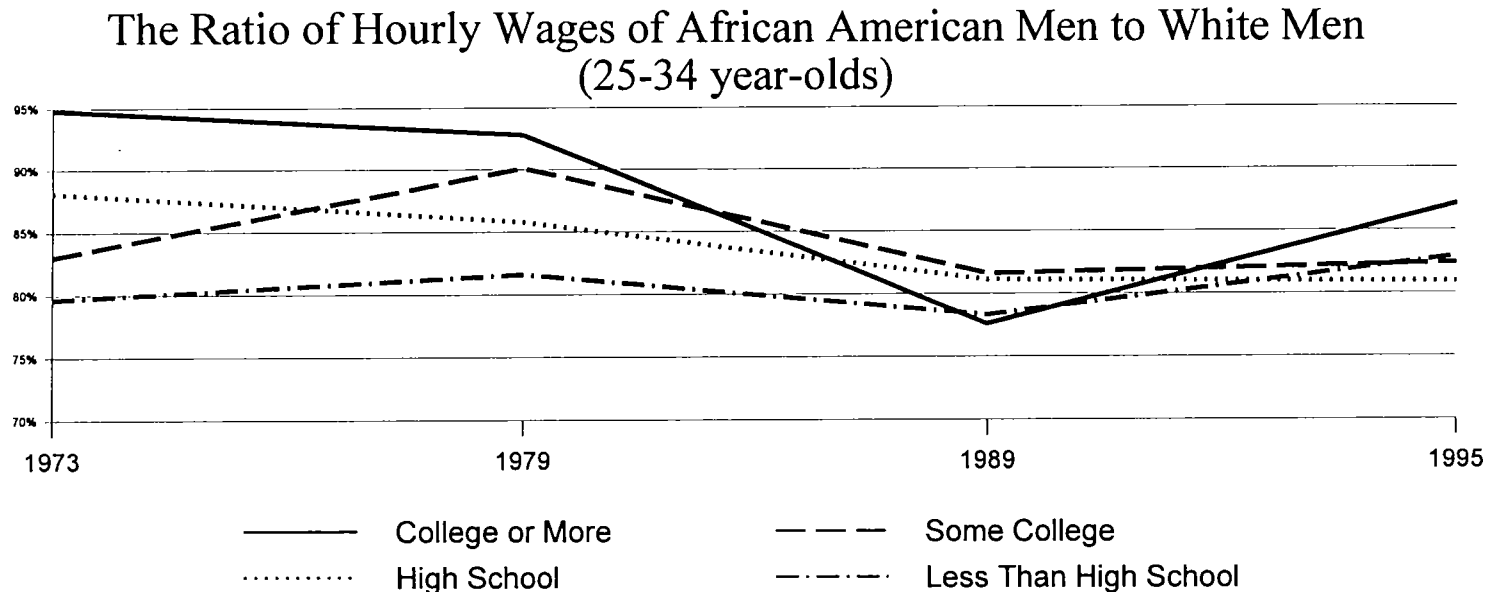


Bureau of the Census. Web site: <http://www.census.gov/population/socdemo/education/tablea-02.txt>

- In the 1965, only 50% of African Americans (aged 25-29) had completed four years of high school compared to 73% of whites.
- The growth in schooling has been so great among African Americans that by 1995 the educational high school gap between African Americans and whites had closed.
- The percentage of Latinos aged 25-29 with four years of high school has only increased slightly since 1974 (the first year of data). By 1996, only 61% of Latinos (25-29 years old) had four years of high school.

Chart 6

The Earnings Gap Persists at All Educational Levels



Lawrence Mishel, Jared Bernstein, and John Schmitt. *The State of Working America, 1996-1997*. The Economic Policy Institute, 1997.

- Over the past 20 years, greater academic achievement by African Americans has not led to a closing of the earnings gap.
- The earnings ratio declined between 1979 and 1989 for every educational level. The decline was particularly sharp for African Americans with a college degree.
- Since 1989, the earnings ratios have increased for every education level, but are still below their 1979 levels (with the exception of African Americans with less than high school).

Chart 7

The Shift from Production Jobs to Service and Sales Jobs Hurt Minority Workers

The Share of Workers in Selected Occupations in 1982 and 1997

	AFRICAN AM.		WHITES	
	1982	1997	1982	1997
Factory Jobs	25%	20%	16%	14%
Sales Jobs	6%	9%	12%	12.5%
Health Service	4%	5%	1%	1%

Bureau of Labor Statistics. Labor Force Statistics from the CPS. Web site: <http://146.142.4.24/cgi-bin/dsrv>

- The decline in manufacturing jobs in the 1980s, had a larger negative impact on African American workers than white workers. In 1982, 25% of African Americans worked as machine operators, assemblers, tenders, fabricators, handlers, helpers and laborers. By 1997 their share had declined to 20%. The share of white workers in these jobs also shrank, but only by two percentage points from 16% to 14%.
- The share of African Americans in sales jobs increased dramatically from 6% to 9% between 1982 and 1997, with most of the increase taking place in retail and personal sales occupations. For white workers this increase was much smaller — from 12% to 12.5%.

Chart 8

More African Americans and Latinos Work in Low-Wage Occupations Than Whites

Occupations	White Workers	African American Workers	Latino Workers	Median Weekly Earnings
Total	100%	100%	100%	\$503
Executive, Administrative, and Managerial	15	9	8	725
Professional	15	11	7	750
Technicians	3	3	2	582
Sales	13	9	9	482
Administrative Support	14	17	12	419
Services	12	22	20	313
Precision Production and Craft	11	8	13	548
Machine Operators and Assemblers	6	8	11	401
Transportation and Material Moving	4	6	5	498
Handlers, Helpers, and Laborers	4	6	6	329
Farming, Forestry, and Fishing	3	1	6	295

Department of Labor, Bureau of Labor Statistics, *Employment and Earnings*, January 1998.

- African American and Latino workers are concentrated in low-wage occupations.
- In 1997, 22 percent of African American workers and 20 percent of Latino workers worked in service occupations, the second lowest paid occupation after farm work.
- One out of every 20 Latino workers was a farm worker. In 1997, the median weekly pay for full-time farm work was less than \$300 per week.
- While 30% of whites worked in managerial and professional occupations, only 20% of African Americans and 15% of Latinos worked in these occupations.

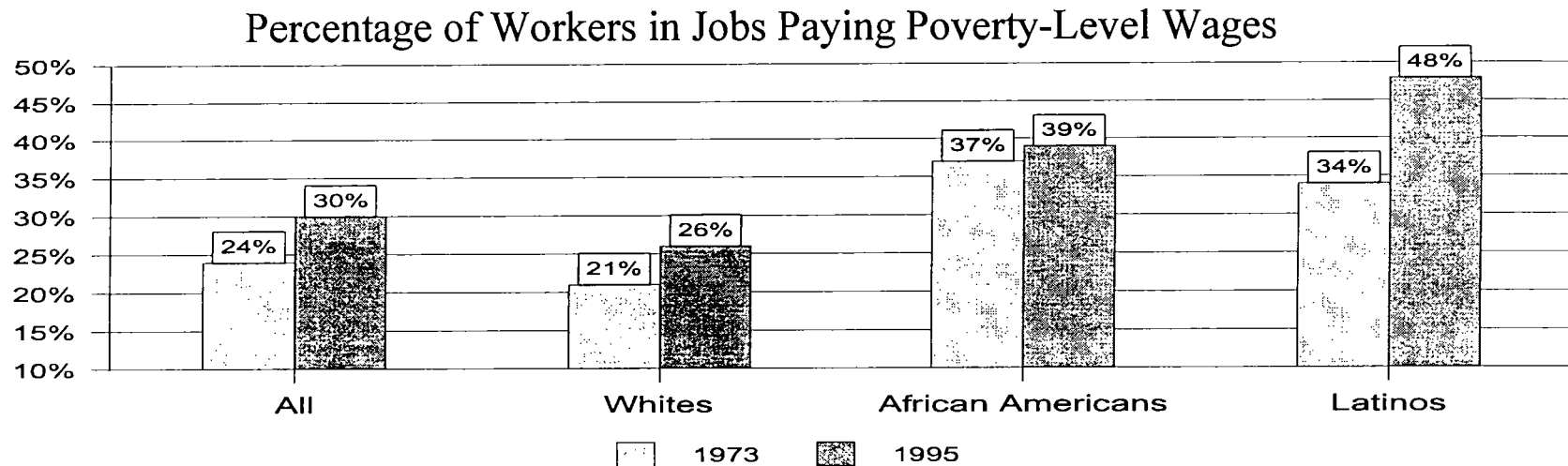
Chart 9

African Americans and Latinos Still Face Discrimination in Hiring

- A 1993 study by the Urban Institute found that African American and Latino men were three times more likely to be turned down for a job as were white men.
- A recent pilot study by the U.S. Department of Labor found that African American and Latino job applicants were not only less likely to receive a job offer compared to white applicants, they also faced limited access to additional opportunities. For example, African Americans and Latino applicants were less likely to receive information about other job openings in a company.

Chart 10

African Americans and Latinos Are More Likely to Earn Poverty-Level Wages

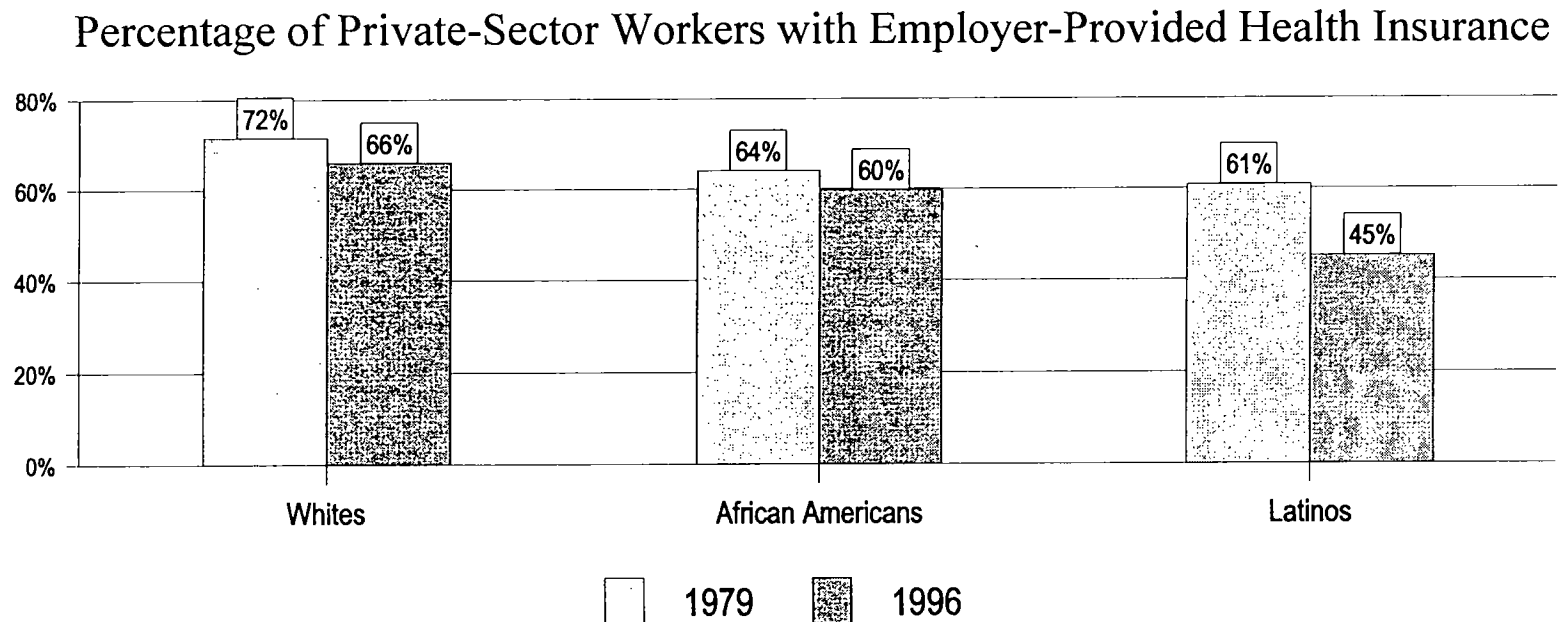


Mishel, Lawrence, Jared Bernstein, and John Schmitt, *The State of Working America, 1996-1997*. Economic Policy Institute Series. Author: ME. Sharpe, 1997.

- 30% of all workers work in jobs that pay poverty-level wages.
- African American and Latino workers, however, are much more likely to work in jobs paying poverty-level wages. In 1995, 39% of African Americans and 48% of Latinos worked in jobs paying a wage so low that a worker working full-time, year round will not earn enough lift a family of four out of poverty.
- The expansion of low-wage jobs has resulted in a general shift out of better-paying jobs into low-wage jobs for African American and Latino workers.

Chart 11

African Americans and Latinos Are Less Likely to Have Health Insurance



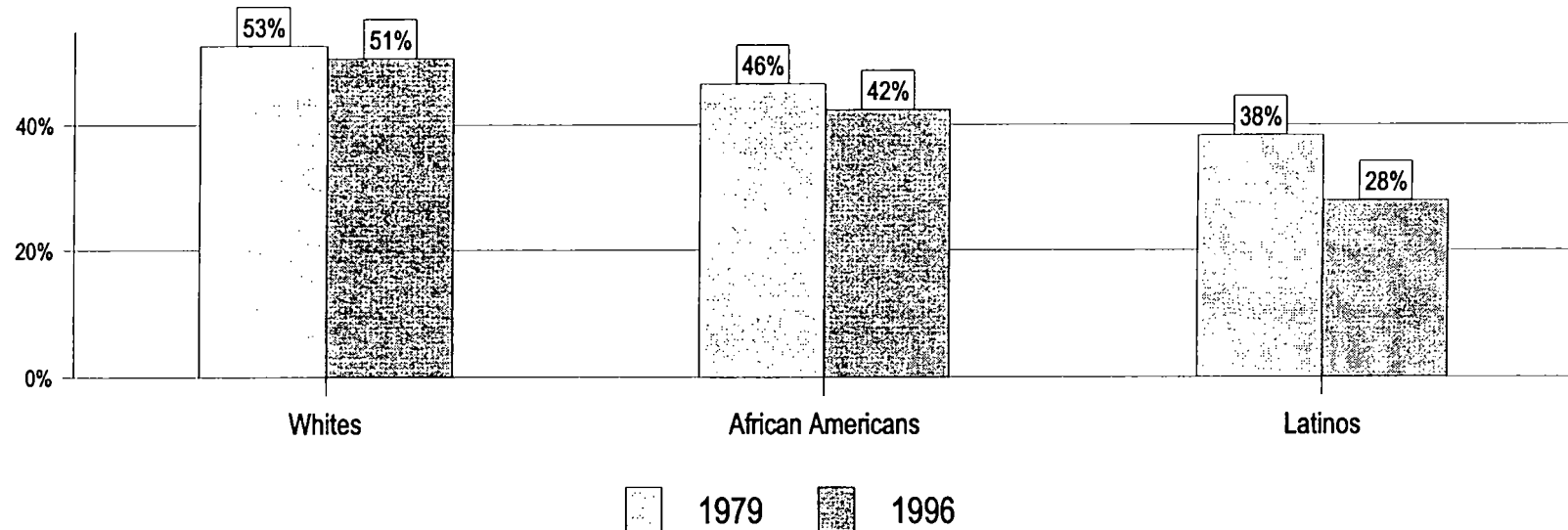
Lawrence Mishel, Jared Bernstein and John Schmitt. *The State of Working America, 1996-1997*. Economic Policy Institute Series. Armonk: M.E. Sharpe, 1997.

- African American and Latino workers are less likely than whites to have employer-provided health insurance.
- The decline in employer-provided health insurance since 1979 has affected all groups of workers. Yet Latino workers experienced the sharpest decline.

Chart 12

African Americans and Latinos Are Less Likely to Have Pension Coverage

Percentage of Private-Sector Workers with Employer-Provided Pension Plans



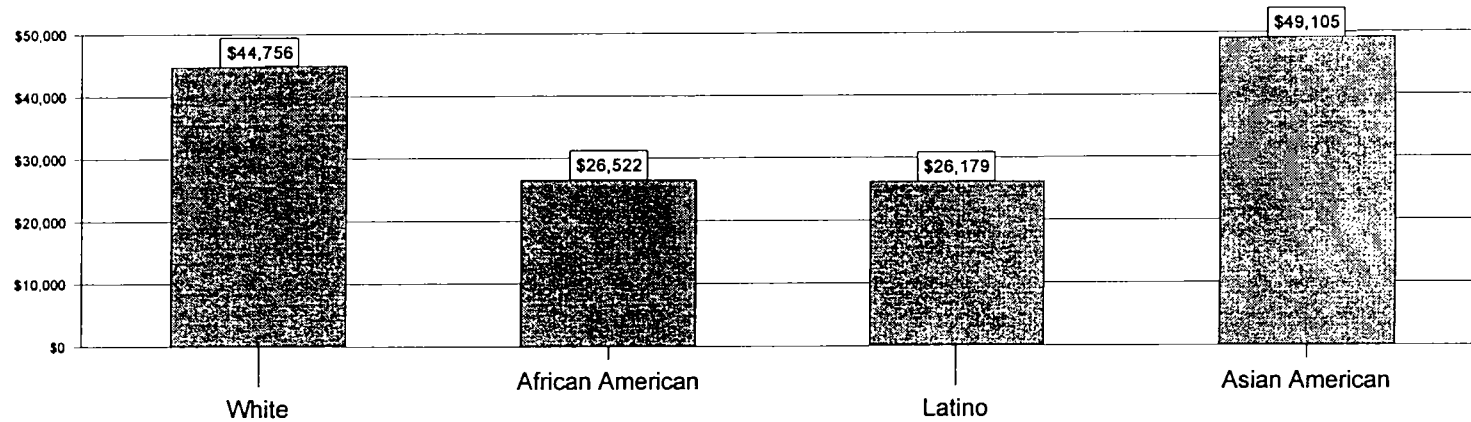
Lawrence Mishel, Jared Bernstein, and John Schmitt. *The State of Working America, 1996-1997*. Economic Policy Institute Series. Armonk, ME: Sharpe, 1997.

- Employer-provided pension coverage is lower for African American workers (42%) and Latino workers (28%), than for white workers (51%).
- Latino workers experienced the most drastic reduction in pension plan coverage between 1979 and 1996.

Chart 13

The Family Income Gap Persists

Annual Median Family Income in 1996

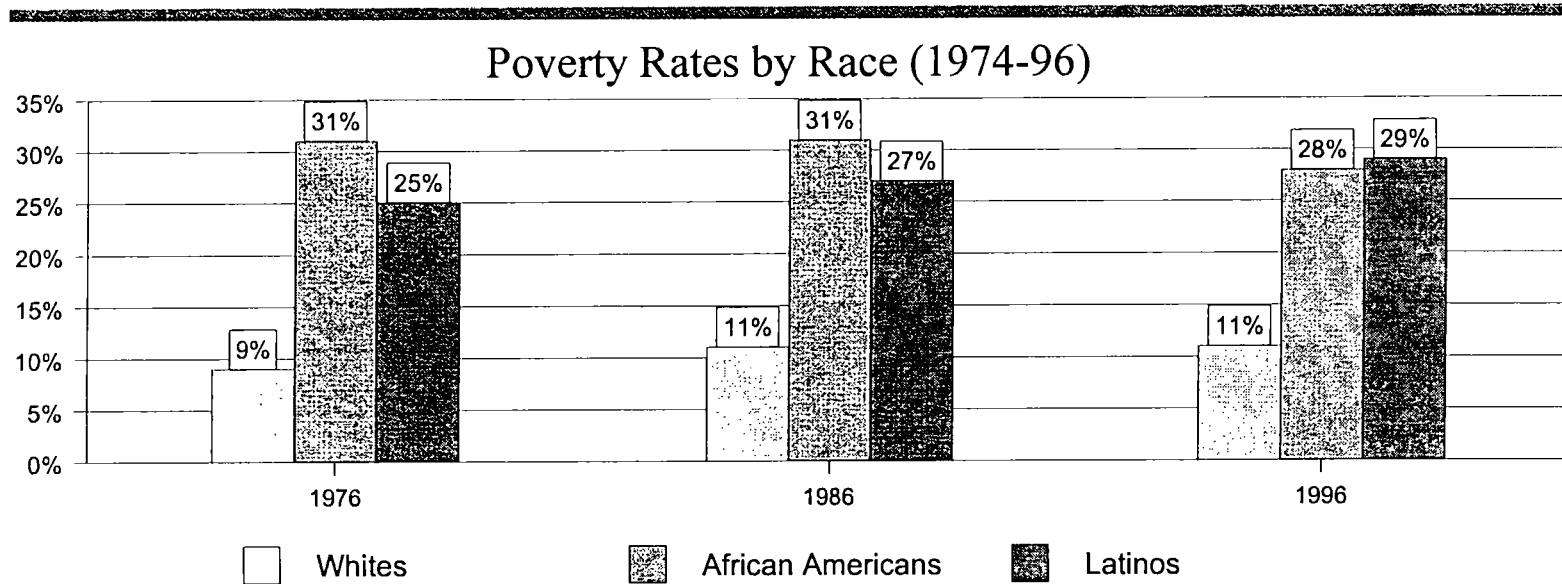


Source: U.S. Dept. Of Commerce. *Historical Income and Poverty Tables*. Website; www.census.gov/hhes/income/histinc/

- The growing disparity is reflected in the income gap between white families and families of color.
- African American and Latino family incomes are at about 60 percent of all families' income.
- Asian Americans were the only racial group to have family income comparable to that of white families.

Chart 14

African Americans and Latinos Are More Likely to Live in Poverty

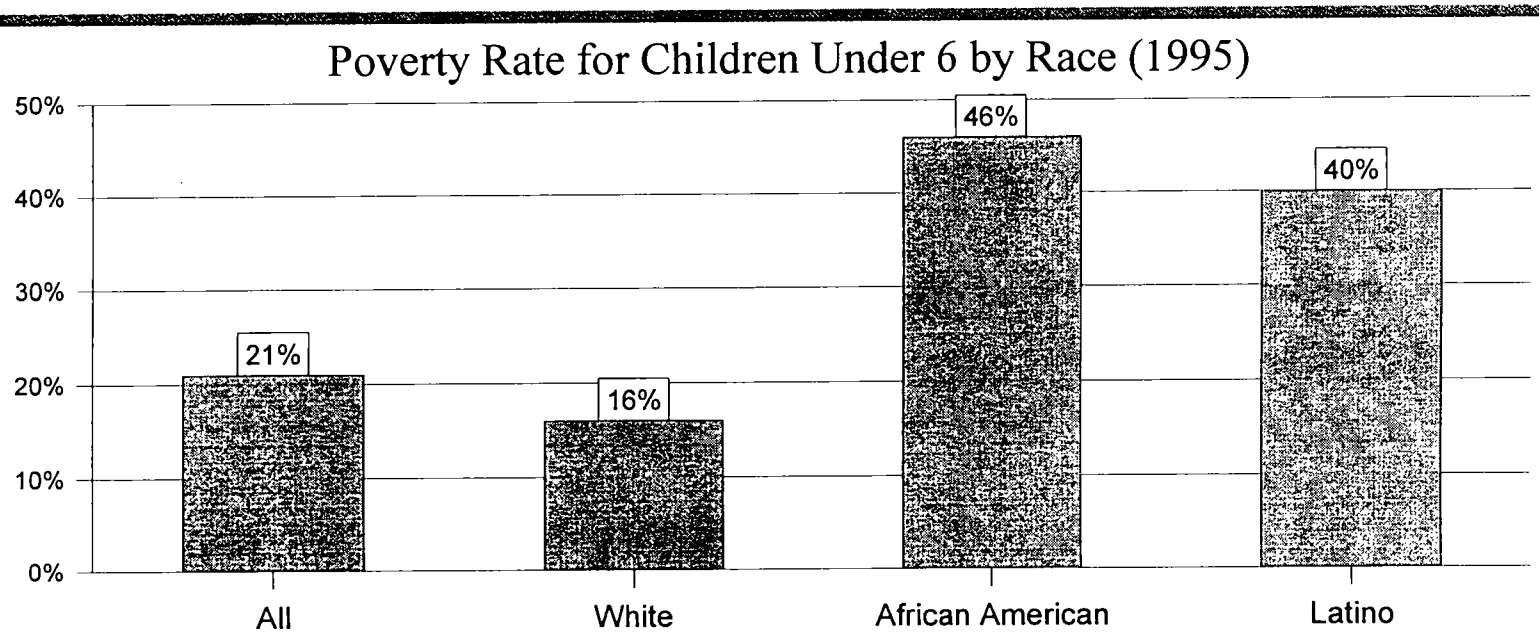


Bureau of the Census. *Poverty Rate for Individuals: 1967 to 1996*. Website: <http://www.census.gov/hhes/poverty/hispov/>

- The incidence of poverty is more than twice as high for African Americans and Latinos than for whites.
- Over the past 20 years, the poverty rate remained unchanged for African Americans, but it has increased for whites and Latinos. (31% → 28%)
- Despite the fact that the U.S. economy has nearly doubled over this period, the poverty rate is higher than it was 20 years ago,. This means that the bottom 20 percent of the population have not benefitted from the past 20 years of economic growth.

Chart 15

Children of Color Have an Even Greater Risk of Poverty

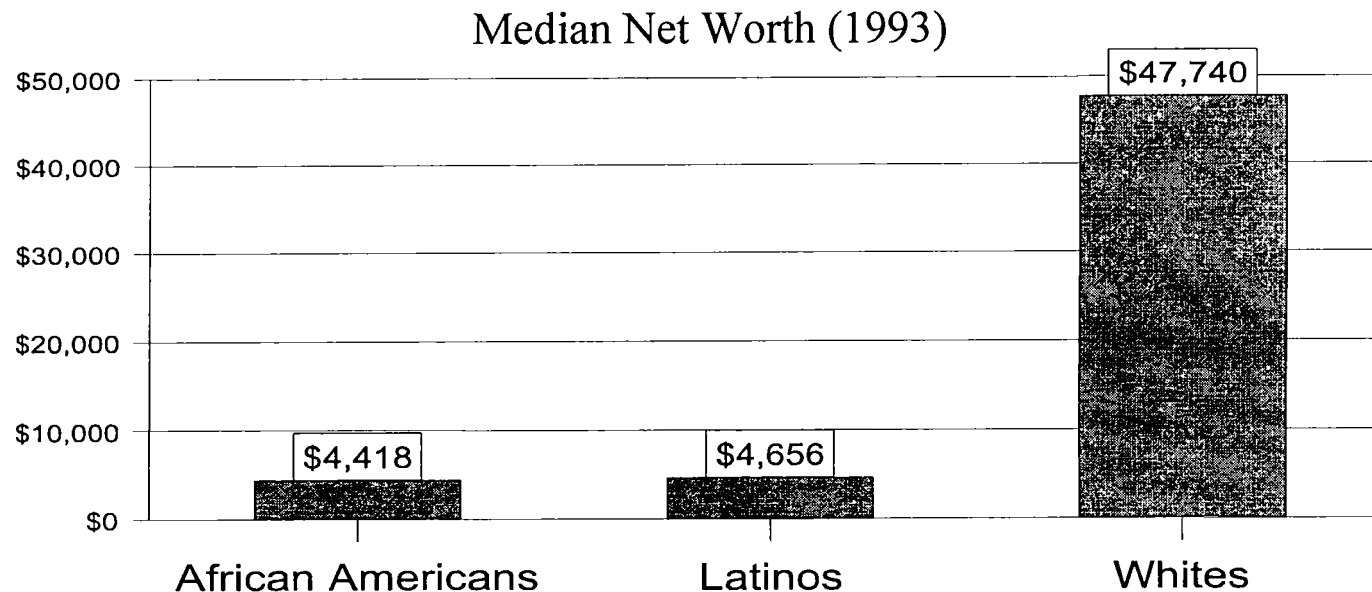


Center for the Future of Children. *The Future of Children*. Vol.7 No. 2, 1997.

- The poverty rates for African American and Latino children were two and a half to three times greater than the poverty rate for white children.
- According to the Children's Defense Fund, long-term childhood poverty is more concentrated among African Americans than among whites.

Chart 16

The Wealth Gap is Even Greater Than the Income Gap



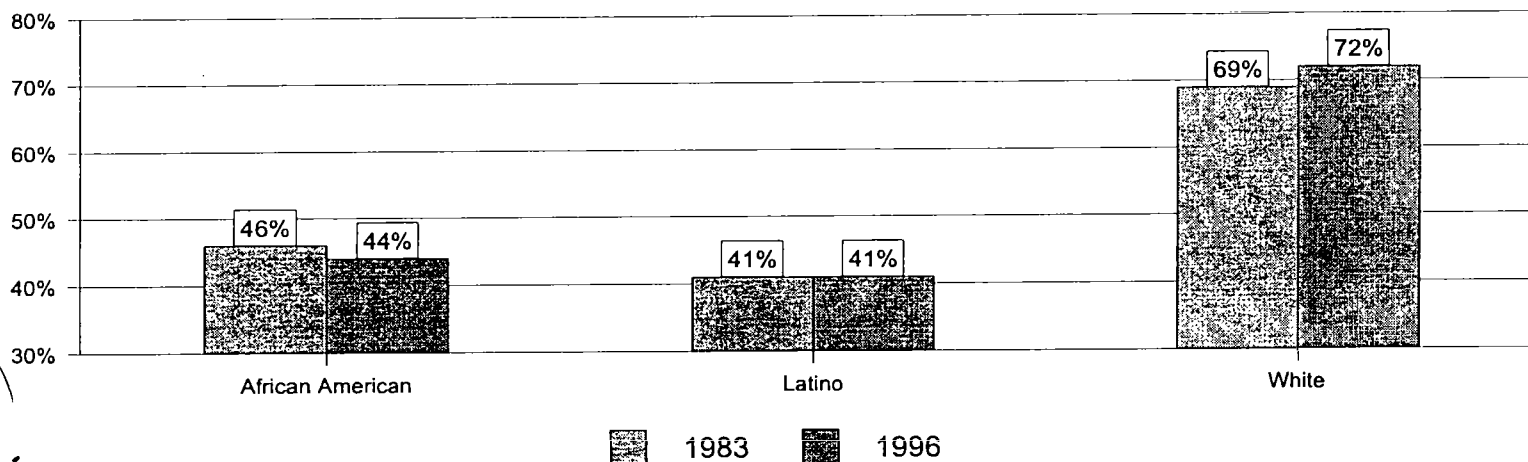
The Economic Report of the President, 1998.

- The net worth of white households is 10 times that of African American households.
- Wealth contributes to the economic well-being of a household. Greater wealth determines a family's ability to invest in children's education, obtain a mortgage, start a small business, and retire with dignity.

Chart 17

The American Dream of Owning a Home Has Escaped Most People of Color

Homeownership Rates (1983 and 1996)



Patrick A. Simmons (Editor). Housing Statistics of the United States. Lanham, MD: Berman Press, 1997.

- Only about four in ten African American and Latino households were homeowners. This is much lower than the two in three white households.
- While more white households owned their own home in 1996 than in 1983, the trend in home ownership was flat for African American and Latino households.
- According to a 1997 HUD study, people of color are much less likely to own homes because of lower incomes and discrimination in mortgage lending.
- African American and Latino families should be given the same opportunity as white families to live in safe neighborhoods with high-quality schools.

① value of homes is less, right? contributes to wealth disparity



Chart 18

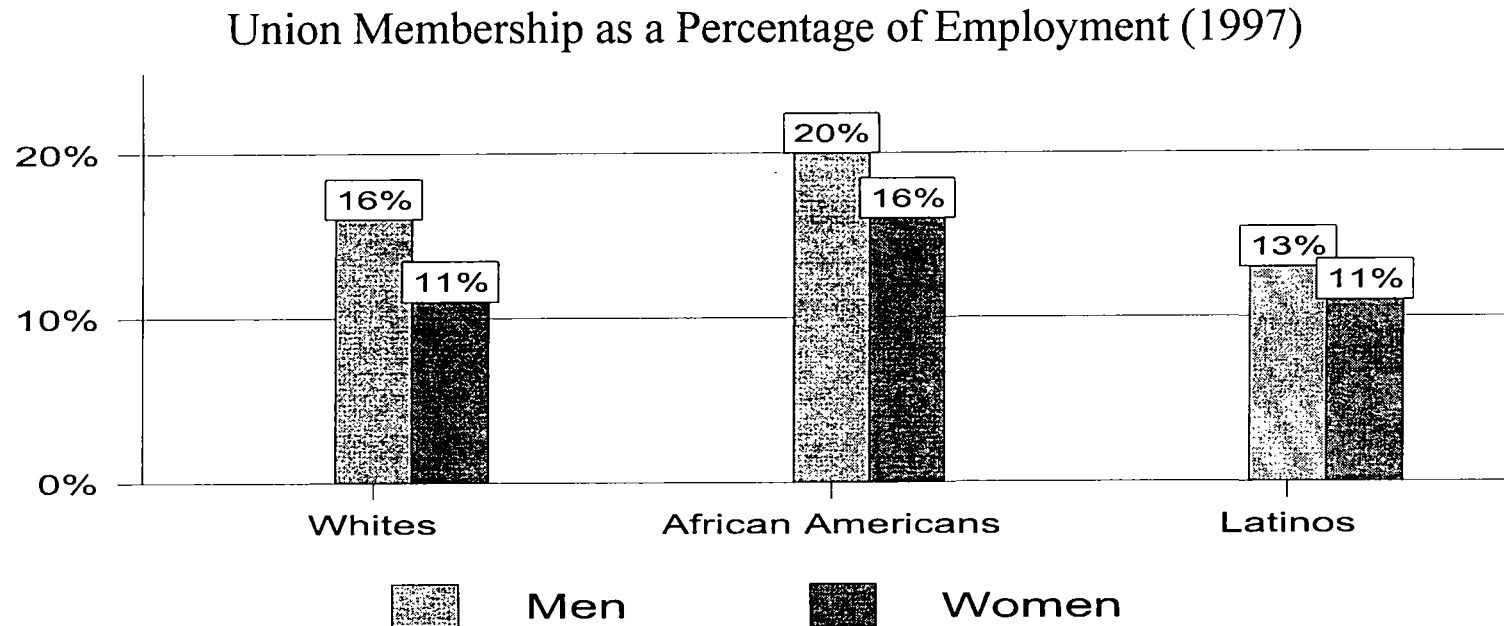
Raising the Minimum Wage Increases the Living Standards of Minority Workers

- Raising the minimum wage has been shown to be a key element to increase living standards for low-wage African American and Latino workers.
- 13% of African American workers and 16% of Latino workers benefitted directly from the last two minimum wage increases in 1996 and 1997.
- A recent study by the Economic Policy Institute found that the minimum wage raises in 1996 and 1997 did not cause any job losses among African American and Latino workers.

Jared Bernstein and John Schmitt. Making Work Pay: The Impact of the 1996-97 Minimum Wage increase. The Economic Policy Institute, 1998.

Chart 19

Unions Are Important for African Americans and Latinos



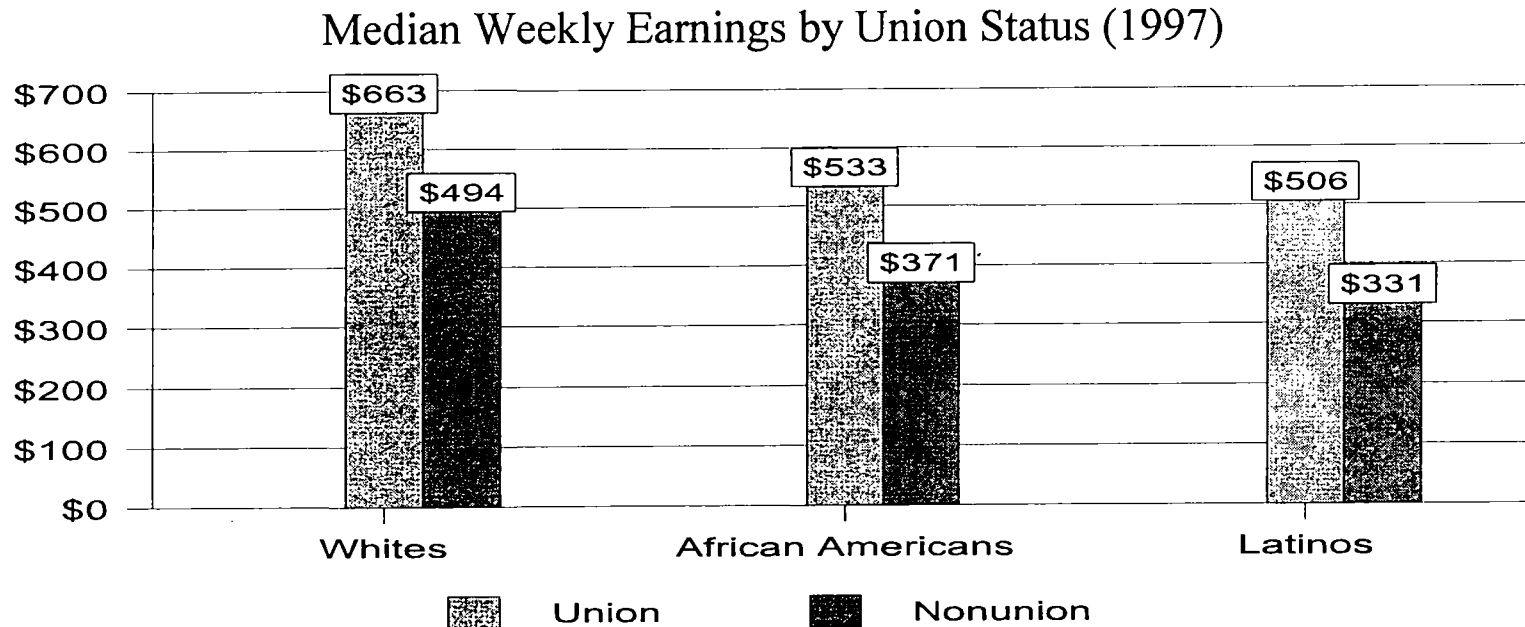
Source: Department of Labor, Bureau of Labor Statistics. *Employment and Earnings*. Washington, D.C., U.S. Government Printing Office, January 1998.

- African American workers have the highest unionization rate among workers.
- Union membership can be particularly important for African American and Latino workers, who are subjected to continuing discrimination, because collective bargaining emphasizes equal pay and fair treatment in the workplace.

but low wages
no pensions
no wealth

Chart 20

Unions Raise Wages, Especially for African Americans and Latinos



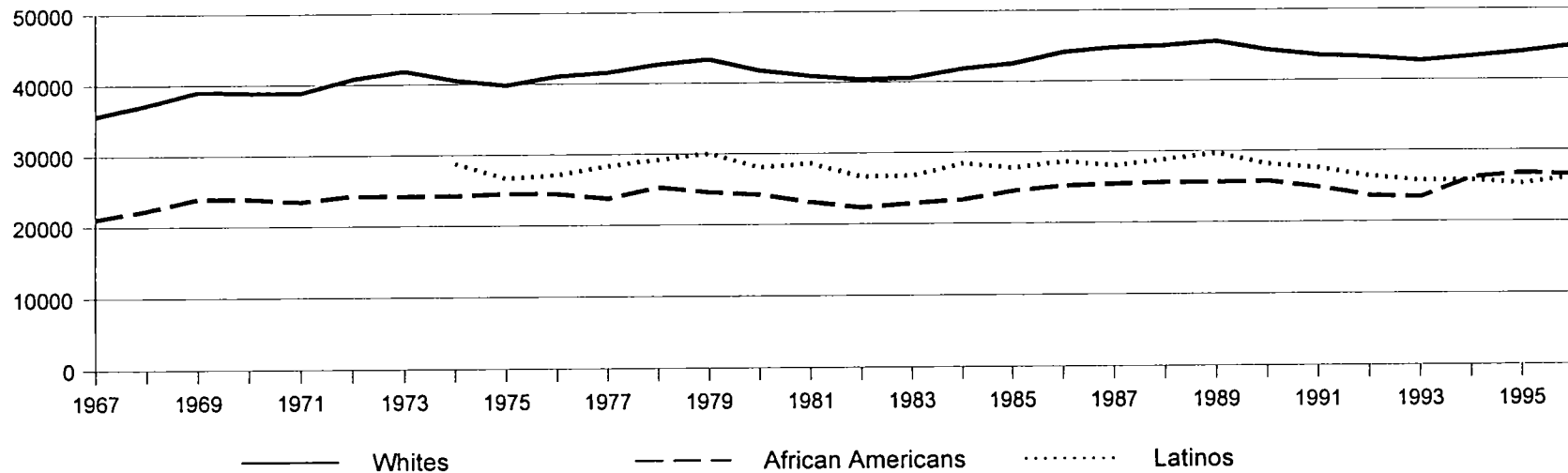
Source: Department of Labor, Bureau of Labor Statistics. *Employment and Earnings*. Washington, D.C., U.S. Government Printing Office, January 1998.

- Unions help raise workers' pay and narrow the income gap between whites and African American and Latino workers.
- The union pay difference is, on average, 34 percent for all workers, but it is larger for African American and Latino workers. African American union workers earn 44 percent more than their nonunion African Americans. Latino union workers earn 53 percent more than nonunion Latinos.

Chart 21

A Rising Tide Lifts All Boats

Median Family Income, 1996 Dollars
(1967-1996)



Bureau of the Census. Historical Income Tables. Web site: <http://www.census.gov/hhes/income/histinc/>

- Tight labor markets have wide-ranging positive effects, increasing wages and opportunities and promoting stable employment.
- Family income has remained relatively stagnant (adjusted for inflation) for African American and Latino households since 1979. Even during years of economic upturn, the family income of African American and Latino households only increased slightly, and some cases decreased.

Chart 22

Enforcement of Anti-Discrimination Policies Lead to Greater Employment Opportunities for African Americans and Latinos

- According to several academic studies, active enforcement by Office of Federal Contract Compliance Programs (OFCCP) during the 1970s caused government contractors to moderately increase their hiring of minority workers. According to one study, for example, the employment share of African American males in contractor firms increased from 5.8 percent in 1974 to 6.7 percent in 1980. In non-contractor firms, the African American male share increased more modestly, from 5.3 percent to 5.9 percent.

www.whitehouse.gov/WH/EOP/OP/html/aa.html

- A 1991 Journal of Economic Literature article by John and James Heckman found that there is near-unanimous consensus among economists that the government anti-discrimination programs beginning in 1964 contributed to the improved income of African Americans. It found that the programs collectively helped even though no single program was overwhelmingly effective.

Donohue, John and James Heckman. "Continuous versus Episodic Change: The Impact of Federal Civil Rights Policy on the Economic Status of Blacks." *Journal of Economic Literature*, 1991

Jackson Room

How do the disparity #s map to the health of the economy (?)

Widening of earnings gap after 1978

Occupational segregation

- ⊗ 1993 Urban Institute study on testing
- ⊗ Labor Dpt. pilot (?) (OFCCP?)

26% W
40% D
50% H } work in jobs w/ poverty level wages

⊕ reduction in Health coverage

Fewer B/H have pension coverage

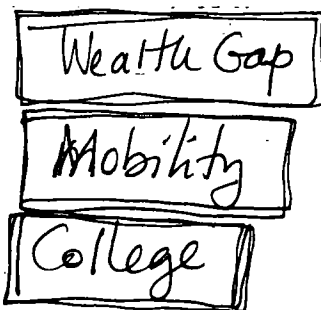
College completion (?)

Wealth (?)

Role of immigration (?)

~~Power~~

Important (?)



Minimum wage

presence of

unions

help eliminate wage disparities

(not aggregate increase)

[disparities among non-unionized workers > disparities among unionized workers]

Other things to keep in mind

Increase in EITC has helped a lot.

At all levels of educational attainment, gaps persist.

Component
of informal
networks,
etc.

Access
control for
educ. attainment

Prig
Picture

Wealth

Unemployment
insurance
reform

largest
part of wealth

Report in 3 wks
from Urban Inst
re: testing

Coordinated
testing

Release
date (?)

UCLA Conf.
on International
Workforce
(next year)

⊗ What do we know works

⊗ Future-oriented (vision)

What kind of America do we see?

Institutional supports

Should highlight
how 80s & 90s
different

- ① Organized labor
- ② EITC
- ③ minimum wage
- ④ EEOC / NLRB
- ⑤ Title VII / FMLA

Individual Dev.
Accounts.

Building wealth

Merrill-Lynch
pilot

2pm - Vision

• People want to
and are working,
but can't
move ahead
b/c of

① What is our challenge on race & econ. opp.

→ Disparities exist in employment (discrim. exists, even when control for

② Include optims/expand middle class (?)
Infrastructure:

[Health Transp. anti-discrim
Pension etc. strong community institutions matter

Message re: working poor (conditions)
what helps them (?)

④ Need more data/research

Asian/Latino/Native populations.

③ Solutions:

labor orgs.

minimum wage

dispel myths.

anti-discrim
skills prep.

maintain tight labor market

(infrastructure)
(public institutions)

RACE AND ECONOMIC OPPORTUNITY

Wednesday, June 17: 9:30 a.m. to 11:30 a.m.

Linda Chavez-Thompson, Chair

Angela Oh

Reverend Dr. Suzan D. Johnson Cook

Laura Harris

Sonia Jarvis

Staff contact: John Goering

BACKGROUND

In this subgroup meeting, the purpose is to provide you time to discuss whether there is economic opportunity for all Americans and, to the extent there is not, what are the major obstacles to it. The recent 1997 Economic Report of the President reveals that despite important economic and labor market gains, there are still significant disparities among races that affect income and opportunities for wealth accumulation. You will recall that we also have discussed the extent to which disparities are due to racial discrimination in both employment and housing. Finally we will discuss current general policy responses including the large issues of how well welfare reform is working to reduce racial disparities in employment opportunities. Hopefully we can find time to discuss the extent to which there is economic opportunity for all Americans and how this situation has recently changed. The final issue for discussion will be the about the relevance and effectiveness of governmental and non-governmental programs and policies addressing economic development and opportunities.

KEY QUESTIONS AND OPTIONS

Subgroup Chair, Ms. Linda Chavez Thompson, and other Board members have selected the following as the key issues which will be discussed at the Economic Opportunity subgroup meeting. In parentheses are the specific issues shown in the attached chart which are related to these broad questions:

9:30-10 a.m. To what extent are there major racial disparities in economic opportunity and what are the prospects for change? (See Key Issues A and B on attached chart)

*Q of
wealth*

10 - 11a.m. What are the best means to integrate economic opportunities, educational and training programs, and anti-discrimination programs to alleviate some of the major racial disparities in this country? (See key Issues C, D, and E on the attached chart)

11-11:30a.m. The final 30 minutes will be used to draw together common views and thoughts of Board members and then to prepare the summary for the June 18th meeting. Included in this discussion should be answers to the question of what can be done

over the next three months to help develop a final report and to ask for any staff assistance. The issue of how PIR might institutionalize any of the policy concerns raised during this discussion might also be discussed.

SUBGROUP STAFF CONSULTANTS/EXPERTS

1. Dr. Helene Jorgensen, Public Policy Department, AFL-CIO
2. Ms. Patricia Ruggles, Deputy Assistant Secretary for Human Services Policy and Chief Economist, HHS
3. Ms. Julie Fernandez, Policy Analyst, White House Domestic Policy Council
4. Ms. Clare Gonzalez, PIR and formerly with EEOC

Themes for the Race and Economic Opportunity Subgroup Meeting

	Key Issues	Issues	Key Readings	Prior AB Recommendations	PIR/Administration Actions
Racial Disparities and Discrimination	A. Racial Disparities in Economic Opportunities	- Disparities in employment - Disparities in occupations - Disparities in income and <u>wealth</u> - Disparities in concentrated poverty)?	- Chapter 4 of the 1997 Economic Report of the President - Household Wealth and Inequality - Charts/Material from AFL-CIO	- Promote collection of better data on all minority groups, especially Asians and American Indians - Continue to support high economic growth rates as means to reduce inequality	- Published for the first time data and research on racial disparities; - Created a Race Initiative Fact Book to provide a permanent source of monitoring of racial differences - Administration's actions to promote high levels of economic growth
	B. The Practice of Racial Discrimination in Employment	- Recent evidence on Discrimination in employment - Labor and EEOC actions to combat discrimination OFCEP Testers (automation) Coordinati	- DOL cases of egregious discrimination - readings on employment testing	- Eliminate current forms of subtle discrimination through law enforcement and education and technical assistance - November 30, 1997 letter to the President regarding strengthening civil rights - Monitor levels of discrimination and create a racial indicators "report card"	- Budget request for increase in civil rights enforcement and orientation programs - HUD actions to aggressively enforce fair housing and <u>fair lending laws</u>; doubling cases by 2000

④ Econ dev.
Programs
Account Jobs
Vouchers
COPS
EZ (?)
CDFI
EFT99

		Issues	Key Readings	Prior AB Recomm	PIR/Admin Actions
II. Economic Opportunity Agenda	C. Promoting Job Training and job access	- Strengthening the links between education and jobs - College outreach, recruitment, and admissions practices (including affirmative action) - Improving retention	- Andrew Hacker, <i>Outcasts and Immigrants</i> - Richard Freeman, <i>When Earnings Diverge</i> - Statements from Phoenix Advisory Board meeting	- Careful evaluations of the effectiveness and impact of DOL job training programs - Future Administration review of income inequality as it affects persons of color	- Workforce Development Act - Access to Jobs Initiative (Transportation) - Proposed welfare to Work Housing Vouchers - Increase the support for 'mended' affirmative action
	D. Developing Programs to reduce poverty concentration and related racial segregation	- Developing programs and policies which we offer people opportunities to <u>move from distressed communities</u> as well as rebuilding such areas - Involving the private sector in community redevelopment	1997 <i>State of the Cities</i> report - Statements from San Jose and Newark Advisory Board meetings	- Expanding HUD programs to redevelop cities and inner city neighborhoods - Continued support for SBA programs for minority business development	Proposed FY1999 budget proposals for 'Closing the Opportunity gap'
III. Integration of Education, Jobs, and Anti-Discrimination	E. Promoting Income Redistribution and Effective Welfare Reform	- Working over the long run to reduce income inequality as it disparately affects racial minorities - Developing an agenda for high quality equal opportunity in education	- Economic Report of the President <i>The State of Welfare Caseloads in America's Cities</i>	None to date	- TANIF reforms - K-12 Education Pipeline reforms

7,000 from House?

The President's Initiative on Race Policy Initiatives

Policies that expand opportunity across racial lines and, in doing so, force the recognition of shared interests are the best hope for improving race relations and reducing racial disparities over the long term. In developing the following set of policies and proposals as part of the President's Initiative on Race, we have been guided by the principle that all Americans share the desire for good schools, safe neighborhoods, good health, affordable housing, and fair treatment by the courts.

1. Civil Rights Enforcement

In January of this year, the Vice President announced a package of civil rights enforcement initiatives that places new emphasis on prevention and non-litigation remedies for discrimination and strengthens civil rights agencies's ability to enforce anti-discrimination laws. The Clinton Administration's Fiscal Year 1999 balanced budget contains \$602 million for civil rights enforcement agencies and offices -- an increase of \$86 million, or more than 16 percent, over last year's funding.

a. EEOC

The President's budget proposal expands the EEOC's ADR program over three years to allow as many as 70 percent of all complainants to choose mediation, rather than the lengthy process of investigation and litigation. The Administration's budget also sets specific performance goals for the EEOC to reduce its backlog. Through a combination of the increased use of mediation, improved information technology, and an expanded investigative staff, the EEOC will reduce the average time it takes to resolve private sector complaints from over 9.4 months to 6 months, and reduce the backlog of cases from 64,000 to 28,000, by the year 2000.

In total, the budget requests \$279 million for the EEOC for FY 1999 -- \$37 million or 15 percent more than the enacted 1998 budget. More than one-third of the proposed increase (\$13 million) goes to expansion of the agency's ADR program.

b. HUD -- Fair Housing

\$10 million for Fair Housing Testing Initiative

The Administration's budget proposes an increased emphasis on reducing discrimination and ensuring equal opportunity in housing. The highlight of the HUD budget proposal is a targeted enforcement initiative that will use paired testing -- in which otherwise identical applicants of different races or genders approach Realtors or landlords -- to detect and eliminate housing discrimination.

This systematic, focused testing strategy will allow more accurate measurement and increased public awareness of housing discrimination, while facilitating enforcement actions against violators of the fair housing law.

Enforcement against Housing Discrimination.

Last Fall, HUD announced a plan to double the number of civil rights enforcement actions by the year 2000 as a response to the increase in reported cases of serious fair-housing violations. HUD has also committed \$15 million to 67 fair-housing centers around the country to assist in combating housing discrimination this year.

c. **Coordination of Civil Rights**

The President's civil rights enforcement plan recognizes the need for enhanced coordination of federal civil rights enforcement policy among agencies by highlighting the lead role of the Department of Justice's Civil Rights Division, under the direction of Bill Lann Lee, and providing an additional \$1 million for coordination activities. This emphasis will lead to more consistent enforcement of civil rights laws, broader dissemination of best practices, and improved data collection.

2. Education

a. **Class Size Reduction**

In his State of the Union address, President Clinton proposed a \$12.4 billion initiative over 7 years (\$7.3 billion over 5 years) to help local schools provide small classes with qualified teachers in the early grades. This will help make sure that every child receives personal attention, gets a solid foundation for further learning, and learns to read independently by the end of third grade. Research shows that smaller classes have a particularly large impact for minority and low-income students. The new initiative will reduce class size in grades 1-3 to a nationwide average of 18, by providing funds to help local school districts hire an additional 100,000 well-prepared teachers. States will receive funds for teacher training, and new teachers will be required to pass state competency tests.

b. **Education Opportunity Zones**

President Clinton's Education Opportunity Zones initiative will strengthen public schools and help students master the basics where the need is the greatest: in high poverty urban and rural communities where low expectations, too many poorly prepared teachers, and overwhelmed school systems create significant barriers to high achievement. The Education Department will select approximately 50 high poverty urban and rural school districts that have a track record of improving achievement and agree to: (1) use high standards and tests of student achievement to identify and provide help to students, teachers and schools who need it; (2)

prevent students from falling behind by ensuring quality teaching, challenging curricula, and extended learning time; and (3) end social promotion and turn around failing schools. Added investments in these communities will accelerate their progress and provide successful models of system-wide, standards-based reform for the nation. The President's initiative will invest \$200 million in FY99, and \$1.5 billion over 5 years, to raise achievement and share lessons learned with school districts around the country.

c. **Getting Good Teachers to Underserved Areas**

President Clinton has proposed a \$350 million initiative to attract talented people of all backgrounds into teaching at low-income schools across the nation, and to dramatically improve the quality of training and preparation given to our future teachers. This new initiative will help bring nearly 35,000 outstanding new teachers into high-poverty schools in urban and rural areas over the next five years. In addition, it will upgrade the quality of teacher preparation at institutions of higher education that work in partnership with local schools in inner-city and poor rural areas. The President's proposal would offer scholarships to those students preparing to become teachers who will teach in targeted communities for at least three years. This effort will help recruit and prepare teachers nationwide to help our neediest students succeed in the 21st century.

d. **High Hopes**

The President's High Hopes initiative provides children and their families at middle and junior high schools in low-income communities with a 21st Century Scholar certificate -- an official, early notification of the amount of their eligibility for Federal college aid. To make the hope of a college education a reality, the High Hopes initiative encourages degree-granting colleges to establish partnerships with middle and junior high schools with large concentrations of low-income children. Working with parents, community and religious groups, and businesses, these partnerships provide information about what it means and what it takes to go to college, as well as support services -- such as mentoring, tutoring, college visits, summer programs, after-school activities, and counseling - - to help the children stay on track. The partnerships will help ensure that children have access to the rigorous core courses that prepare them for college and let parents know how they can help their children prepare for college.

e. **School Construction**

In order for students to learn and compete in the global economy, schools must be well equipped and able to accommodate smaller class sizes. To address this crucial issue of school construction and modernization, the President has proposed federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools. This is more than double the assistance proposed last year, which covered half of the interest on an estimated \$20 billion in bonds. Half

of this financial support will be allocated to the 100-120 school districts with the largest number of low-income children.

In addition, the President's FY 1999 budget proposes a 59% increase in funding for construction and facilities improvement and repair for Native American schools.

f. **Hispanic Education Action Plan**

This unprecedented, \$600 million commitment helps Latino youngsters master the basics of reading and math; it helps them learn English, stay in school, and prepare for college; and, ultimately, it helps them succeed in college. The initiative also helps Hispanic adults learn English, and expands educational opportunities for migrant youth and adults.

3. Economic Opportunity

a. **Welfare-to-Work Housing Vouchers**

The President's FY99 budget includes \$283 million for 50,000 new vouchers exclusively for people who need housing assistance to make the transition from welfare to employment. Local agencies would have great flexibility to design and operate the welfare-to-work voucher program within broad national guidelines, to encourage maximum local creativity and innovation.

Families could use these housing vouchers to move closer to a new job, to reduce a long commute, or to secure more stable housing to eliminate emergencies that keep them from getting to work every day on time. These targeted vouchers will give people on welfare a new tool to make the transition to a job and succeed in the work place.

b. **Access to Jobs**

Many low-income workers and those moving from welfare to work have difficulty accessing jobs, training, and other services such as child care because of inadequate transportation. Public transit systems often do not adequately serve new suburban job centers, nor do they adequately serve workers who have evening and weekend shifts. Forty percent of rural counties have no public transportation at all.

The Access to Jobs initiative, proposed by President Clinton, is a competitive grant program that will provide flexible resources to assist states and communities as they develop innovative transportation alternatives such as vanpools and late-night and weekend services. This initiative will foster partnerships between transportation and human services agencies, and support the capital and operating costs of new services. Access to Jobs will build on and leverage other

transportation resources by requiring a dollar-for-dollar match. The transportation bill passed by Congress provides up to \$150 million a year for this initiative.

c. **Empowerment Zones (Round II)**

The FY99 budget proposes \$150 million a year for 10 years for a second round of HUD Urban Empowerment Zones grants. These grants would provide performance-oriented flexible funding for the 15 urban zones authorized in the Taxpayer Relief Act. A related proposal provides \$20 million a year for 10 years in USDA funding for a second round of rural EZs. The FY99 budget funds Round II EZs at levels comparable to those in Round I: \$100 million per urban zone and \$40 million per rural zone. This funding complements tax benefits provided for Round II in the Taxpayer Relief Act.

d. **Economic Development Initiative(EDI)/Community Empowerment Fund**

This proposal would allocate \$400 million for the Economic Development Initiative (EDI), to leverage private sector funding for job-creating projects -- nearly tripling the FY98 \$138 million appropriation. EDI funds allow communities to make greater use of HUD's Section 108 loan guarantee program. The Administration plans to use EDI and Section 108 guarantees together to stimulate creation of a true secondary market in economic development loans, by standardizing the underwriting criteria for Section 108-backed project loans and by pooling these loans. This would build on such secondary market activity already underway.

e. **Community Development Financial Institutions (CDFI)**

The Administration has requested a \$45 million increase in CDFI funding (from \$80 million to \$125 million), to allow the CDFI Fund to provide additional financial assistance to the growing CDFI field and to expand a training and technical assistance initiative. The increased funding would also be used, in part, to accelerate development of a secondary market for CDFI loans, complementing the EDI-funded effort.

f. **Opportunity Areas for Out of School Youth**

Proposed in the President's FY 1998 Budget, the Youth Opportunity Areas initiative will provide \$250 million in "seed capital" grants to Empowerment Zones, Enterprise Communities, and other high poverty areas to boost the employment rate among out-of-school youth. Congress provided a \$250 million FY 1999 advance appropriation for the initiative, contingent on enactment by July 1, 1998 of authorizing legislation. The Administration is working with Congress to ensure enactment of job training reform legislation and secure funding for this important initiative.

g. **Expanded Youthbuild**

This program provides high school dropouts aged 16-24 with general academic and job skills training, as well as apprenticeships constructing and rehabilitating affordable housing. The 1998 Appropriations bill included \$35 million for Youthbuild, as a set-aside within the Community Development Block Grant (CDBG) program. The President's FY 1999 budget requests \$45 million in funding for Youthbuild outside CDBG.

4. Health Care

a. **Children's Health Outreach**

Minority children make up a disproportionate number of the over ten million uninsured children. African-American children make up 25 percent of uninsured children and Hispanic children make up 30 percent of all uninsured children -- more than twice their percentage of the overall population. The President's budget proposes options for States to access higher Federal matching funds for outreach activities and to temporarily enroll children at sites like schools.

b. **Race & Health Initiative**

In February of this year, President Clinton announced a \$400 million initiative that sets a national goal of eliminating by the year 2010 longstanding disparities in health status that affect racial and ethnic minority groups. The initiative will focus on ending disparities in six key health areas: infant mortality; diabetes; cancer screening and management; heart disease; AIDS; and immunizations. The President announced that the Federal government will, for the first time, set high national health goals for all Americans, ending a practice of separate, lower goals for racial and ethnic minorities. To help reach these ambitious targets, the President also announced a five-step plan to mobilize the resources and expertise of the Federal government, the private sector, and local communities to eliminate disparities that for too long have been treated as intractable.

5. Housing

a. **Expand Low Income Housing Tax Credit by 40 percent**

The IRS allocates annually to each State an amount of low-income housing tax credits equal to \$1.25 per resident. This limit has not been adjusted since the credit was created in 1986; thus, the purchasing power of the credit has declined by 40 percent since that date. The Administration's budget calls for increasing the limit by 40 percent to \$1.75 per capita, at a cost of \$1.6 billion over 5 years. This expansion will help develop an additional 150,000 to 180,000 affordable rental units over the next five years.

b. **“Play-by-the-Rules” Homeownership Initiative**

The FY 1999 budget for the Neighborhood Reinvestment Corporation includes \$25 million for a new initiative that would make the dream of homeownership more accessible to families who have a good rental history but are currently underserved by the housing sales market. Under this initiative, 10,000 lower-income and often minority families who are currently renting would be provided with homeownership counseling, training, and flexible assistance for down payment or closing costs, second mortgage loans for debt reduction, or rehabilitation loans.

c. **Expanding Homeownership and Revitalizing Disadvantaged Areas**

Homeownership Zones

The FY 1999 budget includes \$25 million for Homeownership Zones. The funding would be used by communities to reclaim abandoned and distressed neighborhoods through the creation of large-scale developments of owner-occupied single-family homes. Funds could be used for property acquisition, housing construction, housing rehabilitation, demolition, site preparation, homeownership counseling, relocation, housing marketing, activities to further fair housing, and other activities essential to homeownership.

Home Loan Guarantee Program

This \$11 million initiative would allow States and localities to use HOME funds as collateral to leverage private loans for large-scale affordable housing developments in distressed communities. Under this program, HUD would guarantee private loans of up to five times the jurisdiction’s most recent HOME allocation.

d. **Housing Mobility Initiatives**

Regional Opportunity Counseling

Under this program, public housing authorities partner with nonprofits to provide counseling to Section 8 certificate and voucher holders, to ensure that they are aware of the full range of housing options. Studies have found that when Section 8 families are ready to move, they tend to search for housing in areas with which they are familiar. Unfortunately, these areas tend to be similar, and in close physical proximity, to their original high-poverty neighborhoods. This program also entails recruiting landlords to accept Section 8 families.

HUD allocated \$36.7 million for the 16 regional opportunity counseling sites in FY 1996, and the Administration requested an additional \$20 million for FY 1998 (as a set-aside in the Section 8 tenant-based account) to expand the program to additional sites. The FY 1998 VA-HUD Appropriations Act did not, however, include this set-aside. The Administration is again requesting \$20 million for regional opportunity counseling.

Incentive to Reduce Poverty Concentrations of Housing Certificate and Voucher Families

The FY 1999 budget includes language giving the Secretary of HUD the option to provide bonuses to PHAs for increases in the number of Section 8 voucher and certificate holders moving to lower-poverty areas. This portability bonus would encourage PHAs to undertake additional outreach efforts to landlords in low-poverty areas to identify more housing options for voucher and certificate holders. The bonus would apply to moves both within and outside the PHA's service area.

6. Crime and Law Enforcement

a. **Hate Crimes Conference**

On November 10, 1997, the President and Attorney General Janet Reno hosted the first-ever White House Conference on Hate Crimes, which featured many experts and law enforcement officers from around the country. The President announced significant law enforcement and prevention initiatives to get tough on hate crimes. The initiatives included: support for legislation which expands the federal hate crimes statute to include hate crimes based on sexual orientation, gender, or disability; creation of a network of local hate crime working groups; the addition of upwards of 50 FBI agents and federal prosecutors to enforce hate crimes; improved collection of data on hate crimes; and materials to help educate the public -- especially youth -- about hate crimes.

b. **COPS Grants to Underserved Areas**

On May 29, 1998, the President announced a new COPS Office initiative to bring more police and more community policing to America's neighborhoods that need them most. Under this initiative, 18 cities will share \$106 million to allow the hiring of 620 new community policing officers. The pilot cities were selected following an analysis of crime, demographic, and economic data. The common denominator of these cities, either as a whole or in certain neighborhoods, is that they face some of the highest per population levels of crime and/or economic distress in the United States.

c. **Community Prosecutors**

The President's FY 1999 budget proposed a new initiative, funded at \$50 million, to promote community prosecution, which builds on effective community policing strategies. Thousands of police departments have learned how to put police directly in communities and work with citizens to cut crime. Now communities are turning to local prosecutors to play a more active role in the crime fighting effort, by spending time in their neighborhoods, helping solve local crime problems, and preventing crimes from happening in the first place. The President's initiative will provide grants to communities across the nation to

encourage these efforts.

d. **Indian Country Law Enforcement**

The President's budget proposes a \$182 million initiative within the Justice and Interior Departments to address the public safety crisis in Indian country by strengthening Indian country law enforcement in such areas as the number of officers per capita and the quality of detention facilities, primarily through anti-crime grants to Indian jurisdictions.

7. Child Care

a. **\$7.5 billion for Child Care and Development Block Grant**

These new funds will double the number of children in low and moderate-income families receiving child care subsidies to two million by the year 2002.

b. **After-School Programs**

This initiative provides after-school care for up to 500,000 children per year by expanding the 21st Century Community Learning Center Program to provide start-up funds to additional school-community partnerships to establish before and after-school programs for school-age children at public schools. This will expand the 21st Century Learning Fund by \$800 million over 5 years to allow 4,000 schools across the country to implement after-school programs for approximately 500,000 children each year.

c. **Early Learning Fund**

The President's budget also includes the establishment of a fund with \$3 billion over five years to provide grants to communities to promote early childhood development and improve child care quality for young children.

~~Way to make more concrete promises~~

John -

When is the Urban Institute releasing their report re: testing (?)

We could (maybe) make an event (Potus or VPotus) out of this.

Draft comes to HUD in 2 weeks.
Edley & agencies review
Refusions made
Final report

July 30 - Aug 15

Edley has talked of it as POTUS
issue

ONE AMERICA IN THE 21ST CENTURY: THE PRESIDENT'S INITIATIVE ON RACE

"Today, I ask the American people to join me in a great national effort to perfect the promise of America for this new time as we seek to build our more perfect union....That is the unfinished work of our time, to lift the burden of race and redeem the promise of America."

-- President Clinton, June 14, 1997

The President's Plan. The President is leading the nation in an effort to become One America in the 21st Century: a place where we respect others' differences and, at the same time, embrace the values that unite us. To achieve this goal, President Clinton has developed the following plan:

- 1) Continue To Develop Policy That Offers Opportunity To All Those Who Work For It.** Taking the recommendation of the President's Advisory Board, the primary focus of our policy actions will be to enhance educational and economic opportunity. A number of policy actions have been announced, including creating education empowerment zones, increasing quality teaching in undeserved areas and stepping up enforcement to stop discrimination in housing.
- 2) Engage Americans In A Broad And Constructive Dialogue.** The President is encouraging communities across the country to engage in constructive dialogues on race. He is calling on them, not only to stand against discrimination, but also to build greater understanding across racial lines, and find resolutions to honest differences. From constructive dialogue, positive actions take root, like the Akron Coming Together Project.
- 3) Highlight Promising Practices That Are Working.** Community efforts are crucial to the success of the President's Initiative on Race. In communities throughout the country, people are working to bridge racial divides and to create equal opportunity for all. The Race Initiative staff is identifying and creating a compilation of these efforts, named "promising practices," so that others may participate in them or replicate them in their own communities, schools, businesses and religious organizations. These promising practices have been highlighted on the One America web site, at the President's Akron Town Meeting and Advisory Board Meetings.
- 4) Recruit Leaders.** The President is reaching out to leaders in several areas of American life with a special emphasis on recruiting youth, education, religious and business leaders. "One America" leaders are those people who take up the President's call by organizing efforts in their communities or professions. Through their leadership, the President's Initiative on Race will reach communities throughout the nation.
- 5) Focus On The Youth Of America.** The initiative has a special focus on youth. As our nation becomes more integrated in this era of global diversity, we need the active engagement of our nation's young people, because they will eventually lead this new America.
- 6) Advisory Board.** The President appointed a small, diverse group that will advise and assist him in outreach efforts and consultations with experts. They were chosen based on their outstanding leadership on this issue and their contributions to America's ongoing dialogue about race and reconciliation.
- 7) Deliver A Report from the President.** The President will issue a report in which he will: 1) present his vision of One America, including an assessment of the growing diversity of our nation; 2) reflect the work that has occurred during the initiative; and 3) provide recommendations and solutions that enable individuals, communities, businesses, public and private organizations and government at all levels to address difficult issues and build on our best possibilities.

THE PRESIDENT'S INITIATIVE ON RACE: Taking Action To Help Build One America

SUMMARY OF MAJOR EVENTS / ANNOUNCEMENTS AS OF JUNE 17, 1998
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DEVELOPING POLICY THAT OFFERS OPPORTUNITY TO ALL THOSE WHO WORK FOR IT

Civil Rights

Increased Civil Rights Enforcement: On Martin Luther King Jr. Day, January 19, 1998, Vice President Gore addressed the congregation at Ebenezer Baptist Church in Atlanta, Georgia. The Vice President announced the Administration's proposal for the largest single increase in the enforcement of our civil rights laws in nearly two decades. Through new reforms and heightened commitment to enforcement, the Administration will seek to prevent discrimination before it occurs, and punish those who do discriminate in employment, education, housing, health care, and against those with disabilities. The Clinton Administration's FY 1999 budget contains \$602 million for civil rights enforcement agencies and offices -- an increase of \$86 million over last year's funding. Examples of the increased enforcement are:

Equal Employment Opportunity Commission (EEOC): \$279 million (\$37 million increase) will be provided for the expansion of the EEOC's Alternative Dispute Resolution (ADR) program over three years. The budget increase will allow more complainants to choose mediation, rather than the lengthy process of investigation and litigation. It also sets specific performance goals for the EEOC to reduce its backlog. Through increased use of mediation, improved information technology, and an expanded investigative staff, the EEOC will reduce the average time for resolving private sector complaints from over 9.4 months to 6 months, and cut the case backlog from 64,000 to 28,000, by the year 2000.

Housing & Urban Development (HUD) -- Fair Housing: Last Fall, HUD announced a plan to double the number of civil rights enforcement actions by the year 2000 in response to the increase in reported cases of serious fair-housing violations. HUD has also committed \$15 million to 67 fair-housing centers around the country to assist in fighting housing discrimination this year. In addition, the President's budget proposes \$10 million for a targeted enforcement initiative that will use paired testing -- in which identical applicants of different races or genders approach Realtors or landlords -- to detect and eliminate housing discrimination. This systematic, focused testing strategy will provide a more accurate assessment of housing discrimination and increased public awareness while facilitating enforcement actions against violators of the fair housing law.

Coordination of Civil Rights: The President's budget proposes an additional \$1 million to allow the Department of Justice's Civil Rights Division to enhance coordination of federal civil rights enforcement policy among agencies. Improved coordination will lead to more consistent enforcement of civil rights laws, broader dissemination of best practices, and improved data collection.

Education

Reducing Class Size In Early Grades: In his State of the Union address, President Clinton proposed a 7-year \$12.4 billion initiative (\$7.3 billion over 5 years) to help local schools provide small classes with qualified teachers in the early grades. This initiative will help ensure that every child receives personal attention, gets a solid foundation for further learning, and learns to read independently by the end of third grade. Research shows that smaller classes have a particularly large impact for minority and low-income students. This new initiative will reduce class size in grades 1-3 to a nationwide average of 18, by providing funds to help local school districts hire an additional 100,000 well-prepared teachers. States will receive funds for teacher training, and new teachers will be required to pass state competency tests.

Education Opportunity Zones: President Clinton's Education Opportunity Zones initiative will strengthen public schools and helps students master the basics where the need is the greatest: in high poverty areas where low expectations, too many poorly prepared teachers and overwhelmed school systems create significant barriers to high achievement. The Education Department will select approximately 50 high poverty urban and rural school districts with a track record for improving achievement and that agree to: (1) use high standards and tests of student achievement to identify and provide help to students, teachers and schools that need it; (2) prevent students from falling behind by ensuring quality teaching, challenging curricula, and extended learning time; and (3) end social promotion and turn around failing schools. Added investments in these communities will accelerate their progress and provide successful models of system-wide, standards-based reform for the nation. The President's initiative will invest \$200 million in Fiscal Year 1999, and \$1.5 billion over 5 years, to raise achievement and share lessons learned with school districts around the country.

Getting Good Teachers to Underserved Areas: President Clinton has proposed a \$350 million initiative to attract talented people of all backgrounds to teach at low-income schools, and to dramatically improve the quality of future teacher training and preparation. This new initiative will help bring nearly 35,000 new teachers into high-poverty schools in urban and rural areas over the next five years. In addition, it will upgrade the quality of teacher preparation at institutions of higher education that work in partnership with inner-city and poor rural area schools.

High Hopes for America's Youth: The President's High Hopes initiative provides children and their families at middle and junior high schools in low-income communities with a 21st Century Scholar certificate -- an official, early notification of the amount of Federal college aid they will be eligible for. The High Hopes initiative would provide \$40 million in FY 1999 to encourage degree-granting colleges to establish partnerships with middle and junior high schools with large numbers of low-income children. Working with parents, community and religious groups, and businesses, these partnerships provide information about what it means and what it takes to go to college, as well as support services -- such as mentoring, tutoring, college visits, summer programs, after-school activities, and counseling -- to help the children stay on track.

School Construction and Modernization: Schools must be well equipped and able to accommodate smaller class sizes if students are to learn and compete in the global economy. To address this crucial issue of school construction and modernization, the President has proposed federal tax credits to pay interest on nearly \$22 billion in bonds to build and renovate public schools. This is more than double the assistance proposed last year. In addition, the President's FY 1999 budget proposes a 59% increase in funding for construction, facilities improvement, and repair of Native American schools.

Hispanic Education Action Plan: The President's FY 1999 budget includes \$600 million to help Latino youngsters master the basics of reading and math. It helps them learn English, stay in school, and prepare for college; and, ultimately, succeed in college. The initiative also helps Hispanic adults learn English, and expands educational opportunities for migrant youth and adults.

Economic Opportunity

Access to Jobs: Many low-income workers and those moving from welfare to work have difficulty accessing jobs, training, and other services such as child care because of inadequate transportation. Public transit systems often do not adequately serve new suburban job centers or workers who have evening and weekend shifts. Forty percent of rural counties have no public transportation at all.

The Access to Jobs Initiative, proposed by President Clinton, is a competitive grant program that will provide flexible resources to assist states and communities as they develop innovative transportation alternatives such as vanpools and late-night and weekend service. This initiative will foster partnerships between transportation and human services agencies, and support the capital and operating costs of new services. Access to Jobs will build on and leverage other transportation resources by requiring a dollar-for-dollar match. The transportation bill passed by Congress provides up to \$150 million a year for this initiative.

Welfare-to-Work Housing Vouchers: The President's FY99 budget includes \$283 million for 50,000 new vouchers exclusively for people who need housing assistance to make the transition from welfare to work. Local agencies would have flexibility to design and operate the welfare-to-work voucher program within broad national guidelines, encouraging maximum local creativity and innovation. Families could use these housing vouchers to move closer to a new job or secure more stable housing.

Empowerment Zones (Round II): The President's FY 1999 budget proposes \$150 million a year for 10 years for a second round of U.S. Department of Housing and Urban Development (HUD) Urban Empowerment Zone (EZ) grants. These grants would provide funding for the 15 urban zones authorized in the Taxpayer Relief Act. A related proposal provides \$20 million a year for 10 years in U.S. Department of Agriculture (USDA) funding for a second round of rural EZs. The funds will be used for economic and social development activities in distressed communities. The FY 1999 budget provides \$100 million for each urban zone and \$40 million each rural zone.

Economic Development Initiative(EDI)/Community Empowerment Fund: This proposal would allocate \$400 million for the Economic Development Initiative (EDI) to leverage private sector funding for job-creating projects - nearly tripling the FY 1998 appropriation. These funds allow communities to make greater use of HUD's Section 108 loan guarantee program. The Administration plans to use EDI and Section 108 loan guarantees together to stimulate the creation of a secondary market in economic development loans.

Community Development Financial Institutions (CDFI): The Administration has requested a \$45 million increase in CDFI funding (from \$80 million to \$125 million) to allow the CDFI Fund to provide additional financial assistance to the CDFI field and to expand its training and technical assistance initiative.

Supporting Minority Business Communities: On February 10, Vice President Gore unveiled an aggressive plan to increase lending and business services to the African-American business community nationwide. Through this plan, the Small Business Administration (SBA) committed to more than doubling the amount of capital and credit the community receives. The SBA Administrator has set a goal of providing over 9,300 loans to African-American small businesses, over a 3-year period, totaling nearly \$2 billion. Also, in May 1998 the SBA announced new agreements with the Hispanic Chamber of Commerce and the National Black Chamber of Commerce aimed at increasing technical assistance and financing available to minority communities.

Opportunity Areas for Out of School Youth: Proposed in the President's FY 1998 budget, the Youth Opportunity Areas initiative will provide \$250 million in "seed capital" grants to Empowerment Zones, Enterprise Communities, and other high poverty areas to boost the employment rate among out-of-school youth. The Administration is working with Congress to ensure enactment of job training reform legislation and to secure funding for this important initiative.

Expanded Youthbuild: This program provides high school dropouts aged 16-24 with academic and job skills training, as well as apprenticeships in building and rehabilitating affordable housing. The 1998 Appropriations bill included \$35 million for this program as a set aside within the Community Development Block Grant (CDBG) program. The President's FY 1999 budget requests \$45 million in funding for Youthbuild outside CDBG.

Housing

Expand Low Income Housing Tax Credit by 40 percent: The Internal Revenue Service (IRS) allocates annually to each State low-income housing tax credits equal to \$1.25 per resident. This limit has not been adjusted since the credit was created in 1986 and therefore, the purchasing power of the credit has declined by 40 percent. To adjust for that, the Administration's FY 1999 budget calls for increasing the limit by 40 percent to \$1.75 per capita, at a cost of \$1.6 billion over 5 years. This expansion of credit will help to develop as many as 180,000 additional affordable rental units over the next five years.

“Play-by-the-Rules” Homeownership Initiative: The FY 1999 budget for the Neighborhood Reinvestment Corporation includes \$25 million for a new initiative that would make homeownership more accessible to families who have a good rental history but are currently underserved by the housing sales market. Under this initiative, 10,000 lower-income and minority families who are currently renting would be provided with homeownership counseling, training, and flexible assistance for down payment or closing costs, second mortgage loans for debt reduction, or rehabilitation loans.

Homeownership Zones: The FY 1999 budget includes \$25 million for Homeownership Zones. The funding would be used by communities to reclaim abandoned housing and distressed neighborhoods by creating large-scale developments of owner-occupied single-family homes. Funds could be used for property acquisition, housing construction and rehabilitation, demolition, site preparation, homeownership counseling, relocation, housing marketing, activities to further fair housing, and other activities essential to homeownership.

Regional Opportunity Counseling: Under this program, public housing authorities partner with nonprofit organizations to provide counseling to Section 8 certificate and voucher holders to ensure that they are aware of the full range of housing options. This program also includes recruitment of landlords to accept Section 8 families. HUD allocated \$36.7 million for 16 regional opportunity counseling sites in FY 1996, and the President requested an additional \$20 million for FY 1998 (as a set-aside in the Section 8 tenant-based account) to expand the program to additional sites. The Fiscal Year 1998 VA-HUD Appropriations Act did not, however, include this set-aside. The Administration is again requesting \$20 million for regional opportunity counseling.

Incentive to Reduce Poverty Concentrations of Housing Certificate and Voucher Families: The President’s FY 1999 budget provides HUD the option to offer bonuses to Public Housing Authorities (PHAs) for increasing the number of Section 8 voucher and certificate holders who move to lower-poverty areas. This portability bonus would encourage PHAs to identify broader housing options for voucher and certificate holders by conducting outreach to landlords in those areas.

Crime

Fighting Hate Crimes: On November 10, 1997, the President and Attorney General Janet Reno hosted the first White House Conference on Hate Crimes which featured experts and law enforcement officers from around the country. The President announced significant law enforcement and prevention initiatives to get tough on hate crimes. These initiatives include: support for legislation to expand the federal hate crimes law to cover crimes based on sexual orientation, gender, or disability; the creation of a network of local hate crime working groups; the addition of approximately 50 FBI agents and federal prosecutors to enforce hate crimes laws; improved collection of data on hate crimes; and production of materials to educate the public -- especially youth -- about hate crimes.

Community Oriented Policing Services (COPS) Grants to Underserved Areas: On May 29, 1998, the President announced a new initiative in the COPS Office to increase police presence and community policing in neighborhoods that need them most. Under this initiative, 18 cities will share \$106 million to hire 620 new community policing officers. The pilot cities were selected following an analysis of crime, demographic, and economic data. The common denominator of these cities (either as a whole or in certain neighborhoods) is that they face some of the highest per population levels of crime and/or economic distress in the United States.

Community Prosecutors: The President’s FY 1999 budget proposed a new \$50 million initiative to promote community prosecution, which builds on effective community policing strategies. Thousands of police departments have learned how to put police directly in communities and work with citizens to cut crime. Now communities are turning to local prosecutors to play a more active role in the crime fighting effort, by spending time in their neighborhoods, helping solve local crime problems, and preventing crimes before they happen. The President’s initiative will provide grants to communities across the nation to encourage these efforts.

Indian Country Law Enforcement: The President’s FY1999 budget proposes a \$182 million initiative within the Justice and Interior Departments to address the public safety crisis in Indian country. The initiative will strengthen Indian country law enforcement, primarily through anti-crime grants to Indian jurisdictions, by increasing the number of officers per capita and improving the quality of detention facilities.

Health

Eliminating Ethnic Health Disparities: On February 21, 1998, President Clinton announced a \$400 million initiative that sets a national goal of eliminating, by the year 2010, longstanding disparities in health status that affect racial and ethnic minority groups in six key health areas: infant mortality; diabetes; cancer screening and management; heart disease; AIDS; and immunizations. Under the initiative, the Federal government, for the first time, set national health goals for Americans of all races, ending the practice of separate, lower goals for racial and ethnic minorities. To help reach these targets, the President also announced a five-step plan to mobilize the resources and expertise of the Federal government, the private sector, and local communities to eliminate disparities that for too long have been treated as intractable.

Children's Health Outreach: Minority children make up a disproportionate number of the over ten million uninsured children. African-American children make up 25 percent of uninsured children and Hispanic children make up 30 percent of all uninsured children -- more than twice their percentage of the overall population. The President's budget proposes options for States to access higher Federal matching funds for outreach activities and to temporarily enroll children at sites like schools.

Child Care

Child Care and Development Block Grant: The President's budget provides \$7.5 billion in block grants to help working families afford safe, high quality child care. These new funds will double the number of children in low and moderate-income families receiving child care subsidies to two million by the year 2002.

After-School Programs: This initiative expands the 21st Century Community Learning Center Program to provide start-up funds to additional school-community partnerships to establish before and after-school programs at public schools. This will expand the 21st Century Learning Fund by \$800 million over 5 years to allow 4,000 schools across the country to implement after-school programs for up to 500,000 children each year.

Early Learning Fund: The President's FY 1999 budget also includes the establishment of a \$3 billion fund over five years to provide grants to communities to promote early childhood development and improve child care quality for young children.

ENGAGING AMERICANS IN A BROAD AND CONSTRUCTIVE DIALOGUE

Presidential Town Meetings. On April 14, 1998, the President held his second national conversation on Race in Houston, Texas. The Town Hall session, focusing on race and sports, was broadcast by ESPN. President Clinton opened up the national dialogue on race relations with his first Town Hall Meeting was held on December 3, 1997 in Akron, Ohio. More than ninety "watch parties" were set up around the nation to observe the Akron Town Meeting with attendance by members of the Advisory Board, the President's Cabinet, and senior Administration officials. On Capitol Hill, Congresswoman Eleanor Holmes Norton (D-DC) and Congressman Tom Davis (R-VA) sponsored a mini-Town-Hall for the D.C. area.

Advisory Board. The President's Race Initiative Advisory Board is actively involved in public outreach efforts to engage Americans across the nation in this historic effort. To date, the Advisory Board has held 8 public meetings in 5 states and the District of Columbia on issues ranging from education to employment. Board members have also individually attended and participated in several hundred meetings with a wide cross-section of communities and constituencies.

American Indians/Alaska Natives. American Indians and Alaska Natives have been integrated into the dialogue work of the Initiative, as panelists at Advisory Board meetings and in special Tribal leaders meetings hosted by the Initiative. In addition, Advisory Board members and Initiative staff have participated in regional and national conferences hosted by American Indians and Alaska Natives to hear directly from Indian country.

April 1998: A Month of Dialogue. The month of April 1998 was designated by the President's Initiative on Race as a "Month of Dialogue." From April 6-9, 600 colleges and universities were engaged in a "Campus Week of Dialogue" organizing hundreds of race-related events across the nation. On April 30, 41 governors, 22 mayors and more than 100 communities engaged in dialogues on race during a Statewide Day of Dialogue.

Conversations That Bring Us Together. The Administration has launched a program that enlists Administration appointees, Advisory Board Members, Cabinet Members, and Race Initiative staff to host conversations in towns and cities throughout the nation. Thousands have taken part in these conversations in cities across the nation.

Super Bowl XXXII PSA. In a unique partnership, the White House and the National Football League teamed up to create a public service announcement for President Clinton's Initiative on Race. The PSA aired before an estimated audience of 140 million people prior to the Superbowl kick-off. The spot highlighted examples of players from different racial and ethnic backgrounds coming together for a common goal. President Clinton reminded all Americans that we are on the same team, and that through working together, we can build One America.

Presidential Meeting With Conservative Writers and Academics. When President Clinton launched his Race Initiative, he called for a national dialogue that includes views from wide array of people. On December 19, President Clinton brought together a group of conservative -- including Ward Connerly, Abigail and Stephan Thernstrom, Linda Chavez and Elaine Chao -- to continue the dialogue and listen to their opinions on race relations in America.

Major Study Project. In May, the President's Initiative on Race announced that the National Research Council (NRC), the research arm of the National Academy of Sciences, will coordinate studies by prominent researchers on a range of topics related to race, including demographic trends. The work will focus will include findings about all groups: whites, blacks, American Indians, Hispanics and Asian Pacific Americans. The project will culminate in October with a major research conference to review the studies, Washington, DC, and the release of a final volume.

Forums on Race. Advisory Board members have held eight meetings on specific issues related to race and education, health, economic opportunities, stereotyping, and administration of justice throughout the country. Three corporate leaders forums and two religious leaders forums were held in various regions of the country, and Advisory Board members have participated in hundreds of events nationwide, such as the sessions held by the University of Mississippi and attended by four Advisory Board members. That event was designed to bring together campus and community leaders in an on-going basis to improve race relations.

Informing The Nation. For the first time in history, the President's Economic Report to Congress included an entire chapter devoted to reviewing trends in racial and ethnic economic inequality.

HIGHLIGHTING PROMISING PRACTICES THAT ARE WORKING TO BUILD ONE AMERICA

Highlighting Promising Practices. One of the critical elements of the Race Initiative is identifying and highlighting local and national efforts to promote racial reconciliation. The Race Initiative is compiling and assessing information on a extensive listing of "promising practices" which are those local communities and organizations and national groups working to bring people together as one America. To date, 150 such promising practices have been identified, and the list continues to grow.

Making Martin Luther King, Jr.'s Birthday A "Day On" Instead of A "Day Off." In 1994, President Clinton signed into law the King Holiday and Service Act making the holiday a day of service that would brings people together, promote racial cooperation and help to solve problems through citizen action. This year the Corporation for National Service provided \$225,000 in grants to 73 sites across the nation to help spur service projects on MLK Day. On January 19, in honor of Martin Luther King Day, President Clinton helped paint classrooms at Cardozo High School in Washington, D.C., Vice President Gore addressed the congregation at Ebenezer Baptist Church in Atlanta, Georgia and the First Lady read to children in Washington, D.C. Also, 12 Cabinet Secretaries, agency administrators, members of the Race Initiative's Advisory Board, and other White House and Administration staff joined in celebrating Dr. King's birthday by participating in community service events.

First Lady Highlights Boston "Team Harmony" Promising Practice. To highlight successful community efforts, Mrs. Clinton visited Boston, Massachusetts on December 9, 1997 and participated in a similar event in Washington, D.C. on May 28 to highlight "Team Harmony," a program that brings together youth of different backgrounds. More than 8000 Boston youth participated in Mrs. Clinton's visit and over 2,000 young people attended the Washington, D.C. event.

RECRUITING LEADERS TO HELP BUILD ONE AMERICA

Calling On Wall Street To Invest In Untapped Potential Of Our Diversity. On January 15, 1998, President Clinton joined Reverend Jesse L. Jackson at the "Wall Street Project" Conference at the World Trade Center in New York City. The President told business executives that Wall Street must "draw on the talent and diversity of all our people in communities long bypassed by capital but full of potential." Treasury Secretary Robert E. Rubin, Federal Reserve Chairman Alan Greenspan, and Securities and Exchange Commission Chairman Arthur Levitt Jr. also participated in the event.

Creating Historic Partnerships. On February 19, 1998, Vice President Gore and SBA Administrator Alvarez announced an unprecedented agreement with the "Big Three" U.S. automakers that will increase subcontracting awards to minority businesses by nearly \$3 billion over the next 3 years -- a 50 percent increase over current levels. The agreement among SBA, General Motors Corp., Ford Motor Co. and Chrysler Corp.-- the first of its kind -- is an important public-private partnership that will improve opportunities for minority-owned small businesses in a major industry.

Mobilizing Business Leaders. On April 2, 1998, Vice President Gore announced a series of business roundtable discussions during an appearance on *Black Entertainment Television(BET)*. This series will be chaired by the Vice President and will consist of four meetings with business leaders to discuss issues involving minorities and the business world.

Holding Corporate Forums Across the Country. Hundreds of corporate leaders have participated in corporate forums held by the Initiative in conjunction with members of the President's Cabinet. These forums have taken place across the country -- from Florida to Arizona to California.

Partnering With Universities. The American Council on Education (ACE) and the Association of American Colleges and Universities (AAC&U) have agreed to partner with the Race Initiative to encourage colleges and universities to conduct special programs focusing on race and diversity in American society. The combined membership of ACE and AACU includes approximately 2000 colleges and universities, more than half of the accredited, degree-granting institutions in America.

Reaching Out To Religious Leaders. The Advisory Board has joined with the religious community in efforts to organize the national faith community so that they too can play an integral part in the effort. Forum have been held in New Orleans and Louisville, Kentucky for hundreds of religious leaders.

Outreach to the American Indians. In meetings in Washington, D.C., and around the country, Tribal leaders have met with Advisory Board members and Initiative staff to offer their advice and recommendations about the unique challenges facing Indians in building one America. The Initiative is also identifying Tribal leaders who are working in their own communities to respond to these challenges.

FOCUSING ON THE YOUTH OF AMERICA

Public Service Announcement Released. On December 2, 1997, the President's Initiative on Race released a public service announcement developed in conjunction with the Leadership Conference on Education Fund and the Ad Council. The PSA challenges youth to become more active in fighting against racism and prejudice, and asks encourages them to tell President Clinton what they are doing to improve race relations in America.

Call To Action To Young Leaders. On November 28, 1997, the President sent a letter to 25,000 high school senior class presidents, college and university class presidents, and other young leaders from national and local organizations. In the letter, President Clinton issued a call to action by requesting young people to commit to participate in at least one project aimed at moving our country closer together. Hundreds of youth leaders from across the country have responded to the President's call. Many of these youth activities will be highlighted as promising practices on the One America Website at <http://www.whitehouse.gov/initiatives/oneamerica>.

Vice President Briefing With Youth Media. On December 1, 1997, the Vice President hosted a briefing at the White House for youth-oriented and specialty media, such as *Vibe Magazine*, *MTV* and *Univision*. At the briefing, the Vice President spoke about the Race Initiative's emphasis on youth and he called on the media representatives to find ways to use their creative energies to reach young people on the subject of race.

(Accomplishments Document as of June 17, 1998)