

File: Educ. - Hispanic
THE PRESIDENT HAS SEEN
3-17-97

~~BR~~ / ~~Mitcher~~ - ~~n:~~ ~~Hispanic~~
~~subcommittee~~

Let's avoid do your special
Hispanic outreach on Ed.
plan - also to get
faster and initiative
of grad. funds to that
of bench funds and usually
get enrollment among
Hispanics

cc. Bruce

Bruce - I take it that Maria
and Gene have some kind
of process going on this. Do
you want someone on our
staff to take part, or should
we leave it to them?

Elena

EK -
Gene wants
us involved.

BR (we have
credibility
in the
Latino
community)

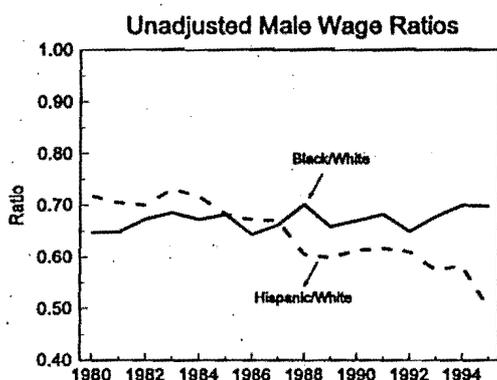
File - Hispanics

SPECIAL ANALYSIS

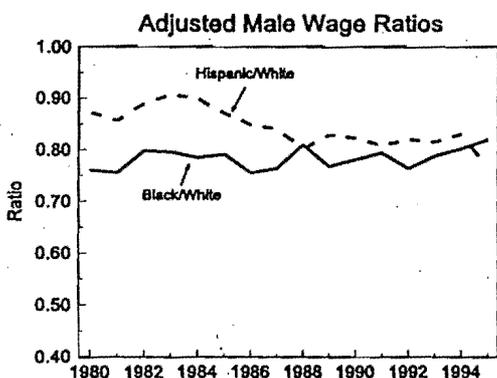
The Economic Status of Hispanics

Recent press reports have highlighted a deterioration in the economic well-being of Hispanics over the past decade or so. Limited job skills appear to be an important explanatory factor.

Trends in relative earnings. The attention-grabbing statistic was a decline in median household income for Hispanics between 1994 and 1995, when other



demographic groups were experiencing increases. But not much should be read into a single year's income data. What is more disturbing is the longer-term trend in earnings. While black men who work full-time, year-round have held their own or even gained ground relative to their white counterparts, Hispanic men have experienced a marked deterioration in their relative earnings (see upper chart).



Analysis. The fact that Hispanic workers tend, on average, to be younger and less-skilled than white (or black) workers explains a significant part of the relative deterioration in their earnings. The lower chart, based on a statistical analysis, shows that the ratio of the earnings of Hispanic workers to those of white workers of similar age with similar education is substantially higher and shows less decline than the unadjusted ratio. The serious deterioration in the unadjusted earnings data therefore

implies that either the proportion of Hispanic workers who are low-skilled has increased or the relative earnings of low-skilled workers has declined. Two developments may be important:

- **Immigration.** The proportion of unskilled Hispanic workers could have increased because of immigration. The annual flow of Hispanic immigrants has been about a half million per year for the past decade (about 2.5 percent of the U.S. Hispanic population). If these immigrants were quickly assimilated into the workforce, this flow would be too small to have much impact on average wages. But some studies suggest that the earnings disadvantage of immigrants persists over time, creating a growing pool of low-skilled workers.

- The skill premium. Whether or not the proportion of low-skilled Hispanics has increased, we know that the relative earnings of low-skilled workers generally have declined over the past decade or two. Hispanics as a group have relatively low skill levels when measured by conventional indicators like education. For example, ~~only 57 percent of Hispanics between the ages of 25 and 29 have graduated from high school, compared with 87 percent for both blacks and whites.~~ During a period when the relative earnings of low-skilled workers have deteriorated, groups with a disproportionate number of low-skilled workers are likely to experience relative earnings declines.

Conclusion. Some of the decline in Hispanic earnings remains unexplained. But low educational achievement and therefore low skills are clearly an important reason for the decline. Whether it is through overcoming language difficulties or other barriers, one route to improving the economic prospects of Hispanics almost surely involves raising educational attainment.

2:18 PM
8/1/23

Education - Hispanic Education

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

cc: Mike Cohen

DATE: 4/16 ACTION/CONCURRENCE/COMMENT DUE BY: _____

SUBJECT: Hispanic poverty / education issues

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	McCURRY	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BOWLES	<input type="checkbox"/>	<input type="checkbox"/>	McGINTY	<input type="checkbox"/>	<input type="checkbox"/>
McLARTY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	NASH	<input type="checkbox"/>	<input type="checkbox"/>
PODESTA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RUFF	<input type="checkbox"/>	<input type="checkbox"/>
MATHEWS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	SMITH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RAINES	<input type="checkbox"/>	<input checked="" type="checkbox"/>	REED	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BAER	<input type="checkbox"/>	<input type="checkbox"/>	SOSNIK	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ECHAVESTE	<input type="checkbox"/>	<input checked="" type="checkbox"/>	LEWIS	<input type="checkbox"/>	<input type="checkbox"/>
EMANUEL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	YELLEN	<input type="checkbox"/>	<input type="checkbox"/>
GIBBONS	<input type="checkbox"/>	<input type="checkbox"/>	STREETT	<input type="checkbox"/>	<input type="checkbox"/>
HALE	<input type="checkbox"/>	<input type="checkbox"/>	SPERTING	<input type="checkbox"/>	<input type="checkbox"/>
HERMAN	<input type="checkbox"/>	<input type="checkbox"/>	HAWLEY	<input type="checkbox"/>	<input type="checkbox"/>
HIGGINS	<input type="checkbox"/>	<input type="checkbox"/>	VERVEER	<input type="checkbox"/>	<input type="checkbox"/>
HILLEY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	RADD	<input type="checkbox"/>	<input type="checkbox"/>
KLAIN	<input type="checkbox"/>	<input type="checkbox"/>	<u>Murquin</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BERGER	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
LINDSEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: This has been forwarded to the President

RESPONSE:

THE WHITE HOUSE
WASHINGTON

April 15, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING

SUBJECT: Actions to Address Hispanic Needs/
Meeting with Hispanic Congressional Caucus

You recently asked me to look into what more we could be doing to combat Hispanic poverty, and to address the related education issues, including the high dropout rate. I held an initial brainstorming session with Secretary Henry Cisneros, Congressman Xavier Becerra (Chairman of the Congressional Hispanic Caucus), Administrator Aida Alvarez, Maria Echaveste, Janet Murguia, Alicia Munnell, Ed Montgomery (DOL) and Ken Apfel (OMB). We have since held internal meetings with OPL, OMB and DPC, and follow-up meetings with Delia Pompa at the Education Department, staff of the Advisory Commission on Educational Excellence for Hispanic Americans, as well as representatives of the Hispanic Association of Colleges and Universities (HACU), the League of United Latin American Citizens (LULAC), the National HEP-CAMP Association, and the National Association of Farmworker Opportunities Programs. In addition, we have continued to work with Rep. Becerra and his staff (see letter, attached).

While the process of developing an action plan is not yet complete, in preparation for your meeting with the Hispanic Caucus you should be aware of some of the steps that we are considering. We have focused on:

- (1) Making sure that we are aware of which current programs have a strong Hispanic focus, so that those programs are protected and promoted as budget issues are negotiated.
- (2) Identifying what steps can be taken now -- either administratively or in the design of new programs and reauthorization proposals -- to improve education for Hispanic students.
- (3) Identifying new proposals we should be developing for the long-term, including next year's budget.

Your FY 1998 Budget

While Hispanic students benefit from the general investment in education that is represented by your budget, there are particular programs that especially important in addressing the needs of the Hispanic population. Your proposed budget for 1998 increases the funds, at a rate higher than inflation, for all of the education programs that are of particular interest to the Hispanic community: bilingual and immigrant education, adult education, migrant education, and aid to Hispanic-Serving colleges.

Bilingual Education: The Department of Education estimates that approximately 2.8 million elementary and secondary students in the United States are limited-English proficient. The number of limited-English students has nearly doubled in the past decade and that growth is expected to continue. Your budget proposes a 27 percent increase for bilingual education, \$42 million over last year's enacted budget. Approximately 75 percent of bilingual funds serve Hispanic students.

Immigrant Education: Immigrant Education support provides funds to school districts to support programs for recent immigrants. Your budget proposes a 50 percent increase in this program, from \$100 to \$150 million.

Adult Education State Grants: Adult education is very important for a growing community that encounters language and educational barriers as it tries to move up in the workforce. Approximately 34 percent of Hispanic participants in adult education are enrolled in English-as-a-Second-Language classes. Your budget proposes a 12 percent increase, \$38 million over last year's budget (which was an increase of 38 percent over FY 1996).

Migrant Education: Of students who frequently move between school districts, 74 percent are Hispanic. Your budget proposes about a five percent increase for migrant education support. (It is, however, less than your proposed budget in FY 1997).

"HEP" and "CAMP": The Administration's reversal on the High School Equivalency and College Assistance Migrant Programs (HEP/CAMP) is particularly important to Congressman Becerra and the Caucus members -- and they would like you to do more. The previous two budgets had eliminated the programs, in part because of their small size. But this year your Budget calls for the programs to be continued, with an inflation adjustment (2.6 percent). They are popular with the Hispanic groups, partly because they provide for concentrated assistance, albeit for a small number of people.

- ***High School Equivalency Program (HEP):*** The HEP program will serve approximately 3,600 persons in FY 1997. Your budget proposes funding at \$7.634 million. Citing the success of the HEP program, Congressman Becerra has encouraged the Administration to fund it at maximum levels, and to use it as a

model in developing new programs to assist individuals in obtaining their high school diploma.

- **College Assistance Migrant Program (CAMP):** Your budget proposes funding this program at \$2.081 million. Only 375 people will be served by this program in FY 1997. Part of the reason for the small enrollment, however, is the lack of funding. Congressman Becerra states that, on average, sites for CAMP funding receive 200 applications for every 40 slots available; although he does not suggest a funding level, Congressman Becerra would recommend increasing funding for CAMP.

Hispanic-Serving Institutions (HSIs): HSIs are colleges with Hispanic populations of at least 25 percent. Congressman Becerra has recommended that the number of institutions designated as HSIs should be increased. Your budget proposes an 11 percent increase for HSIs, to \$12 million.

New Actions

The Administration is currently in the process of finalizing the details on a number of new proposals and reauthorizations of current programs. We are using this process to identify opportunities to ensure that programs are addressing the needs of the Hispanic population. Working with DPC, OPL, and OMB, our activities include:

Head Start: Even before they reach school age, Hispanic children tend to have fewer school-related skills. Approximately 17 percent of Hispanic students attend preschool, compared to 34 percent of non-Hispanic students. And while Hispanic children are 28 percent of all poor children, they are only 15 percent of Head Start. This leaves Hispanic children less prepared to begin school, and thus they fall farther behind. Congressman Becerra states that “[i]t is critical for the Administration to make a commitment to improving access for Hispanic children.” **We are working with the Department of Health and Human Services to devise a strategy for increasing Hispanic enrollment in Head Start.**

Reading Tutors and Parent Training: Early learning strategy also points to the need of greater parental involvement in the development of children. Low literacy of the care giver can contribute to this problem. **The Education Department is providing us with options for ensuring that the America Reads effort -- including Parents as First Teachers -- is designed to reach the limited-English proficient (LEP) population.**

Adult Education Act reauthorization: Even though LEP adults are a large part of the adult education population, the funding formulas do not take into consideration their special needs. **At our request, the Department of Education will add an LEP factor to its proposed funding formula to target funds to meet the needs of Hispanic and**

immigrant students.

Higher Education Act reauthorization: Funding formulas for some campus-based student aid programs tend to favor older colleges in the northeast and midwest over growing colleges in the southwest -- where many of the Hispanic-Serving Institutions are. Hispanic organizations have also expressed concern that TRIO (college preparation and support services) is not sufficiently serving Hispanics. Your proposed 1998 budget increases by TRIO by 5 percent. **We will work with the Department of Education to address these needs in its proposal for reauthorization.**

Teacher Training: While the number of limited-English proficient (LEP) students has nearly doubled in the past decade, only one in five teachers of LEP children have had the appropriate training. The Education Department has aggressively sought permission from Congress to use a portion of the bilingual education funds for teacher training efforts, with limited success. **You can take the opportunity in your meeting with the Caucus to reaffirm the Administration's commitment to teacher training.**

Pell Grant promise for sixth graders: One cause of the high dropout rate for Hispanics is the lack of hope for the future. Therefore, we are developing proposals that would encourage students to stay in school and aspire to a higher education. As I mentioned to you previously, **we are currently considering how to implement a program much like Congressman Fattah's proposal to provide students in elementary school where poverty exceeds 75 percent with a legally binding promise to a full Pell Grant for college.** If we move forward with this proposal, the promised aid combined with early intervention/mentoring will help prevent dropouts. The focus on high-poverty schools helps to target the program to Hispanics (19 percent of the students in high-poverty schools are limited-English proficient).

Public Service Announcements: We are exploring the possibility of producing a series of public service announcements (PSAs), both in English and Spanish, which would encourage children to stay in school and parents to become more involved, at an early age, in their children's education. We are planning to go back to Henry Cisneros with some of the ideas for the Public Service Announcements. Some possible topics for these PSAs include: Read to Your Children; Stay in School; Financial Aid is Available for College; and Become a Tutor and a Mentor.

NEC staff will continue to work with DPC, OMB and the Education Department to explore these issues, as well as a number of other suggestions that have come from Hispanic organizations and Members of Congress.

CAPITOL OFFICE
1119 LONGWORTH HOB
WASHINGTON, DC 20515
PHONE: (202) 225-6235
FAX: (202) 25-2202



COMMITTEE ON WAYS AND MEANS
SUBCOMMITTEE ON HEALTH

CHAIRMAN,
CONGRESSIONAL HISPANIC CAUCUS

DISTRICT OFFICE
2435 COLORADO BLVD., #200
LOS ANGELES, CA 90041
PHONE: (213) 550-8962
FAX: (213) 50-1440

Congress of the United States

House of Representatives

XAVIER BECERRA

30TH DISTRICT, CALIFORNIA

April 10, 1997

Ana Gomez
Deputy Chief of Staff
National Economic Council
The White House
2nd Floor, West Wing
Washington, DC 20502

Dear Ana:

As promised, the following may be helpful to you as you consider ways to address Hispanic income inequality. It is an issue that is of great concern to Congressman Becerra and he asked that I relay some suggestions to you. I believe it was made clear both in the discussion on March 13 and in the literature: poverty in the Hispanic community should not be intractable. There is one factor which accounts for up to 70% of income inequality: education. Fortunately, the low educational attainment rate in the Hispanic community is a problem which can be addressed. While there are obviously additional problems faced by Latino families, including housing affordability and the low rate of health insurance coverage, in this letter I would like to focus on education and just suggest a few avenues for consideration.

While the recommendations which follow are not new or revolutionary, they are proven, successful programs which encourage and enable Latinos to find success in their early years of education, complete high school and go on to college.

- Hispanics are underserved by Head Start. Although Hispanic children are 28% of all poor children, they are only 15% of children participating in Head Start. It is critical for the Administration to make a commitment to improving access for Hispanic children. Using discretionary spending, the Department could initiate pilot projects, support Latino leadership development within the Head Start bureaucracy, and provide curriculum development guidance for service populations currently underserved in Head Start. Further expansion of Head Start should focus on applicants who state a commitment to serving populations currently underserved.
- Hispanics are underserved by TRIO. As you know, in many communities, the TRIO programs are the only programs that help students to overcome class, social, academic, and cultural barriers to higher education. We applaud the President's commitment to TRIO, as evidenced by an increase of \$37 million in his 1997 budget request and a 5% increase in his 1998 budget request. Some advocates have suggested that one way to improve Hispanic participation, which is low, would be to reduce the number of points an application for a TRIO grant receives for prior experience and to give programs serving underrepresented populations and areas special consideration.

- JTPA 402 is woefully underfunded. At 1,350,000 eligible clients, the \$69,000,000 in 1996 appropriations provides only \$29 per farmworker.
- The High School Equivalency Program, targeted to migrants, helps persons 16 years of age or older who are not currently enrolled in school obtain a high school diploma and go on to college or non-migratory employment. Evaluations have consistently shown strongly positive results. HEP should be funded at maximum levels and should be used as a model in developing new programs to assist individuals in obtaining their GED.
- College Assistance Migrant Program funding is inadequate. Funding for CAMP has remained relatively constant since 1984 in current dollars, but the cost of higher education has increased rapidly. As a consequence, the number of students served through CAMP funding has decreased by approximately one-half since 1984. On average, sites receive 200 applications for every 40 slots. A longitudinal study found that 92% of CAMP participants successfully completed their first year of college.
- The number of institutions designated as Hispanic Serving Institutions needs to be increased and they should be accorded many of the same benefits provided to Historically Black Colleges and Universities. This includes greater access to Library and Information grants under Title I, increased funding, new grants for graduate and professional programs, and increased participation in federal student financial aid programs.
- The reauthorization of the Higher Education Act presents an opportunity to dramatically increase participation of community based organizations in efforts to enroll and graduate students from disadvantaged backgrounds. These organizations are able to bring in volunteers, successful role models from similar backgrounds, and parents to motivate students and help them make the connection between academic performance and a successful and satisfying career.

Finally, let me make one more important point. As you consider changes in programs and development of new programs, it is vital that you include representatives of the Latino community at the table. There are many people and organizations across the country who have successfully accomplished on a small scale the goals we would like to see nationally in the Hispanic community: high literacy rates, high school completion, college completion, and employment. For example, LULAC operates a six-week summer recreation reading program at 16 sites across the country which provides first, second, and third graders an opportunity to read and to experience enjoyable activities that promote reading. I would hope that LULAC would be tapped as a resource as you begin implementation of President Clinton's "America Reads" initiative, to ensure that both we are not reinventing the wheel and we are including limited-English proficient youth in this national initiative.

I hope this is helpful. Please feel free to call on me, as I look forward to working with you on this and other matters of importance to the Latino community and to the Nation.

Sincerely,



Eirdre Martinez
Legislative Director

April 15, 1997

STATISTICS ON HISPANIC INCOME

Over the past decade, Hispanics' economic well-being has deteriorated relative to other groups:

- In 1985, the Hispanic poverty rate was 29.0 percent -- slightly below the African-American poverty rate of 31.3 percent. By 1995, however, the Hispanic poverty rate had risen to 30.3 percent, while the African-American rate had fallen to 29.3 percent. (Over the same period, the poverty rate for all Americans fell from 14.0 percent to 13.8 percent.)
- Median household income for Hispanics *fell* by 8 percent in real terms between 1985 and 1995, while median household income for African-Americans *rose* by 7 percent. (Over the same period, median household income for all Americans rose by 2 percent.)

Some recent indicators suggest small improvements: The Hispanic poverty rate, even though it is higher than a decade ago, fell from 30.7 percent in 1994 to 30.3 percent in 1995. And the Hispanic unemployment rate has declined from 11.6 percent in 1992 to 8.9 percent in 1996 and 8.3 percent in the first quarter of 1997. Nonetheless, it is clear that Hispanics are lagging behind other groups -- especially over the past decade or so.