
Tonya -

Thought this might
interest you. please
return when you're done
with it.

Thanks.

Bill



=> Bill

Name: Rangel, Charles

U.S. Department of Education
Office of the Secretary - Control Document

Assigned to: OUS

Control #: OS95-15183

Priority: KEY

Due Date: 09/25/95

OS Doc #: 15183

Action: INFORMATION ONLY

Signature: AI

Writer: Rangel, Charles

Title:

Organization: House of Representatives

Salutation:

Subject: SENDS CC: OF LTR TO PRESIDENT CLINTON RE: THE UPPER
MANHATTAN EMPOWERMENT ZONE DEVELOPMENT CORP.

Notes: FYI: DS, OUS, HOLLEMAN, RINCK, OLCA

----- Assignment Tracking Section -----

ASSIGNED	COMMENT	DATE	DUE	RETURNED
OUS	INFORMATION ONLY	09/25/95	09/25/95	09/25/95

Keyer: DB

Reader: VMJ

Related Control #:

WP File:

CHARLES B. RANGEL
15th CONGRESSIONAL DISTRICT
NEW YORK

DEPUTY WHIP

COMMITTEE:

WAYS AND MEANS

SUBCOMMITTEE ON HUMAN
RESOURCES

SUBCOMMITTEE ON TRADE

JOINT COMMITTEE ON TAXATION

Congress of the United States
House of Representatives
Washington, DC 20515-3215

September 18, 1995

Honorable William J. Clinton
President of the United States
The White House
Washington, DC 20500

Dear President Clinton:

The Upper Manhattan Empowerment Zone Development Corporation is poised to begin its ambitious and historic process to revitalize Harlem, East Harlem, West Harlem, and Washington Heights/Inwood.

The projects selected as the principle programs for the Zone, will undoubtedly create a solid foundation upon which we can build. The Zone community has been very enthusiastic about the prospects for development in their neighborhoods. Vice President Gore's visit in March solidified the faith in this Administration's determination to mobilize public and private sector resources toward increasing economic opportunities in the Zone and throughout the nation.

The Zone has witnessed the advantages of changes in technology pass, without regard to the needs for such programs in the area. Vice President Gore has been adamant about bridging the chasm between the communication and information revolution on Wall Street, and the untapped potential of the Upper Manhattan community. Fortunately, the Empowerment Zone program has provided us with a unique opportunity to wake this "sleeping giant".

We have worked diligently to assemble major institutions and businesses to work toward the creation of programs and linkages within the Zone. AT&T, NYNEX, Paine Webber, Salomon Brothers, American Express, and the Travellers, are just a few of the corporations that have expressed interest. Their ability to bring the technology and resources that we need to the Zone, are phenomenal and certainly feasible within the next two years.

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Playing a major role in these negotiations has been George Rupp, President of Columbia University, who has led the initiative to share the advances in biotechnology and medical technology with the Zone. The creation of the Audubon Business and Technology Center that will become a training center with state-of-the-art equipment and laboratories, has been lauded as the first stage of making Harlem/Washington Heights/Inwood, the next Silicon Valley. Both he and I are determined to anchor technology awareness to this community, making the New York Empowerment Zone synonymous with educational and economic opportunity.

The establishment of new Communication and information technologies will also support the many economic development initiatives currently operating. Retail and food service companies have recently located in the Zone such as Duane Reade, Rite Aid, and White Castle, and the soon to be built Pathmark, brings the promise of 300 new jobs.

Other agencies, recognizing the wealth of possibilities in the Zone, have made important programmatic contributions: the Department of Education has used millions of dollars to fund career development and awareness programs; the Environmental Defense Fund in collaboration with Columbia University, has created the Harlem Environmental Access Project to connect Harlem schools to high speed networks that will provide a wide array of resources to teachers and students; the Department of Labor is making inroads toward securing employment opportunities for the community in the fields of technology and communications; the Department of Commerce is looking toward sponsoring the National Telecommunications and Information Administration and the Empowerment Zone Network Demonstration Project.

One of the most promising of our first phase projects is the development of the former Washburn Wire site, a 5.5 acre tract of land that figures prominently in our plans to advance the EZ's technology goals. Several proposals, including the Harlem Technology Park sponsored chiefly by City University of New York (CUNY), are being considered. Development of the site will increase employment opportunities for Zone residents, forge new public-private partnerships with major corporations that can generate business and entrepreneurial ventures, and dramatically increase the technological awareness and capability of the Zone.

Despite the potential for development, the process could be hampered by environmental impacts and cost issues compounded by the desire of the U.S. Economic Development Administration (EDA) to sell the facility in a public auction. Since EDA wishes to expedite the sale of this property, I am concerned that this event may preclude any developmental plans the Zone may be considering, resulting in the loss of a potentially lucrative economic generator.

It is the intention of the Empowerment Zone to conduct a feasibility study of this site to determine the developmental options. I am requesting your assistance in granting a stay of sale until the Empowerment Zone Development Corporation can acquire the necessary consultant reports on key planning issues and a time-table for pre-development activities and private sector interest.

Additionally, coordination of information and resources from various federal agencies may become necessary to complete a comprehensive feasibility of the site. The Zone community is very excited about the prospects of creating a technology park at Washburn Wire. Here, education and technology will play an integral role in the economic growth of the Zone.

Denise Scott, consultant in charge of the Empowerment Zone Transition Team, will be available to work with the person you designate to address the concerns noted here.

Your Empowerment Zone program is the consummate model for an urban agenda that will produce results. There is no question in my mind the commitments we have garnered and the unwavering support from your Administration, will launch us on a winning course. America's competitiveness in a global economy is embedded in the success of this program and its promise to provide employment and educational opportunities. The renewed confidence each resident can have in their future, is a direct result of your efforts. We will go forward together to fulfill this version for the Upper Manhattan Empowerment Zone and the nation.

Sincerely,

A large, stylized handwritten signature in black ink, which appears to read "Charles E. Rangel". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

CHARLES E. RANGEL
Member of Congress

CBR:wmf

cc: Secretary Ronald H. Brown, U.S. Department of Commerce
Secretary Richard W. Riley, U.S. Department of Education ✓
Administrator Carol M. Browner, EPA
Secretary Henry G. Cisneros, HUD
Secretary Donna E. Shalala, HHS
Secretary Robert B. Reich, U.S. Department of Labor
President George Rupp, Columbia University



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For your information —



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MEMBER OF CONGRESS
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CHARLES B. RANGEL

15TH CONGRESSIONAL DISTRICT
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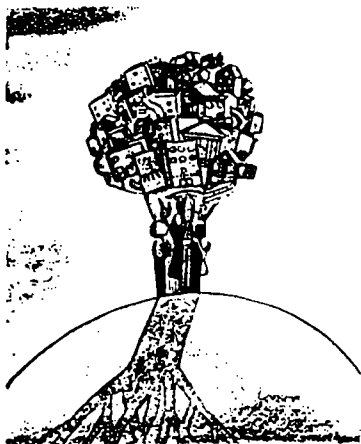
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2110 FIRST AVENUE
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DEPARTMENT OF EDUCATION (DOE)

How Department of Education Programs Can Support Activities In Empowerment Zones and Enterprise Communities

Education is integral to successful Empowerment Zones and Enterprise Communities. As communities implement strategic plans, they should consider how to coordinate existing federal, state and local education funds and programs with the other activities of the strategic plan.

Part I of this resource guide includes information on the DOE discretionary grant programs in which Empowerment Zones and Enterprise Communities may receive a preference in the award of funding.

This section of the resource guide discusses how funds that states and communities *already receive* under many Department of Education programs can be used to support some of the activities communities might wish to undertake. Below are examples of how four major formula grant programs — **Part A of Title I of the Elementary and Secondary Education Act**, the **Drug-Free Schools and Communities Act**, the **Adult Education Act**, and the **Carl D. Perkins Vocational and Applied Technology Education Act** — can support the type of innovative activities that Empowerment Zones and Enterprise Communities have indicated they want to develop. These four programs alone provide close to \$8 billion in education funding to states and communities around the nation.

This section also discusses the new flexibility available to states and communities — including waivers, flexible funding for coordinated services and consolidated planning — to develop comprehensive education reform strategies.

The basic principles of this community empowerment initiative — encouraging comprehensive and coordinated solutions, increasing flexibility, promoting family and parental involvement, expanding education and training opportunities, increasing opportunities in our most distressed communities, and reducing drug use and violence in the lives of youth — are also central to the Department of Education's mission and to the National Education Goals. We encourage "stretching the envelope" and using the funding that a community receives under programs with these basic principles in mind.

I. Major Department of Education Programs That Can Support Empowerment Zone Activities

Part A of Title I of the Elementary and Secondary Education Act

Contact: Mary Jean LeTendre

Phone: (202) 260-0826.

Title I, Part A, a \$6.7 billion program, supports local educational agencies in providing high-quality opportunities for students in high-poverty schools to meet challenging academic standards. New provisions in the law, which become effective

July 1, 1995, promote extending learning time in accelerated rather than remedial classes, expand eligibility for schools to operate schoolwide programs that serve all children in high-poverty schools, help achieve effective transitions from preschool to school and from school to work, establish accountability based on results, increase effective parental participation, and support coordination with health and social services.

Title 1 funds may be used to support a variety of activities designed to help educationally disadvantaged children in high-poverty areas reach high academic standards:

- Supplemental instruction in basic and more advanced skills during the school day. For example, in East Harlem, New York, the Title 1 program provides intensive, teacher-directed, small group and individualized reading instruction to children in grades 2 through 9. Monthly achievement awards are presented to recognize student progress in independent reading.
- Before and after school programs. In Detroit, Michigan, the Extended Day Kindergarten project serves Title 1 children by increasing the length of the school day and involving parents in program activities. Field trips provide stimulation and content for language-development activities.
- Summer school programs. In Waco, Texas, Title 1 funds enable about 220 14- to 21- year old students who are over-age for their grade to spend mornings in an academic lab completing work that leads to high school completion or toward earning their GED. In the afternoon, they receive on-the-job training in areas such as recreation, general office skills, child care, adult probation, and social service careers.
- Preschool programs. In Healdsburg, California, Title 1 supports a summer preschool program to ease the transition of five-year-olds into kindergarten. The program conducts home visits which address social services as well as instructional needs. Participants, including a large percentage of migratory families, receive nutritious free lunches. The program has a van that provides transportation for families that need it.
- Alternative schools. Residents of a group home in Albuquerque, New Mexico receive Title 1 after-school and summer school instruction in reading comprehension, vocabulary, job skills and life skills in small classes. Many students enter the program after serving prison terms or as a result of court-ordered residential therapeutic treatment.
- Programs featuring home visits. In St. Paul, Minnesota, migrant children in grades K-6 receive supplemental services in reading and language arts, English as a second language, and self-concept development. The major instructional format used is one-to-one tutoring. There is a strong parent involvement component and at least once a month, tutors visit parents in the home and teach parents how to help their children with cognitive skills and social development.
- Parent education and child care. The Title 1 parent center in Jacksonville, Florida is open eight hours a day to provide parents with workshops, seminars, individual assistance, counseling, and a library of parenting and instructional materials. A child care area, staffed by an aide, offers

numerous activities while the parents are involved in the center. Parents obtain assistance regarding access to food banks and health and other services.

The Safe and Drug-Free Schools and Communities Act

Contact: Bill Modzeleski

Phone: (202) 260-3954

The newly reauthorized Safe and Drug-Free Schools and Communities Act supports school- and community-based drug and violence education and prevention programming. Funds are available, on a formula basis, to governors, and State and local educational agencies. The new provisions become effective July 1, 1995.

Local educational agencies will have the flexibility to design their own programs and implement a broad range of violence and drug prevention strategies. Authorized activities include development of comprehensive school safety strategies, coordination with community agencies, implementation of violence prevention activities, such as conflict resolution and peer mediation, mentoring, comprehensive health education, and community service and service learning projects. In addition, up to 20% of funds may be used for the installation of metal detectors, hiring of security guards and establishing safe zones of passage between home and school.

For FY 1995, school districts received approximately \$6.40 per student to carry out activities authorized under this program.

Innovative activities that communities are already doing under this program include:

- A program for teen mothers at an urban high school in California. The program teaches parenting skills and maintains an on-site day care facility to prevent drug and alcohol use by young mothers.
- A project for public housing residents in Tennessee in which a group of neighborhood residents created a community coalition to focus on building neighborhood cohesion and creating a drug- and violence-free environment. A youth council was developed to assist in identifying needs and developing youth activities. Other activities have included parent training and neighborhood renovation efforts.

Adult Education State Basic Grant Program

Contact: Ronald S. Pugsley

Phone: (202) 205-8270

The Adult Education State-administered Basic Grant Program is the major source of federal support for basic skills under the Adult Education Act. Basic grants to States are allocated by formula based upon the number of adults, over the age of compulsory school attendance, who have not completed high school in each State. Approximately 3.8 million adults currently are served by the adult education and

literacy programs available nationwide. The FY 1995 budget totals approximately \$250 million.

Over the last several years, adult education programs increasingly have sought to meet the broad needs of their clients by coordinating with other programs serving the same population. This increasing focus on coordination springs from the belief that barriers to learning should be addressed through support services and that services can be most effective when integrated in a single system.

Examples of the ways funds from the Adult Education State-administered Basic Grant program are and may be used include:

- In Harlem, one of six centers in the New York City region provides "one-stop shopping" for comprehensive services. The center is jointly funded by the State's Department of Education, in part with federal adult education funds, and the State's Department of Social Services. The center provides basic education, counseling and case management, job training, job search skills including interviewing and employment testing, on-site day care, and programs for special populations such as teen parents. Registration for several services has been combined.
- Thirty-eight agencies in Michigan's Kalamazoo/St. Joseph area formed a core group that reviewed regulations for the major federal education, job training and social services programs supporting their clients and developed definitions of terms that can be used by all agencies. Cross-referral and information-sharing has resulted in a common intake form and a data system for accessing information about clients.
- Portland's "Steps to Success" program is part of a local community college's adult basic education program and delivers integrated services in four classrooms in a converted school. The program is an outgrowth of one piloted under Oregon's JOBS initiative. Funding for the program comes from JOBS through the Oregon Economic Development Department or from Private Industry Council contracts, but funding from the State-administered adult education program could be used in this model. The local Private Industry Council provides life skills training and the Portland public schools operate a day care facility to support teen parents in the program. Adult students receive adult basic education, adult secondary education, life skills, personal and career counseling, vocational training and training in job seeking skills.
- An urban site funded jointly by the State Departments of Education and Social Services in upstate New York, offers a single system for referring adult students to resources at designated agencies in the community. Located in a multiservice building in downtown, the site offers literacy and basic education programs, career assessment and counseling, case management, and employability, as well as a Job Club program. Clients are referred to nearby day care, job training programs, and other social services. A key component of the program is the interagency advisory council that has developed a system for referrals across agencies.

Basic State Grants of the Carl D. Perkins Vocational and Applied Technology Education Act

Contact: Winifred Warnat

Phone: (202) 205-9441

The purpose of the Perkins Act is to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population. The Act concentrates resources on improving educational programs leading to academic and occupational skills competencies needed to work in a technologically advanced society.

Grants are made to States to improve programs of vocational education and to increase the level of skills of the future workforce. Providing equal opportunity in vocational education for special populations with special needs is a priority. Federal funds support programs serving single parents, displaced homemakers, single pregnant women, and criminal offenders. The funding for this program in FY 1995 is close to \$1 billion.

Basic State Grants may be used to support a variety of activities that focus on preparing citizens for employment and further education, such as:

- Linkages with Business and Industry. The Customized Office Skills Training program in Ohio has created direct training programs in 29 schools across the state. These schools provide office skills-building courses for over 8,400 employees in 910 businesses.
- A partnership between a rural Mississippi elementary school and parents which has program coordinators and parents working together to develop individualized educational activities for students. To increase parental participation, the school maintains a family center that offers home visits, parenting materials and toys on loan. The annual operating budget is \$30,000.
- A rural community partnership which links service providers in fifteen remote Alaskan villages. The service providers conducted a joint assessment to determine gaps in services, unnecessary services, duplication of effort, and services in need of better coordination. A planning team was established, which successfully sought out funding resources and developed a regional strategy for program activities.
- Pre-apprenticeship preparation programs. In Maine, these programs include part-time paid employment, systematic on-the-job training, and rigorous academic instruction to prepare high school junior and seniors for enrolling upon graduation in a formal apprenticeship program registered with the Department of Labor.
- Single Parent and Displaced Homemaker Programs. Thirteen of the 17 Private Industry Councils (PICs) in Indiana receive funds to carry out programs for single parents and displaced homemakers. The programs provide assessment of skills and needs, personal, career and peer counseling, life skills management training, subsidy for vocational and technical education, books and supplies, child care and transportation, job search preparation assistance, and coordination with and referral to other community resources.

- Sex equity programs. In Pennsylvania, the "New Options" program, designed to redefine career opportunities, provide support services and activities for students to stay in their chosen nontraditional vocational programs. Training includes effective communication skills, assertiveness, job readiness, interviewing and job coping skills.
- Criminal offenders programs. The Georgia Department of Corrections operates classroom/laboratory vocational education programs on a six hour per day basis. These programs equip students with entry-level job skills and proper work habits.

II. Examples of Flexibility for States and Communities

Waivers from Federal Statutory and Regulatory Requirements

Contact: Bill Kincaid

Phone: (202) 401-3389 or 1-800-USA-LEARN

States, school districts and schools may request waivers of the vast majority of regulatory requirements for programs included in the reauthorized Elementary and Secondary Education Act (ESEA) and the Carl D. Perkins Vocational and Applied Technology Education Act. The U.S. Department of Education is prepared to work with school districts to remove federal requirements impeding your ability to help every child reach challenging academic standards and make progress toward the National Education Goals or your own State and local goals. Attachment A is a chart summarizing the waiver provisions in the Goals 2000: Educate America Act, the School-to-Work Opportunities Act, and the ESEA. States or school districts considering requesting waivers may also contact the relevant program office in the Department.

Schoolwide Programs

Contact: Mary Jean LeTendre

Phone: (202) 260-0826

Title I of the Elementary and Secondary Education Act (ESEA) significantly expands the number of schools eligible to become "schoolwide" programs. By the 1996-1997 school year, schools with at least 50% low-income children will be eligible for schoolwide status.

These schools will be able to combine most of their federal education funds to support schoolwide reform to help students achieve higher levels in core academic subjects. In addition, the schools may be exempt from many requirements of these programs, without requiring a waiver. In return, these schools will develop comprehensive plans to improve teaching and learning to enable students to meet state standards and to meet the needs of all children served. A federal register notice providing additional information on schoolwide programs will be published in the near future.

Coordinated Services

Contact: Jeanne Jehl

Phone: (202) 260-1854

School-based and school-linked coordinated services help to address the problems that children face outside the classroom that affect their performance in school. The newly reauthorized ESEA permits local educational agencies, schools, and consortia of schools to use up to five percent of the funds they receive under the ESEA (including Title I funds) to develop, implement, or expand, a coordinated service project. Funds may be used for activities such as hiring a services coordinator, making minor renovations to existing buildings, purchasing basic operating equipment, training teachers and other personnel about the coordinated service project, and improving communications and information-sharing among organizations involved in the project. LEAs that wish to initiate such a project must submit an application containing a project development, implementation or expansion plan to the Secretary.

Further guidance on the coordinated services provision of ESEA will be published shortly. The Department of Education is exploring various technical assistance options. We will encourage the development of relationships between Empowerment Zones and our Office of Educational Research and Improvement Regional Educational laboratories. Our Regional Educational Laboratories seek to improve education policy and practice through technical assistance, applied research and development, information dissemination, and other special education activities.

The Department also has a series of specialized resource centers that may be available for use by EZs. For example, we have Drug-Free Schools and Communities Regional Centers designed to train school teams, local education agencies and institutions of higher education to assess drug problems, develop and coordinate drug abuse prevention policies/programs, and provide information on effective prevention programs and strategies.

The following information includes a list of the ten regional educational laboratories as well as the five Drug-Free Schools and Communities Regional Centers:

**Office of Educational Research and Improvement
Regional Educational Laboratory Program Directory**

Appalachia Educational Laboratory, Inc. (AEL)

Executive Director: Terry L. Eidell
1031 Quarrier Street
PO Box 1348
Charleston, WV 25325
Phone: (800) 624-9120, (304) 347-0400
Fax: (304) 347-0487

States served: KY,TN,VA,WV

Far West Laboratory for Educational Research and Development (FWL)

Executive Director: Dean H. Nafziger
730 Harrison Street
San Francisco, CA 94107-1242
Phone: (415) 565-3000
Fax: (415) 565-3012

States served: AZ,CA,NV,UT

Mid-continent Regional Educational Laboratory (McREL)

Executive Director: C.L. Hutchins

Colorado Office:

2550 South Parker Rd., Suite 500
Aurora, CO 80014
Phone: (303) 337-0990
Fax: (303) 337-3005

Missouri Office:

3100 Broadway, Suite 209
Kansas City, MO 64111-2413
Phone: (816) 756-2401
Fax: (816) 753-4565

States served: CO,KS,MO,NE,ND,SD,WY

North Central Regional Educational Laboratory (NCREL)

Executive Director: Jeri Nowakowski
1900 Spring Road, Suite 300
Oak Brook, IL 60521-1480
Phone: (708) 571-4700
Fax: (708) 571-4716

States served: IA,IL,IN,MI,MN,OH,WI

Northwest Regional Educational Laboratory (NWREL)

Executive Director: Robert R. Rath
101 SW Main Street, Suite 500
Portland, OR 97204-3212
Phone: (503) 275-9500
Fax: (503) 275-9489

States served: AK,ID,MT,OR,WA

Pacific Region Educational Laboratory (PREL)

Executive Director: John W. Kofel

828 Fort Street Mall, Suite 500

Honolulu, HI 96813

Phone: (808) 533-6000

Fax: (808) 533-7599

States served: American Samoa, Commonwealth of the Northern Mariana Islands, Federated States of Micronesia, Guam, Hawaii, Republic of the Marshall Islands, Republic of Palau

Regional Laboratory for the Educational Improvement of the Northeast and Islands (NE/I)

Executive Director: Glen Harvey (acting)

300 Brickstone Square, Suite 900

Andover, MA 01810

Phone: (508) 470-0098

Fax: (508) 475-9220

States served: CT,MA,ME,NH,NY,PR, RI,VI,VT

Research for Better Schools (RBS)

Executive Director: John E. Hopkins

444 North Third Street

Philadelphia, PA 19123-4107

Phone: (215) 574-9300

Fax: (215) 574-0133

States served: DC,DE,MD,NJ,PA

Southeastern Regional Vision for Education (SERVE)

Executive Director: Roy H. Forbes

PO Box 5367

Greensboro, NC 27435

Phone: (910) 334-3211

Fax: (910) 334-3268

States served: AL,FL,GA,MS,NC,SC

Southwest Educational Development Laboratory (SEDL)

Executive Director: Preston C. Kronkosky

211 East Seventh Street, Second Fl.

Austin, TX 78701-3281

Phone: (512) 476-6861

Fax: (512) 476-2286

States served: AR,LA,NM,OK,TX

Drug-Free Schools and Communities Regional Centers Program

Northeast Regional Center for Drug-Free Schools and Communities

12 Overton Avenue

Sayville, NY 11782

Phone: (516) 589-7022

Fax: (516) 589-7894

States served: CT,DE,ME,MD,MA,NH,NJ,NY,OH,PA,RI,VT

Southeast Regional Center for Drug-Free Schools and Communities

Spencerian Office Plaza

University of Louisville

Louisville, KY 40292

Phone: (800) 621-7372

Fax: (502) 588-1782

States served: AL,DC,FL,GA,KY,NC,PR,SC,TN,VA,VI,WV

Midwest Regional Center for Drug-Free Schools and Communities

1900 Spring Road

Oak Brook, IL 60521

Phone: (708) 571-4710

Fax: (708) 571-4718

States served: IN,IL,IA,MI,MO,MT,NE,ND,SD,WI

Southwest Regional Center for Drug-Free Schools and Communities

The University of Oklahoma

555 Constitution, Suite 138

Norman, OK 73037-0005

Phone: (800) 234-7972

Fax: (405) 325-1824

States served: AZ,AR,CO,KS,LA,MS,NM,OK,TX,UT

Western Regional Center for Drug-Free Schools and Communities

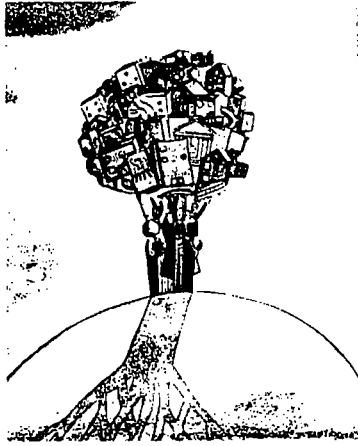
101 SW Main Street, Suite 500

Portland, OR 97204

Phone: (503) 275-9480

Fax: (503) 275-9489

States served: AK,AS,CA,GU,HI,ID,MT,NE,OR,WA,WY, Republic of Palau,
Northern Mariana Islands



DEPARTMENT OF EDUCATION/DEPARTMENT OF LABOR

Contact: Dennis Leiberman

Phone: (202) 401-3819

Contact: Nevzer Stacey

Phone: (202) 401-3823

The School-to-Work Opportunities Act of 1994 is premised on the belief that work-based learning, plus related academic training, can provide American youth with the knowledge and skills necessary to make an effective transition from school to a first job in a high-skill, high-wage career. The Act provides a framework whereby community by community and State by State, a national network of STW systems will be built.

Technical Assistance and Training

The School-to-Work (STW) Federal Team, comprising staff from the Departments of Education and Labor, will provide technical assistance that reflects a "reinvented" Federal role in helping State and local school-to-work system builders. The role rejects the idea of a few key sources of assistance and acknowledges the diversity of both progress and problems at the State and local level. The approach de-emphasizes control and inspection and focuses upon: (1) provision of information; (2) provision of resources; (3) identification and certification of experts for use by system builders; (4) opportunities for State and local choice; and, (5) elimination of unnecessary workload and burdens for grantees, thereby allowing them to focus on solving problems and serving people. Specific initiatives include the following:

- "Learning communities" have been established which allow the state, local and urban/rural school-to-work grantees to meet together to share information and materials. A list of the School-to-Work Grantees is available from the contacts listed above.
- A "Learning Center" will also be established in the summer of 1995 to provide State and local system builders with information about the STW initiative through various products and methods including new technology. The Learning Center will be housed with and under the direction of the Federal School-To-Work Team. The Center will:
 - provide State and local system builders and members of the stakeholding public with information about the STW initiative through a variety of products and methods, including new technology;
 - disburse STW products and information proactively and upon request. This includes responding to public inquiries; researching, creating and updating STW bibliographies, fact sheets and other information for mass and/or targeted distribution by stakeholders; conducting special product or information searches around specified STW topic areas upon request by the Federal Team or STW grantee.

- In addition, the Federal Team is identifying, through a nationwide process by which individuals or organizations may apply and qualify against pre-set criteria, a cadre of proven experts capable of providing high quality, timely technical assistance to STW Implementation Grant States. The cadre will provide a certified menu of assistance available — A Technical Assistance “Resource Bank.” Among the duties of the STW Learning Center will be the maintenance and administrative management of special technical assistance lines of credit for use by Implementation Grant States. The States will be able to use their lines of credit, individually and/or collectively to use Resource Bank members for the customized technical assistance ventures of their choice. All products will be shared with the full STW system-building community. The Federal Team will also use the Resource Bank to address common needs expressed by the various established Learning Communities.

**PRESIDENT
WILLIAM J.
CLINTON**

**VICE PRESIDENT
AL GORE**



BUILDING COMMUNITIES: TOGETHER

EMPOWERMENT ZONES & ENTERPRISE COMMUNITIES

U.S. DEPARTMENT OF
HOUSING AND URBAN
DEVELOPMENT

Henry G. Cisneros, Secretary

U.S. DEPARTMENT OF
AGRICULTURE

Mike Espy, Secretary

FACT SHEET: EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

Selection of EZs and ECs were based on a community's ability to satisfy four fundamental principles:

- **Economic Opportunity:** Creating jobs, attracting private partnerships and training residents for new job opportunities.
- **Sustainable Community Development:** Promoting physical and human development - such as safe streets, clean air and water, lifelong learning and a commitment to personal, family and civic responsibility - as part of a long-term strategy of economic development.
- **Community-Based Partnerships:** A strategic plan must involve the entire community, including residents, community groups, private and non-private sectors, education and religious institutions and local and state governments.
- **Strategic Vision for Change:** There must be a strategic map that coordinates a response to the needs of a community by integrating economic, physical, human and other strategies.

Summary of Federal Incentives: The federal incentives offered are: (1) tax incentives; (2) flexible block grants; (3) waivers and flexibility with existing federal resources; and (4) priority consideration for discretionary federal programs.

Overcoming Federal Barriers: A primary goal of this initiative is to renew the commitment for cooperation among the federal, state and local governments. On September 9, 1993, the President issued a Presidential memorandum creating the Community Enterprise Board (CEB) and directing 13 agency members of the Board to identify federal programs that should be coordinated in the EZ/EC initiative and to respond to the waiver requests of all EZ/EC applicants. More than 1200 waiver requests were received and are being processed. The CEB will work with all communities that have submitted a strategic plan for change -- even if they are not designated as an EZ or EC -- to overcome programmatic, regulatory and statutory impediments and encourage more effective economic, human, physical, environmental and community development strategies.

Tax Incentives: The program provides for approximately \$2.5 billion in new tax incentives. Both EZs and ECs are eligible for new tax-exempt facility bonds for certain private business activities. Businesses located in EZs will also be afforded an employer wage credit of up to \$3,000 per year per employee for wages and training expenses for employees who both work and live in the zone. Zone businesses will also be afforded additional Section 179 expensing deductions for plant and equipment of up to \$20,000 (for an annual total of up to \$37,500).

Social Services Block Grants: The EZ/EC program includes \$1 billion in flexible social services block grant (SSBG) funds that can be used to promote economic self-sufficiency and reduce dependency. In EZs, designated areas will receive \$100 million for each urban zone and \$40 million for each rural zone for approved activities identified in their strategic plans. Each EC will receive approximately \$3 million in grant funds.

HUD Supplemental Economic Development Grants: In order to enable more communities to implement their strategic plans, HUD will utilize grants, under the Economic Development Initiative (EDI), ranging from \$25 million to \$125 million to create two supplemental empowerment zones and four enhanced enterprise communities. The grants will enable communities to provide financing for economic development, housing rehabilitation and essential development projects that best meet their needs.

Additional Federal Programs: The Community Enterprise Board identified approximately \$3 billion in additional federal programs that further the goals of the EZ/EC initiative and EZ/EC applicants received technical assistance and/or priority consideration in competing for these funds. Where EZs and ECs offered viable, competitive strategies in support of their overall strategic vision, additional grants were made. Designated EZs and ECs will continue to receive such technical assistance and priority consideration during the 10-year initiative.

FACT SHEET: LOCAL AND PRIVATE SECTOR PARTICIPATION

Across the country, from the Mississippi Delta to Detroit, the existence of a common goal has brought together diverse groups that rarely, if ever, cooperated in the past. Many communities have for the first time developed a comprehensive approach to economic revitalization that encompasses both capital formation strategies and the provision of social services, such as child care, job training, education and health care. In short, all the applicants are winners.

"Whether or not Houston wins an empowerment zone designation, the participation of a wide variety of community players to prepare the application will result in on-going discussions. ... *The process has brought people together who had never worked with each other before.*" Judy Butler, aide to Mayor Bob Lanier (Houston Chronicle, May 28, 1994)

"It [the application process] also illustrates that the media's constant focus on Chicago's very real neighborhood problems masks significant physical and human assets in these same communities. Linking these neighborhood leaders with the resources necessary to act on their plans must be a priority in the future. . . . In many respects. ... *Chicago is already a winner. The empowerment zone process is a strong statement that meaningful city government-neighborhood planning can work in Chicago.*" Thomas Lenz, Local Initiatives Support Corporation and member of Chicago's Empowerment Zone Coordinating Council (Chicago Tribune, May 23, 1994)

Examples of Private-Sector Commitment:

- In Detroit, more than \$2 billion in private sector commitments have been pledged. Major automobile companies will train and hire EZ residents. Growing industries will locate and expand in the Detroit zone. Banks will invest more than \$1 billion in homeownership and small business. Lawyers and accountants will donate their services to start-up businesses.
- Baltimore's plan leverages \$8 in outside resources for every \$1 of federal funds. Six local banks have committed over \$50 million for a variety of business and residential loans to the targeted zone. Seven foundations have committed 1% of the value of their assets each for the next 5 years for zone.
- In St. Louis, major corporations have pledged to hire more than 3000 residents in low-income neighborhoods over 10 years.
- In Boston, seven banks have committed \$5 million each for commercial lending in the proposed zone and will provide \$625,000 for minority and small business technical assistance. Boston Edison will offer deep utility discounts to new businesses that commit to employ zone residents.
- In Kentucky, the Kentucky Highlands Investment Corporation has attracted \$33 million in commitments from state and local banks to create the Development Venture Capital fund and \$11 million from local banks for free-range chicken farming.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

Commitments to Non-Designated Communities

The Clinton Administration is determined to continue working with communities that do not receive EZ or EC designations. We will attempt to grant their waiver and program funding requests. We will provide technical assistance to help them implement their strategic visions. And, working through the Community Enterprise Board (CEB), we will work to reinvent the relationship between the federal government and local communities.

Immediate Contacts: Members of the HUD and USDA EZ/EC Task Force -- an interagency team comprise of approximately 50 officials from the 13 federal agencies represented on the CEB will be contacting non-designated communities to inform them about plans for future assistance.

Waivers and Federal Program Funding Requests: All communities will receive decisions on waivers and federal program funding requests that they submitted in their EZ/EC applications, whether or not they receive designations. Where legally permissible, the CEB will attempt to ensure that all EZ and EC applicants receive priority consideration for funding requests submitted in their strategic plans.

Technical Assistance: The EZ/EC Task Force will maintain a permanent unit charged with outreach to non-designated communities. HUD will also enter into a \$2 million annual contract with expert advisers who will assist non-designated communities in strategic plan components such as economic development, community participation and integrated service delivery. In addition, to assist all applicants and distressed communities, HUD and USDA will publish a 1995 guide to federal programs.

Commitments from Third Parties: The Community Enterprise Board and the EZ/EC Task force will be reaching out to interested third parties -- such as foundations, academic institutions and national business organizations -- to work on special projects that can help all EZ/EC applicants successfully implement their strategic plans. Ideas for special projects include assistance with linking communities to electronic networks so that communities can access information on best practices, programs and sources of additional assistance, publishing a best practices casebook and sponsoring regional technical assistance conferences for EZ/EC applicants.

EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES: The Application Process

Background: After a nationwide competition that attracted 520 applications, 104 communities are receiving designations either as an empowerment zones (EZs) or an enterprise communities (EC). In order to apply, communities had to meet certain eligibility criteria regarding size, poverty, unemployment and general distress. They had to be nominated by their states and local governments. And, they had to submit strategic plans developed with the input of community residents that described the community's vision for the future and explains how the vision would be implemented. Communities were given six months to develop their strategic plans.

Designating Secretaries: Secretary Cisneros of HUD is designating 6 urban empowerment zones, 2 urban supplemental zones, and 65 urban enterprise communities (4 of which are enhanced with additional economic development grants). Secretary Espy of USDA is designating 3 rural empowerment zones and 30 rural enterprise communities.

Key Evaluation Principles: The strategic plan served as the foundation for each community's applications. They were judged on the basis of four key principles: economic opportunity, sustainable community development, community-based partnerships, and strategic vision for change.

Number of Applications: By June 30, 1994, the application deadline, HUD and USDA received a total of 520 applications. HUD received 74 urban EZ and 219 urban EC applications. USDA received 88 rural EZ and 139 rural EC applications.

Review Process: An interagency review team of over 100 federal executives from the agencies of the Community Enterprise Board (CEB) thoroughly analyzed the urban and rural EZ and EC applications. The interagency team reviews resulted in extensive written and oral presentations to separate review panels set up at HUD and USDA. Review panels considered the input of the federal agencies regarding application quality, the results of the federal waiver and program funding requests, and additional analysis by the review teams. Using the information provided by the review panels, the Designating Secretaries identified EZ/EC finalists, consulted with members of the CEB on EZ finalists, and announced their proposed designations for EZs and ECs at a meeting of the CEB on December 19, 1994.

Waiver Requests: Approximately 1,138 requests made by urban EZ/EC applicants and 134 request by rural EZ/EC applicants for federal program waivers were distributed to the appropriate federal agencies represented on the CEB. The EZ/EC Task Force will continue to process the waiver requests from each of the EZ and EC applicants, whether or not the applicants receive designations.

Federal Program Funding Requests: Approximately 2,322 requests made by urban EZ/EC applicants for federal program funding have been distributed by the EZ/EC task force to federal agencies. Approximately 466 requests were made by rural EZ/EC applicants. The EZ/EC Task Force will continue to work with designated communities on these requests.

EMPOWERMENT ZONES

URBAN EMPOWERMENT ZONES

Atlanta GA
Baltimore MD
Chicago IL
Detroit MI
New York NY
Philadelphia PA & Camden NJ

URBAN SUPPLEMENTAL ZONES

Los Angeles CA
Cleveland OH

RURAL EMPOWERMENT ZONES

Kentucky Highlands
(Clinton, Jackson, Wayne Counties, KY)

Mid-Delta Mississippi
(Bolivar, Holmes, Humphreys, Leflore Counties, MS)

Rio Grande Valley Texas
(Cameron, Hidalgo, Starr, Willacy Counties, TX)

URBAN ENHANCED ENTERPRISE COMMUNITIES

Boston MA
Houston TX
Kansas City KS -- Kansas City, MO
Oakland CA

URBAN AND RURAL ENTERPRISE COMMUNITIES

<u>STATE</u>	<u>RURAL ECs</u>	<u>URBAN ECs</u>
ALABAMA	Chambers County	Birmingham
	Greene & Sumter Counties	
ALASKA	---	— [None Eligible]
ARIZONA	Arizona Border Region: Cochise, Santa Cruz & Yuma Counties	Phoenix
ARKANSAS	Mississippi County	Pulaski County
	Eastern Arkansas: Cross, Lee, Monrow & St. Francis County	
CALIFORNIA	Imperial County	Los Angeles (South Central/Huntington Park)
	City of Watsonville: Santa Cruz County	San Diego
		San Francisco (Hunters Point)
COLORADO	---	Denver
CONNECTICUT	---	Bridgeport

STATERURAL ECsURBAN ECs

		New Haven
DELAWARE	---	Wilmington
DISTRICT OF COLUMBIA	---	Washington
FLORIDA	Jackson County	Dade County/Miami
		Tampa
GEORGIA	Crisp & Dooly Counties	Albany
	Central Savannah River Area: Burke, Hancock, Jefferson, McDuffie, Taliaferro & Warren Counties	
HAWAII	---	--- [No Applicants]
IDAHO	---	--- [No Applicants]
ILLINOIS	---	East St. Louis
		Springfield
INDIANA	---	Indianapolis

STATERURAL ECsURBAN ECs

IOWA	---	Des Moines
KANSAS	---	---
KENTUCKY	McCreary County	Louisville
LOUISIANA	Northeast Louisiana Delta: Madison County	New Orleans
	Macon Ridge: Catahoula, Concordia, Franklin, Morehouse & Tensas County	Ouachita Parish
MAINE	---	--- [No Applicants]
MARYLAND	---	---
MASSACHUSETTS	---	Lowell
		Springfield
MICHIGAN	Lake County	Flint
		Muskegon
MINNESOTA	---	Minneapolis
		St. Paul

STATERURAL ECsURBAN ECs

MISSISSIPPI	North Delta: Panola, Quitman & Tallahatchie Counties	Jackson
MISSOURI	City of East Prairie: Mississippi County	St. Louis
MONTANA	--	-- [No Applicants]
NEBRASKA	--	Omaha
NEVADA	--	Clark County/Las Vegas
NEW HAMPSHIRE	--	Manchester
NEW JERSEY	--	Newark
NEW MEXICO	Mora, Taos & Rio Ariba Counties	Albuquerque
NEW YORK	--	Albany
		Buffalo
		Newburgh-Kingston
		Rochester
		--

STATERURAL ECsURBAN ECs

NORTH CAROLINA	Halifax, Edgecombe & Wilson Counties	Charlotte
	Robeson County	
NORTH DAKOTA	--	-- [No Applicants]
OHIO	Greater Portsmouth: Scioto County	Akron
		Columbus
OKLAHOMA	Southeast Oklahoma: Choctaw & McCurtain Counties	Oklahoma City (EZ)
OREGON	Josephine County	Portland
PENNSYLVANIA	City of Lock Haven: Clinton County	Harrisburg
		Pittsburgh
RHODE ISLAND	--	Providence
SOUTH CAROLINA	Williamsburg County & Lake City: Florence & Williamsburg Counties	Charleston
SOUTH DAKOTA	Beadle & Spink Counties	-- [No Applicants]

STATE**RURAL ECs****URBAN ECs**

TENNESSEE	Fayette & Haywood Counties	Memphis
	Scott County	Nashville
TEXAS	--	Dallas
		El Paso
		San Antonio
		Waco
UTAH	--	Ogden
VERMONT	--	Burlington
VIRGINIA	Accomack & Northampton Counties	Norfolk
WASHINGTON	Lower Yakima County	Seattle
		Tacoma
WEST VIRGINIA	Central Appalachia: Braxton, Clay, Fayette, Nicholas & Roane Counties	Huntington
	McDowell County	

STATERURAL ECsURBAN ECs

WISCONSIN	—	Milwaukee
WYOMING	—	— [No Applicants]

PRESIDENT CLINTON ANNOUNCES DESIGNATION OF MORE THAN 100 EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES

Wednesday, December 21, 1994

Moving to restore economic opportunity to America's distressed neighborhoods and enable communities to take responsibility for their own futures, President Clinton will today announce the designation of more than 100 Empowerment Zones (EZs) and Enterprise Communities (ECs). The President, joined by the Vice President, will notify 15 of the designated communities via a telephone call from the Oval Office. The President and Vice President will then proceed to OEOB 450 to announce the entire list of designees and deliver remarks.

Nine Empowerment Zones - six urban (Atlanta, GA; Baltimore, MD; Chicago, IL; Detroit, MI; New York, NY; Philadelphia, PA/Camden, NJ) ; and three rural (Kentucky Highlands, KY; Mid-Delta, MS; Rio Grande Valley, TX) - will be designated. Each urban zone will receive \$100 million in flexible social service block grants and tax breaks for zone businesses; each rural zone will receive \$40 million in assistance and tax breaks.

The President will also announce the designation of two Supplemental Empowerment Zones -- Los Angeles, CA and Cleveland, OH -- which will receive economic development grants through the Department of Housing and Urban Development. Los Angeles will receive \$125 million in grants, Cleveland will receive \$90 million.

In addition, the President will name 95 Enterprise Communities -- designated to receive \$3 million each in social service block grants and tax exempt bond financing for EC businesses -- and four Enhanced Enterprise Communities. A full list of EC designees is attached. The four Enhanced ECs -- Boston, MA; Houston, TX; Kansas City, KS/Kansas City/MO; and Oakland, CA -- will receive a total of \$25 million each in economic development grants and social service grants.

The urban EZs and ECs were selected by Housing and Urban Development Secretary Henry Cisneros; the rural EZs and ECs were selected by Agriculture Secretary Mike Espy.

BACKGROUND ON PRESIDENT CLINTON'S EMPOWERMENT ZONE/ENTERPRISE COMMUNITY INITIATIVE

President Clinton's Empowerment Zone/Enterprise Community initiative represents a new way of doing business for the federal government. This approach recognizes that communities know their own needs and is based on a pact between the federal government and each EZ/EC community whereby:

The federal government, working across agency lines and in a new partnership with state and local government and the private sector, will provide distressed communities with the tools they need and the flexibility they desire, in the form of block grants, tax breaks and waivers.

In return, EZ/EC communities - residents, community leaders, businesses, state and local governments and schools - must demonstrate that they are taking responsibility for their own futures by developing and implementing a plan to utilize these tools.

The EZ/EC program was established in the Omnibus Budget Reconciliation Act of 1993. Under the program, HUD is authorized to designate six urban EZs and 65 ECs, USDA is authorized to designate three rural EZs and 30 rural ECs. In September, 1993, President Clinton established the Community Enterprise Board to assist HUD and USDA in implementing the program. *Fact sheets on the EZ/EC program, on public-private partnerships, on assistance to non-designees and on the EZ/EC application process are attached.*

ANNOUNCEMENT CALL BY THE PRESIDENT AND VICE PRESIDENT

The President and Vice President will notify 15 communities of their selection via telephone calls to their respective mayors or other designated officials. The call will be closed press, but video will be made available via satellite and audio of the calls will be available on the mults and PA of the White House Press Briefing Room.

The President and Vice President are expected to call the following officials:

Urban Empowerment Zones

Atlanta Mayor Bill Campbell, Baltimore Mayor Kurt Schmoke, Chicago Mayor Richard Daley, Detroit Mayor Dennis Archer, New York City Mayor Rudolph Guiliani, Philadelphia Mayor Ed Rendell and Camden Mayor Arnold Webster

Urban Supplemental Zones

Cleveland Mayor Mike White and Los Angeles Mayor Richard Riordan

Urban Enhanced Communities

Boston Mayor Thomas Menino, Houston Mayor Bob Lanier, Oakland Mayor Elihu Harris, Kansas City, KS Mayor Joseph Steineger and Kansas City, MO Mayor Emanuel Cleaver

Rural Empowerment Zones

Kentucky Highlands - Official TBA, Mid-Delta Region, MS - Official TBA, The Rio Grande Valley - Official TBA

Standard Preamble for all Notices

Standard Language for Action Section that will allow for multi-year priorities if desired

ACTION: Notice of proposed priority

(note to ED staff: The action line specifically does not include a specific fiscal year in order to give us flexibility in future years to maintain the priority if desired.)

Standard Background Section:

The Empowerment Zone and Enterprise Community program is a critical element of the Administration's community revitalization strategy. The program is a first step in rebuilding communities in America's poverty-stricken inner cities and rural heartlands. It is designed to empower people and communities by inspiring Americans to work together to create jobs and opportunity.

Under this program, the Federal government will designate up to nine areas as Empowerment Zones and up to 95 areas as Enterprise Communities in accordance with Internal Revenue Code section 1391, as amended by title XIII of the Omnibus Budget Reconciliation Act of 1993. To be eligible for designation, an area must be nominated by one or more local governments and the State or States in which it is located or by a State-Chartered Economic Development Corporation. A nominated area must be one of pervasive poverty, unemployment, and general distress, and must have a poverty rate of not less than the level specified in section 1392 of the Internal Revenue Code.

In the Empowerment Zone and Enterprise Community program, communities are invited to submit strategic plans that comprehensively address how the community would link economic development with education and training as well as how community development, public safety, human services, and environmental initiatives will together support sustainable communities. Empowerment Zones and Enterprise Communities will be designated by the Department of Agriculture and the Department of Housing and Urban Development (HUD) based on the quality of their strategic plans. Designated areas will receive Federal grant funds and substantial tax benefits and will have access to other Federal programs. (For additional information on Empowerment Zone and Enterprise Community program, contact HUD at 1-800-998-9999.)

The Department of Education is supporting the Empowerment Zone and Enterprise Community initiative in a variety of ways. It is encouraging Empowerment Zones and Enterprise Communities to use funds they already receive from Department of Education programs

(including Title I of the Elementary and Secondary Education Act, the Drug-Free Schools and Community Act, the Adult Education Act, and the Carl D. Perkins Vocational and Applied Technology Education Act) to support the comprehensive vision of their strategic plans. In addition, the Department of Education intends to give preferences to Empowerment Zones and Enterprise Communities in a number of discretionary grant programs that are well-suited for inclusion in a comprehensive approach to economic and community development. In addition to the [give name of your program], the Department intends to give preferences to Empowerment Zones and Enterprise Communities in the Urban Community Service program, the Rehabilitation Act Projects with Industry program, Rehabilitation Act Special Demonstration Projects program, the Parent Training program and Early Childhood Education program under the Individuals With Disabilities Education Act, and a variety of discretionary programs under the Elementary and Secondary Education Act.

Standard Language for Priority that will allow for multi-year priorities if desired

PRIORITY:

Under 34 CFR 75.105(c)(3) the Secretary proposes to give an [absolute/competitive] preference to applications that are otherwise eligible for funding under the [give name of your program] and that meet the following priority. The Secretary may implement this priority for fiscal year 1995 and for any later fiscal year:

[Alternatively, OSERS gave a priority for applications under IDEA -- and then said it expects to use the priority under a couple of specific programs in FY95. That way, if in later years it wants to do a priority in other discretionary IDEA programs it needn't do a new NPP)

Standard Language on Relation to EZ Strategic Plan

The proposed project under the [name your program] must contribute to the strategic plan of the Empowerment Zone or Enterprise Community and be made an integral component of the Empowerment Zone or Enterprise Community activities.

[Note: This language replaces the language below in order to avoid the necessity for paperwork clearance. I believe that this means that the Notice NEED NOT include a section on the Paperwork Reduction Act. However, Ted Sky is in the process of verifying this and will let you all know. Language to be replaced is:

Applicant partnerships must provide a statement by the local government or governments or the State-Chartered Economic Development Corporation that nominated the area designated as an

Empowerment Zone or Enterprise Community explaining how the proposed workplace literacy project relates to the strategic plan and how it will be an integral component of the Empowerment Zone or Enterprise Community program.]

Sample Language on Relationship between ED Program and EZ/EC Initiative

The National Workplace Literacy program is ideally suited to play a key role in the Empowerment Zone and Enterprise Community program because it links economic development and education and training efforts. The program, which makes discretionary grants of up to three years in length, supports demonstration projects that teach literacy skills needed in the workplace through exemplary education partnerships. The partnerships are established between a business, industry, or labor organization or a private industry council and an educational organization to support work-related basic skills training. The National Workplace Literacy Program funds may be used, among other things, to update or upgrade the skills of workers in line with changes in production processes or technology. For example, basic skill levels that formerly were adequate for assembly line production are inadequate for employees faced with sophisticated quality control systems, flexible production, team-based work, and participatory management practices.

National Workplace Literacy projects can improve the human resources of Empowerment Zones and Enterprise Communities, increase the productivity of businesses located in Empowerment Zones and Enterprise Communities, and help attract new businesses to these needy areas. Further, an amendment to the program, contained in the National Literacy Act of 1991, establishes a statutory priority for serving small businesses. This is the type of business most likely to be found in the zones.

In addition, the National Workplace Literacy program is an important vehicle for achieving the National Education Goal that by the year 2000, every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship. The program helps further this goal by improving approaches and methods used in meeting the literacy needs of adults in the workplace, including those with limited English proficiency.

The National Workplace Literacy program will also benefit by establishing an absolute priority related to Empowerment Zones and Enterprise Communities. Communities receiving these designations will already have demonstrated a capacity for the type of cooperative planning that is critical to a successful workplace literacy partnership. Projects funded under the

priority will provide models for partnerships in other distressed areas and show how the National Workplace Literacy Program furthers the National Education Goal that every adult American will be literate and able to compete in the global economy.

REGULATIONS CLEARANCE SHEET
OFFICE OF THE GENERAL COUNSEL
DIVISION OF REGULATIONS MANAGEMENT (DORM)

DRAFT NO.: 1

DATE: 12-12-94

NOTE TO REVIEWERS

This notice of final priorities (NFP) was drafted by a team from OERI, Office of the General Counsel, and the Office of the Under Secretary. Please review the NFP, check the appropriate box below, sign, and return to DORM (Rm. 5100, FB-10, MS 2241) by the due date. If DORM does not hear from your office by the due date, we will assume that your office concurs with the NFP.

☐ OS, Rm. 6263

☐ Ex. Sec. (Deborah Winters), Rm. 6213 (2)

☐ OHRA/IMCD (Ira Mills), Rm. 5624 ROB-3

☐ Judy Wurtzel

☐ Ted Sky

☐ Ron Marin, OUS/Budget Service
Rm. 5267 FB10

cc: Pat O'Connell Ross, OERI
Bill Wolf, OSERS/SEP
Richard Melia, OSERS/RSA
Genevieve Cornelius, OESE
Harry Logel, OBEMLA

CHECK ONE

☐ Approved.

☐ Approved subject to minor changes

☐ Not approved -- See comments.

TYPE AND TITLE

OF DOCUMENT: FY 1995 NPP -- URBAN COMMUNITY SERVICE PROGRAM

(EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES)

RETURN TO: Elouise Ellerbe, Rm. 5100 FB-10 DUE DATE: 12/14/94

SIGNATURE: _____ DATE: _____

COMMENTS: _____

Revised: 12/12/94

COMPUTER ID#: NPF-252.2

4000-01P

DEPARTMENT OF EDUCATION

Urban Community Service Program

AGENCY: Department of Education

ACTION: Notice of Final Priority

SUMMARY: The Secretary announces a competitive funding priority to focus funds for new urban community service projects on communities designated as Empowerment Zones or Enterprise Communities by the Department of Housing and Urban Development (HUD). Under the competitive funding priority, the Secretary awards five (5) additional points to an application that meets the priority.

EFFECTIVE DATE: This priority takes effect [insert the 30th day from the date of publication in the FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Sarah Babson, U. S. Department of Education, 600 Independence Avenue, S. W. (Portals C-80), Washington, DC 20202-5329. Telephone: (202) 260-3472. Persons who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339, between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

SUPPLEMENTARY INFORMATION:

Background on the Empowerment Zone and Enterprise Community Initiative

The Empowerment Zone and Enterprise Community program is a critical element of the Administration's community revitalization strategy. It promotes comprehensive economic and community

development through strategic planning. The Federal Government will designate up to six areas as urban Empowerment Zones and up to 65 areas as urban Enterprise Communities. These areas will benefit from tax credits and other incentives in accordance with Internal Revenue Code section 1392, as amended by Title XIII of the Omnibus Budget Reconciliation Act of 1993 (Pub. L. 103-66). To be eligible for designation, an area must have a strategic plan and must be nominated by one or more local governments and the State or States in which it is located or by a State-chartered Economic Development Corporation. Urban Empowerment Zones and Enterprise Communities will be designated by HUD on the basis of the quality of their strategic plans. The Department anticipates that the Empowerment Zones and Enterprise Communities will be announced by early January, 1995. Interested individuals may contact HUD at 1-800-998-9999 for additional information on the Empowerment Zone and Enterprise Community program, including which communities have applied for been selected for designation.

The Department of Education is supporting the Empowerment Zone and Enterprise Community initiative through the Urban Community Service Program by giving preference to proposed projects which are located in urban Empowerment Zones and Enterprise Communities. The program's emphasis on coordinated planning to meet pressing urban needs makes it ideally suited to play a key role in the Empowerment Zone and Enterprise Community program.

Background on the Urban Community Service Program

The Urban Community Service Program is authorized under Title XI of the Higher Education Act of 1965, as amended. It uses the skills, experience and resources of institutions of higher education to help public and private organizations devise and carry out solutions to pressing and severe problems in their urban communities. The program makes discretionary grants of up to five years in duration to support collaborative projects that address problems confronting urban communities, ranging from work force preparation, economic development, urban poverty, crime, lack of health care services and access, underperforming school systems and students to urban housing and infrastructure deficits. Recipients may use program funds to carry out a variety of activities, such as planning, applied research, training, resource exchanges or technology transfers, delivery of services and other activities that the urban institution and its community partners agree have high priority.

Only institutions of higher education which have been designated as urban grant institutions are eligible to apply for funding. A designated urban grant institution has demonstrated to the Secretary that (a) it is a nonprofit municipal university established by the governing body of the city and operating as of July 23, 1992, or that (b) it is an institution of higher education which meets all of the following criteria (a consortium of institutions is also eligible if at least one of its members meets all of the criteria). The institution - (1) is located in

an urban area; (2) draws a substantial portion of its undergraduate body from the urban area in which it is located or from contiguous areas; (3) carries out programs to make postsecondary educational opportunities more accessible to residents of the urban area or contiguous areas; (4) has the present capacity to provide resources pertinent to the needs and priorities of the urban area or contiguous areas; (5) offers a range of professional, technical or graduate programs sufficient to sustain the capacity of the institution to provide these resources; and (6) has demonstrated and sustained a sense of responsibility to the urban area and adjoining areas and the people in those areas.

On August 29, 1994 the Secretary published a notice of proposed priority for this program in the FEDERAL REGISTER (59 FR 44580).

NOTE: This notice of final priority does not solicit applications. A notice inviting applications under the FY 1995 competition will be published in the FEDERAL REGISTER at a later date.

Analysis of Comments

Two parties submitted comments in response to the Secretary's invitation in the notice of proposed priority. An analysis of the comments follows:

Comment: One party commented that designations will be limited due to funding restraints and suggested expanding the definition of designated Empowerment Zones and Enterprise Communities to

include areas that submitted Empowerment Zone and Enterprise Community designation requests.

Discussion: The Secretary believes that the urban community service would be most effective in communities that are actually designated and have embarked on implementing their own strategic plans.

Change: None

Comment: The second party suggested giving a competitive preference to proposals that show partnerships with AmeriCorps.

Discussion: The program regulations already give an absolute preference (34 CFR 636.23) to applications that propose to conduct joint projects with other Federal, State or local programs. This would include partnerships with AmeriCorps. AmeriCorps is a new national initiative to foster community-based service and includes a wide variety of programs operated by grantees, the National Civilian Community Corps and Volunteers in Service to America (VISTA).

Change: None

PRIORITY

Under 34 CFR 75.105(c)(2)(i) the Secretary gives preference to applications that meet the following priority:

Projects that use 75 percent or more of the project budget to address pressing and severe problems in an Empowerment Zone or Enterprise Community.

The proposed project must contribute to the strategic plan of the Empowerment Zone or Enterprise Community and be made an

integral component of the Empowerment Zone or Enterprise Community activities. The Secretary awards five points to an application that meets this priority. These points will be added to any points the application earns under the selection criteria for the program.

INTERGOVERNMENTAL REVIEW:

This program is subject to the requirements of Executive Order 12372 and the regulations in 34 CFR Part 79. The objective of the Executive order is to foster an intergovernmental partnership and a strengthened federalism by relying on procedures developed by State and local governments for coordination and review of proposed Federal financial assistance.

In accordance with the order, this document is intended to provide early notification of the Department's specific plans and actions for this program.

APPLICABLE PROGRAM REGULATIONS: 34 CFR Part 636.

Program Authority: 20 U.S.C. 1136-1136h.

Dated:

David A. Longanecker,
Assistant Secretary
for Postsecondary Education.

(Catalog of Federal Domestic Assistance Number 84.252 -- Urban Community Service Program)