

March 29, 1994

To: Education and Training Group

From: Gene Sperling

Subject: Urban Excellence Corp

As part of our efforts for our economic agenda and our youth opportunity mobilization, I would like to propose a intensive Urban Excellence Corp. This program would fit into our overall economic program and could be a positive side of welfare reform. I do not suggest that all of our Build Essential Skill for Tomorrow proposal for welfare reform be in this intensive form, but I would like to propose that this be a major element.

I. PROGRAM DESCRIPTION:

A: SUMMARY: The basic idea of the UEC is as follows: colleges would reach out to 6th graders and ask them to sign a mutual responsibility contract. The sixth graders and their parents would agree to dedicate themselves to graduating high school and continuing education that follows; the colleges would agree to provide them with individual attention -- mentoring and monitoring -- from 6th grade to 12th grade, and then to place them either in their university -- or in an appropriate advanced training or education program. A main part of the program would be that the colleges would train and deploy a cadre of Mentors who would be paid and would make their main extracurricular/employment activity one-on-one tutoring and mentoring of the young people. This is essence, Eugene Lang incorporated into our university system.

Presidential Challenge: While we would have funds available to help carry this out, the President could still challenge major institutions to do this anyway. Certainly, the top private schools in the nation -- located in such urban areas as Boston, New Haven, Philadelphia, Chicago etc -- could do this without major new federal support if it was part of a national -- Presidential -- mobilization effort. A Presidential challenge for 20 universities to do this voluntarily could stir up real support and excitement.

B: MAIN COMPONENTS OF UEC:

STUDENTS: The early contract creates for young people what many more fortunate young people can perceive far more easily: that there is a path that can be traveled with hard work and responsibility that pays off. For a young person who looks around his or her neighborhood and sees little proof that playing by the rules pays off, suddenly there is a tangible proof that it does. A young person who participates in the program must agree to "play by the rules" within the program. That means meeting with the mentors or summer programs. It means avoiding drugs and teen pregnancy. Nonetheless, I would not kick out of the program anyone who was satisfactorily meeting the academic requirements. Middle class kids don't have to be perfect to have a future; we should be tough on the participants but not kick them out of the program any time they display

disruptive behavior.

MENTORS: For mentors, the UEC would be not a volunteer activity, but a major commitment -- like being on a sports team. It, therefore, needs to be an important source of tuition assistance and support. The mentors would be paid tuition assistance and extra cash. Pay would increase with each year they were in the program to encourage mentors to stay in the program for multiple years. In other words, if one received 1/5 of tuition the first year, 2/5 the second year etc -- the mentors would have a strong financial incentive to stay in the program which would give the young people more continuity. Despite the fact that this would be "a job" -- it would still be a form of public service -- and the program could benefit many college students who want to give-back something even as they are in college. Thus, while the goal is on the young students, this would be another facet of the President's national service agenda.

OUTSIDE MENTORS: Business people, seniors etc, would be solicited for the program. Thus, an ideal situation might be one in which every student had both a student mentor and some form of business or outside role model as well. Yet, the key is that the university -- takes responsibility for continuity, mentoring and monitoring.

UNIVERSITIES: The university has the tools, the expertise and the stability to be the institution for such a long-term mentoring and monitoring project. They would be the institution challenged to carry out this project. This would require them working with the local school systems to decide how to do the adoptions of students into the UEC program. They would have to maintain a high quality team of mentors with a financial incentive to make the program a serious commitment. And it would be critical, at all times, that they have a serious, full-time position to run the mentoring team. The success of so many programs hinges on the inspiration and talent of the person who is in charge.

GOVERNMENT AND FINANCING: There would be three elements that would require financing. One, funds for the mentors. Two, assistance for the young people to enter college or training. Three, administration of the program. As to paying for the mentors, tuition aid that is now given to students could become conditioned on participation in this program. Work-study money could be used here -- as this would be entirely consistent with the original intention of how work-study would be used. As to tuition for students at the sponsoring institution, they already provide such scholarships. The federal government could provide additional assistance. Mostly, however, the federal government could assist in reciprocity and ensuring that all students received full-tuition somewhere. In sum, there is enough money out there, that if federal support could be used to fill the gap -- as oppose to pay for everything from scratch.

II. RATIONALE FOR THE UEC:

A: OVERALL RATIONALE: The UEC proposal is built around certain basic principles that enjoy support.

1) EARLY OUTREACH THAT CHANGES EXPECTATIONS: Early outreach for college opportunity is, of course, important. Yet, if that outreach or intervention is only temporary, it may not have the desired affect. Yet, this is not only early intervention, it is early intervention explicitly designed to change the expectations for young people and the cost-benefit analysis of playing by the rules.

2) CONTINUITY AND LONG-TERM MONITORING CAN DO MORE TO TURN YOUNG PEOPLE AROUND THEN TEMPORARY INTERVENTIONS: Certainly, we may not be able to afford such intensive and long-term attention. But, a UEC proposal does assume that there may be a greater return in turning lives around if there is a way for programs to stay with young people for a longer period of time. Also, it may be the case that for people -- who may often be from unstable environments -- stability in this type of empowerment may be particularly important.

3) INDIVIDUAL MENTORING THAT PROVIDES SUPPORT, ROLE MODELS, AND SIGNALLING TO ESTABLISHED NETWORKS: I rest more on common sense than the belief that individual attention helps all people -- but particularly those who are behind or lack the advantages that most young people have.

4) SIGNALLING, NETWORKING AND ROLE MODELS: One problem we have discussed is that young people -- particularly economically-disadvantaged minority males -- have a tough time even getting in the door for interviews. This program would potentially give such a young person three people -- the mentor, his or her outside business mentor, and the university administrator -- to be not only role models, but people who can be credible references and offer their own networks.

5) UNIVERSITIES ARE THE RIGHT INSTITUTIONS TO RUN THIS: For the reasons mentioned above and below, I believe that this type of long-term project cannot be sustained on a meaningful basis if we count on institutions like businesses and volunteer groups to run it. Colleges are the place that can make it work.

B: RATIONALE FOR THE UNIVERSITY ROLE: Much of the UEC is just an extension of the Eugene Lang model. Therefore, it is worth considering the main difference in the UEC -- the primary role of universities.

1. COLLEGES INCREASING THE POOL OF COLLEGE READY DISADVANTAGED STUDENTS: Currently colleges all over America -- including the best colleges -- fight to meet affirmative action goals. The problem with much of this is

that it is a zero-sum game. If Stanford meets their affirmative action goals by doing a better job of recruiting than Berkeley, it is good for Stanford -- but there is too much fighting among colleges over the distribution of the existing pool of college-ready minority and disadvantaged students and too little focus on all colleges working to expand the pool of college ready minority and disadvantaged students. I can remember one college in the middle of a major city being criticized for recruiting Puerto Rican students from the best high school in San Juan instead of from the schools in the local city. The college responded that there were not enough college-ready Puerto Rican students in the surrounding city and they should not be criticized for looking else where to achieve admirable diversity. Yet, the real question is why couldn't this excellent school have taken responsibility for reaching young sixth graders in the surrounding area and using their resources to increase the number of Puerto Rican college-ready students in the surrounding area? That is the core of this idea.

2. UNIVERSITIES AND LONG-TERM MENTORING AND MONITORING: Most people who engage in mentoring or tutoring have a limited, time-specific interaction with a child in need. A disadvantaged child may have a tutor in fifth grade, a Big Brother in eighth grade, and a business mentor for six months in tenth grade. Yet, it is fragmented and the hope is that these time specific interventions somehow make a difference -- or trigger. Certainly, everything helps, but for young people who have such odds against them -- and who may lack the support system that many middle class kids are fortunate enough to have.

One solution is to find tutors that will make longterm commitments. This may be impossible when one is simply asking for volunteers. How can one ensure that volunteers stay with the same young people year after year. The best solution is to ensure that there is a stable institution that experiments with many ways to provide longterm mentoring but that ensures that if this fails -- the institution does its best to provide institutional memory and continuity. Thus, a model UEC program might be one where a sixth graders has only two mentors who each mentor for over three years. Yet, if that does not work, the institution is always doing its best to make sure the student has type of individualized attention that fits.

3. A LESS CONTROVERSIAL MEANS TO AFFIRMATIVE ACTION: Certainly, historic discrimination often makes it necessary to consider carefully tailored race-conscious remedies. Yet, this is a case where an intelligent approach could dramatically increase the number of minority students going to college without having to even enter the controversial world of race-conscious approaches. The reason is that our cities have become so segregated that simply reaching out to the poorest areas of the city will lead to disproportionately minorities and whites who live in those areas as well. Such approaches help are race neutral way to help those who live in the poorest areas.

4. CHANGE THE CULTURE OF UNIVERSITIES: Colleges now often stand of

islands of affluence among some of the most depressed areas of our nation. Enlightened members of such universities always look for ways the university can interact positively with the community. This is the most natural and productive of such relationships. The President could change the culture of higher education, by creating the expectation that the role of universities was not only to train those who enter their university, but to help increase the pool of college ready students in their area.

Universities have in so many ways the tools and expertise.

The Head:

40 shares 1/17/80 \$801

the special The UEC ensures that all of this is linked together to provide a longterm, continuous effort to give direction to every intervention: finishing high school and going to a path to a high education.

The university provides each child a mentor -- who works with a small group of young people but who ensures special attention to each young person. The university ensures that when a mentor leaves there is continuity. The university should of course seek to engage the business community to the fullest degree possible. Yet, as that will often be tenuous, it provides an extra.

This program may rest on how motivated the head of the program is. Therefore, we should structure this so that the head person is paid a decent salary so we can attract excellent people.

Universities and Long-term Mentoring:

Colleges and Longterm Mentoring:

middle class young people are practically born with: a clear path Young people who now may see little connection between good behavior and

Mentoring: One on one
Signalling

RATIONALE:

lack of role models

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nonetheless, it should go without saying that it is better if you can
There is an idea for an urban excellence corp.

Mentoring: The mentoring

La Jolla Beach and Tennis:

Wintergreen:

The core components of the UEC are as follows:

- 1) to outreach early
- 2) To change longterm expectations and give young people -- from an early age -- the same sense of longterm planning that the most well-off child has.
- 3) That individualized attention can be critical
- 4) that continuity and constant monitoring for a sustained period of times will help make a difference in turning lives around.

AFFIRMATIVE ACTION

This paper seeks to lay out different rationales and approaches for affirmative action as well as discussions as to the degree that issues like merit and innocent bystanders can be addressed through how affirmative action plans are designed.

I. CONSEQUENCES OF DIFFERING APPROACHES

1. NON-DISCRIMINATION RATIONALE: The non-discrimination rationale is based on the core principle that Americans should be judged by individual merit and character -- and not by a group characteristic (i.e. race, religion, gender) that rewards or punishes them based on group characteristics as opposed to who they are as individuals.

Regarding affirmative action, the principle of non-discrimination, unfortunately, only seems to beg the question. If one sees non-discrimination in a larger societal sense, race-conscious tools that are seen as necessary to combat and dismantle past or present discrimination can be seen as promoting a non-discrimination principle. Yet, to the degree that non-discrimination is seen as an absolute principle to judge any governmental interaction, then non-discrimination can be the principle that justifies absolute colorblindness on the notion that no public cause (including remedying past discrimination) can justify current discrimination on the basis of race.

Sometimes this debate goes to what the meaning of "discrimination" is in light of the United States' historical context. Affirmative action advocates argue that "discrimination" in our society has a deeper meaning than its dictionary meaning, and that it should apply only to invidious uses of race to exclude or subjugate people, and does not really apply when it is being used for benign, inclusionary reasons. In any case, the issue of which way the non-discrimination principle leads you in the affirmative action context strongly captures the inherent tensions in this issue.

2. PROVIDING EQUALITY OF OPPORTUNITY -- OR REMOVING BARRIERS:

An equal opportunity rationale as the advantage of being a general principle that applies to all Americans. It also fits the notion that we are a nation that aims not at equal results, but at giving people an equal opportunity to compete or accomplish as much as they can.

The general equality of opportunity principle can support public policy to remove any barrier that prevents any individual from reaching their full potential. This rationale can be used to justify affirmative government action to remove barriers of many forms: economic disadvantage, disability or discrimination. Thus, while equality of opportunity can justify affirmative action based on economic disadvantage, an equal opportunity rationale does not inherently argue for a affirmative action limited to colorblind, economic justifications. As economically-targeted efforts may be the most effective and efficient means to address economic

barriers to opportunity, race-conscious remedies can be seen a tightly targeted remedy to remove the barriers to opportunity caused by past and present race discrimination.

The equal opportunity rationale may seem most compelling to people when there is both economic and racial barriers, but may seem a less compelling rationale where minorities are seen as lacking economic disadvantage. Likewise, lower-income whites may seem less in need of affirmative steps since they do not encounter the additional barrier of race discrimination.

Equal opportunity may also seem to be a stronger rationale affirmative action that is seen as increasing opportunity as opposed to giving a "result." Some would argue that equal opportunity is stronger justification for affirmative action in education and training -- because they are still about giving a person opportunity (the tools to get a job or contract) as opposed to equal results (a job or contract.) Yet, it is clearly not so simple. Affirmative action in contracts, may help give minorities the encouragement they need to start a small business or get started. Thus, a job or a contract can also be seen not as a continuing entitlement but as a "chance" or "opportunity" as opposed to economic security. On the other hand, non-minority families may feel that admission to a good college is a "result" in our society and they are being denied a scarce resource due to affirmative action.

[increasing slots]

3. REMEDYING PAST DISCRIMINATION: Many believe that the main moral justification for affirmative action is the corrective justice in curing a discriminatory wrong. Certainly, the instinct for this rationale comes directly from the fact that black Americans were wronged as a class by slavery, then by legalized caste discrimination until at least 1954, as well as by a well-established network of discriminatory webs in all walks of life until (arguably) the past two or three decades.

Yet even this remedial justification raises a set of very complex moral and historical issues.

The issue of group rights and group harms: Where individual people are discriminated against and get relief, there is no need for race-consciousness remedies. The person who is discriminated against is like any victim in a law suit getting justice from the defendant who did the harm. *Race-conscious remedies come into play where there is a pattern of discrimination that creates a group harm that can not be remedies simply by providing individual victims relief.* For example, if the Alabama state troopers keep all blacks out for decades, no blacks will even bother to apply since all know it would be a waste of time. After decades, there is an all-white state trooper force, yet there would be no identifiable victims since no blacks even bothered to apply.

Proponents of affirmative action would argue that even though there are no identifiable victims, there is a harm to the larger community of having discrimination create an all-white troopers force and that race-conscious relief is the only way of addressing this larger group harm.

Opponents of race-conscious remedies would counter that to give a group remedy assumes that there is some group right or entitlement to proportional representation. Such a remedy would have to assume that we know what proportion of Alabama state troopers that would have been black had there been no discrimination. But, because other factors, such as education or culture, may have led to fewer blacks being hired -- even in a world of no discrimination -- some would feel that it is impossible to determine what the "correct" result should be. Or these opponents would say that even if there were some assumption of a group harm and the appropriate group remedy could be calculated, the remedy of using race does more harm than good.

What Kind of Discrimination Justifies Race-Conscious Affirmative Remedies?

Societal: Generally, affirmative action jurisprudence has tended to disfavor "societal discrimination" as a justification for affirmative action and favored cases where there is specific evidence of a pattern and practice of discrimination. Societal discrimination is disfavored by many because where the proof of discrimination is loosest, the more some feel that it implies that groups have rights of proportionality. In other words, where there is only proof of societal discrimination and someone tries to use race to get more carpenters (but there is no specific proof that carpenters in that geographic area faced discrimination) many will feel that affirmative action advocates assume that all differences are caused by discrimination as opposed to culture or random chance.

The Supreme Court has been willing to allow national race-conscious remedies where Congress has made findings of pervasive societal discrimination. Yet, in the employment specific or subcontracting cases, the Supreme Court has not been willing to find race-conscious relief justified on the basis of societal discrimination.

Pattern & Practice/Disparate Impact: A higher burden of justification for race-conscious relief is discrimination that is seen as taking place within a certain market, industry or location concerning a specific type of job or activity. Here affirmative action advocates would argue that the remedy is not for a vague sense of societal discrimination, but rather to address a clearly documented history of exclusion in, for example, the real estate industry in northwest Ohio. Here, too, however, issues of causation and numbers come into play. What if only 1% of real estate agents are black in an area where 20% of the population is black and 15% of the pool of people with the credentials to be eligible to be a real estate agent are black. Does this mean that it can be assumed that discrimination caused the discrepancy? What if there is dramatic proof of systematic discrimination yet 11% of the real estate agents are black, while blacks make up 15% of the qualified pool? If the remedy is a goal of 15% does this assume a world where black real

estate agents would reflect their exact percentage of the population?

On the other hand, without affirmative action, there is no method to speed up the process of remedying serious cases of racial exclusion. Indeed, a colorblind limitation can create the perverse situation where moderate cases of discrimination can be cured fairly quickly, but the society has no means to speeding up the worst cases of abuse. Consider the following hypothetical. In Town A, Joe Extreme Bigot completely excludes blacks from being teachers in the public school system for years so that none of the one thousand teachers are black despite the fact that the town is 20% African-American. In Town B (also 20% black), Joe Slight-Bigot discriminates occasionally so that 100 (or 10%) of the teachers are black. A race-conscious remedy can help either town move quickly to achieve numbers that are more proportionate with the black community. Without a race conscious remedy, however, each town will have to wait until normal hiring is able to help each town catch up. Yet, in this case, the exclusionary harm to the more egregious Town A will take at least twice as long to cure. In other words, without race-conscious remedies, it will take the longest to remedy the worst cases of racial exclusion. The dead hand of past bigots will be affecting racial exclusion for years to come, because "colorblind remedial requirement" will have handcuffed the towns with the worst discrimination from taking appropriate action.

Discriminatory Rationale Does Not Respond to Innocent Bystander Concern: For the public at large, there is a strong sense that race-conscious remedies can be best justified where there is a clear proof of discrimination. Under this rationale, people realize that affirmative action has some costs, but they feel that there is more justification to impose those costs where specific discrimination is being remedied.

Yet, to the degree that people object to affirmative action because they feel they are asked to pay costs that they did not cause ("why should I pay for what my grandfather's friends did?"), the proof of discrimination may mean little. If a white applicant does not get a job because of an affirmative action program, it may matter little to him or her whether or not the race-conscious hiring plan was created because 5 years earlier a bigot refused to hire blacks. So while affirmative action to cure a specific remedy may be more justifiable from public perspective, it may make little difference to the innocent bystander who feels they were denied something because of something wrong someone else did.

4. INCLUSION OR DIVERSITY: Another rationale for affirmative action is that there is benefit in diversity and inclusion that can justify taking race and ethnicity into account in order to include people into the mainstream. Inclusion provides a rationale for why race is permissible sometimes and impermissible other times. When a bigot keeps out black Americans because he

feels they are inferior, that use of race serves to exclude them from the mainstream. When a school board uses race to increase the numbers of an excluded group, the goal is to include a group in the mainstream. While there may still be other concerns (including merit and innocent bystanders), *the fundamental distinction between steps to include outcast groups into the mainstream and steps to exclude minorities provides a moral basis for the use of race in the affirmative action context.*

Inclusion or diversity is seen as benefiting the entire community or enterprise. All members of the community can enjoy the benefits of a diverse school, community or workforce. Also, diversity is a means of including historically-excluded groups without having to engage in a divisive, finger-pointing exercises. Where proof of discrimination is the prerequisite for any affirmative action, then we never allow an institution or employer to make up for gross disparities without engaging in the exercises of digging up evidence of past discrimination.

Diversity is also, however, a justification for the type affirmative action that is seen by many as having the weakest justification and being the most open to abuse. Without the rationale of past discrimination, many feel that diversity is based on the rationale that all groups (absent discrimination) will do exactly the same thing in the same proportions and that groups even have a right to proportional representation. Therefore, critics claim that diversity allows people to perpetuate the use of race as a decisionmaking criteria any time there is not proportionality in major institutions.

Furthermore, the diversity rationale can conflict with the equal opportunity rationale at times. Consider a college that is looking for a diverse student body: they might choose an upper-middle class black young person over a lower-working class white. From an equal opportunity perspective, the school should perhaps choose the white student. From a diversity perspective, they may do more to give students at the school the benefit of having classmates of all ethnic and racial backgrounds if they choose the upper income black student.

5A. ECONOMIC -- NEED-BASED AFFIRMATIVE ACTION: A need-based affirmative action rationale can be based on either a colorblind or a race-conscious rationale. A need- or economic-based approach would recognize that it would do an imperfect job of targeting government action to racial harms, but that the imperfection is worth it considering the benefits of avoiding using race even in a remedial or inclusive means. A colorblind view would compel such a rationale as it would disallow race-conscious remedies. A more pro-affirmative action approach could condone race-conscious remedies, yet feel that because of the downsides of race-conscious remedies, a need-based affirmative action could be seen as a first-look to see whether it could be effective. (Sec 5B)

The benefits would be that there could be means to help historically-excluded groups without offending whites and others. The downsides are also considerable. While a needs-based approach has the advantage of being

colorblind it has the disadvantage of being history and reality blind. It assumes that the barriers faced by a poor black and a poor white are the same -- that there are no special discriminatory wrongs emanating from race. An economic test would also rule out any use of race for diversity or inclusion. Finally, where you have, for example, a construction industry or police department that has a history of discrimination against blacks or hispanics, the idea of a remedy only for need or economics seems to be inadequate.

5B. NEED/ECONOMIC BASIS AS FIRST LOOK: The economic need rationale could be seen as a preferable means for addressing racial exclusion -- as opposed to an alternative framework for affirmative action. This "first look" approach would not mean that a policy-maker would be less committed to using race-conscious remedies where needed. What it would say, however, is that as a matter of process, any policymaker should first ask whether the stated goal of the program could be served as well, or almost as well with a colorblind/economic targeting approach. *This would be consistent with the philosophy in constitutional law of a "least intrusive remedy."* This process recognizes that there are special harms to racial exclusion that must be addressed but that there are also special costs to race-conscious remedies that must be considered. Under this analysis, the policymaker is neither refusing to recognize the distinctive exclusionary harms of race discrimination nor using race-conscious remedies as a tool for remedying racial exclusion. Rather the policy would simply be saying that economic/colorblind remedies have less costs associated with them and are preferable where they are nearly as effective as race-conscious remedies.

Thus, the policymaker's goal is to see if it is possible to remedy the special harms of racial exclusion while reducing the costs of the remedy. The first step then is to analyze whether the remedy could be accomplished without the use of race. If the conclusion is reached that the remedy could not be reasonably accomplished then the goal should be to use the race-conscious relief in a means that is un-intrusive as possible in disrupting the vested interests of innocent bystanders, and is as flexible as possible.

A "first look" approach would be based on the following notions:

- 1) Both economic disadvantage and racial exclusion are problems that cause serious harms. Both can put barriers in front of individuals that prevent them from reaching their potential, while racial exclusion can also cast an additional exclusionary harm to a larger community.
- 2) Both economic affirmative action and racial affirmative action have costs. While race conscious remedies are likely to be a more efficient and effective means to remedying racial harms, they also carry with them a countervailing costs associated with the use of race even for positive, inclusive reasons. Therefore, one may be willing to sacrifice some of the benefits of tighter targeting in addressing racial exclusion to avoid the costs of inclusive race-conscious action.

For a first look approach to be serious, it must take serious the trade-offs between the advantages of avoiding using race and the disadvantage of less efficient, less targeted remedies that do not directly address racial harms. The crux of this rationale would be judging the cost/benefit analysis of using an economic race/blind remedy as opposed to a race-conscious program.

Consider the following: a Mayor decides that minority small businesses have been long excluded from fair credit from local banks. He works with the city council and the offending banks and two options are developed. One would require a race-conscious credit program for small businesses that would help 50% of the black small businesses in the community. The second would implement a program that would give special credit factors to any small business with capital less than \$50,000. This latter program would help 15% of the local black small businesses -- less than one-third the number as the race-conscious program. Thus, the downside is that if you wished to overcome racial exclusion of black small businesses the race-conscious remedy would be the most effective. Yet, it could also create resentment among white businesses, and be seen as a rigid set-aside.

6. GEOGRAPHIC -- POOR URBAN/RURAL AFFIRMATIVE ACTION: It may be that the policy that best serves the goals of removing economic disadvantage barriers and racial barriers while still being race-neutral is to focus more on geographic preferences -- with the preferences going to the most concentrated areas of poverty in our nation. People born into these areas face the huge barriers in terms of poverty, crime and inferior schools. On pure grounds of economic disadvantage -- these areas -- would deserve the most preference. And while some would be rural Appalachia, many would also reflect what could be generally considered to be the worst legacy of generations of poverty and racial discrimination. Therefore, race-neutral provisions -- such as empowerment zones -- could lead to government action that is tightly connected to both addressing the worst legacies of past discrimination (however attenuated the specific causal links) and the worst economic disadvantage.

As another example of how geographic preference could be used, consider an Ivy League school such as Penn or Harvard or Yale. If it were to adopt goals to seek 15% minority admission, it would seek out the best minorities from the best high schools. What real good does this do? On the other hand, if it sought to have 15% admission from the Boston High Schools or the Philadelphia High Schools, it would have a race-neutral provision, yet it would hit a high number of minorities who were also economically-disadvantaged. Furthermore, the practice might encourage these schools to stop competing among themselves for how the top minority applicants will be divided up and encourage more of them to take early efforts to *increase the pool of qualified applicants*.

7. AFFIRMATIVE ACTION TO INCREASE THE POOL: The tension created between affirmative action and merit often rises because so much of affirmative action is about resource allocation among the existing qualified minorities. Therefore, good colleges often compete with other good colleges to see who can get the greatest share of qualified minorities from the existing

pool of qualified applicants. Imagine for example, that there were only three good schools (Penn, Harvard and Columbia) and only 1000 minority high school students qualified to go to them. Currently, much of affirmative action consists of these three schools competing with each other to out-recruit the other two schools. Yet, no matter who does better, the end result is that only 1000 minority high school students will go to a top school. If schools go beyond the pool of qualified minority applicants, then there is danger of expanding the number of minority students at good schools by letting in inferior quality students.

Yet, what may do the most to help an historically excluded group are affirmative efforts to **increase the pool of qualified candidates**. Thus, if Penn, Harvard and Columbia chose to have special programs in their local city schools to tutor and mentor 500 sixth graders for a six-year period, then each year they would be using affirmative action to increase the pool of qualified minority students to 2000 each year. This type of affirmative action could be race-conscious or it could only be geographic-conscious (poor urban schools). (A second model would be to recruit minority students who were less "qualified" than the average applicant but to give the extra help within the school that helps the minority students to catch up.) The point is that an "urban excellence corp," in which universities modeled their efforts after Eugene Lang's "I Have a Dream" proposal and reached out to urban high schools with long-term efforts, could be the best affirmative action -- race-conscious or geographically targeted to reach excluded minorities -- in terms of being of pro-merit, pro-inclusion and pro-equal opportunity.

8. PURE COLORBLINDNESS: A belief in colorblindness can reflect two views. One can be that race discrimination should only be seen as an offense against specific individuals and that it does not inflict any lasting group harms that require race-conscious relief. Under this view, race discrimination is like any tort case, where there is a victim and an accountable defendant, that defendant should be required to give the race victim a remedy. But that is not a race-conscious remedy, it is simply a victim specific remedy like any other. This view would also refuse to recognize any concept of group racial harms to racial exclusion. Thus, if blacks had been excluded from the police department for 30 years so that there were no black police officers, this colorblind view would say that the only harms were to the black individuals who would have become police officer but for the discrimination. This view would not recognize any harm to the black community from the continuing exclusion of blacks. Since they would see no group harm they would not recognize the legitimacy to any group based remedy.

A less extreme view would recognize the existence of group harms, but would state that the "cure is worse than the disease." Thus, this colorblind view could concede the notion of a racial group harms, but would simply say that the use of race of any type is so harmful, that it is better to have a firm rule that against using race.

This view has the political advantage of being simple, clear and easy to understand. While it seems to be principled, it has a rigid, built-in cost-benefit analysis that seriously underestimates the harms to black Americans from discrimination. The built-in cost/benefit analysis is that in all cases, the harms to innocent bystanders or from offending the principle of pure colorblindness (costs predominantly suffered by whites) is always weightier than the harms to blacks from serious systematic racial harms. Adoption of a simple colorblind approach, therefore, seems to me to reflect a decision to always weigh the sensibilities of white innocent third parties over the serious harms suffered by minorities from systematic past discrimination.

Are all Uses of Race the Same?: The colorblind rationale often argues against any form of race-conscious remedies by completely rejecting the notion that there can ever be such a thing as a "benign" uses of race. Under this theory, any use of race judges people on the basis of a group characteristic instead of as individuals and thus is simply "reverse discrimination" -- in which the remedy is just as harmful as the original racial harm.

Yet, this view is undermined by the fact that it is based on a complete absence of the historical nature of race discrimination in the United States. The history of race discrimination that has defined it as perhaps the major social evil in our history is distinctly and overwhelming about the use of race by the majority power structure to exclude, stigmatize and reduce to second-class citizenship an entire group of people based on the color of their skin. Whatever the incidental harms to innocent whites of affirmative action, it defies reason to rewrite history to suggest that there is no distinction between the majority using its power to exclude and humiliate a relatively powerless minority and that same majority to use race to include a historically excluded minority in the mainstream.

II. DESIGN ISSUES CAN ADDRESS MUCH OF THE ARGUMENTS AGAINST AFFIRMATIVE ACTION -- MERIT AND THE COSTS TO INNOCENT BYSTANDERS.

In theory, objections to affirmative action -- and particularly the arguments for colorblindness -- often rest on general principles. Yet, many of the things that offend some Americans about affirmative action can be addressed by careful rules about the design of affirmative action plans. Beneath the different rationales, much of the debate over affirmative action centers around the tension of 1) whether merit is being compromised and 2) the impact on innocent bystanders.

Design standards such as restrictions against burdens on vested interest of innocent bystanders, rigid use of numbers, standards that allow affirmative action where applicants are not comparable in terms of traditional merit, can be ways to show that we are throwing out some affirmative action plans and looking for a third way.

1. MERIT: Some would argue that race should never be weighed against non-racial merit criteria in determining any resource allocation. Yet, this is often a matter of degree, and thus this high principle can often be addressed through how a program is designed. The appearance of someone who is vastly less qualified than another candidate may do far more to fuel opposition to affirmative action than places where it is seen in the margins.

Race conscious factors can more likely be used without triggering as strong of a negative reaction on merit arguments in cases where workers are "comparably qualified." This can still be seen as preference over merit in that a person with a 91 still feels according to the rules they should go before someone with a 90. Yet, many people would believe there is a "standard error" argument that recognizes the imperfection of any merit standard. Therefore, within a reasonable margin of error, an employer might feel that he is really not sacrificing merit when he leans toward a racial minority, since no one can say that the standards are that precise in measuring merit.

Diversity as be a Merit Criteria: Merit can at times also beg the diversity issue. If a college's goal is to pick the best people for its school and part of its criteria is who adds the most to the community -- it may feel having people who increase diversity adds to their school. If a police department or a government feels that proper functioning requires some representation in the community (not proportional -- but some), then they may feel that diversity -- specifically race -- can be a merit criteria for the job they are being hired for.

Disadvantage as Merit Criteria: A classic defense of affirmative action is that it is not sacrificing merit, but simply taking into account the disadvantage faced by a minority applicant. In other words, the notion would be that perhaps a poor minority from Harlem who scored in the top 20% of applicants on standard academic criteria has shown more achievement and more promise than a student from the best prep schools who was in the top 5% of the applicants. This

argument, however, only works where some form of economic disadvantage is combined with race or gender discrimination. Indeed, this is the rationale that is seen as failing when a member of an upper income minority household is given some form of preference.

Merit and Stark Numbers: Part of the "merit" problem takes place where you have the starkest use of numbers. Where a multitude of subjective factors are used, it becomes harder for anyone to claim a right to a job based on merit -- as it is clearer that a variety of subjective factors are being deployed. Yet, even imprecise objective factors create a worse appearance issue when race is used affirmatively. For example, an employer may put together a quite imprecise set of standards and add them up to create a single score. Where a black applicant has a 90 and a white applicant has a 91, the use of race is seen as overriding a clear preference -- even though the individual factors that comprise the final score are not precise.

In contracting, a bid is a certain number of dollars. In other areas, people are given specific scores. With this lack of subjectivity in a number, this can make the use of race even as a "plus" look rather stark -- even though it may be "plussing up" what is essentially a vague criteria.

2. INNOCENT BYSTANDERS AND THE DEGREE OF AFFECTED INTERESTS: For all the philosophical differences and theories that abound about affirmative action, many of the concerns may come down to what is seen as the basic inequity of people who have done no wrong being asked to bear costs for a historic wrong just because they are at the wrong place in the wrong time. It is not inconsistent for an American to believe that discrimination exists, that affirmative remedies are important but that they alone should not have to bear all the costs. Americans do tend to think of anti-discrimination like an auto accident. The person who did the harm should pay through the nose, but "why me if I didn't do anything wrong?"

The fact is, however, that all government actions do have costs on some people. No one can have the legitimate expectation that a compelling government objective won't at some point limit in some way the opportunities available for them. The return of veterans and the existence of the G.I. Bill of Rights may have impacted negatively on some non-veteran college applicants. Funding for an AIDS project might limit science scholarships at a certain school. There is no reason why people should have to bear some minor costs for most public policies, but no one should ever have to face an application process with a few less slots because of the nation's imperative to correct racial wrongs.

Considering the Degree of Vested Interest in Innocent Bystanders: What may be most offensive to many Americans, however, is when an affirmative action plan upsets what is considered a vested interest of an innocent bystander. When a person applies for ten jobs, but is eligible for only nine of the jobs because one may go for affirmative action, the applicant's expectations have hardly been upset. Yet, when a person enters a job, works there for 10 years, and at the last minute loses a job promotion they have been waiting for decade for, the interest may be so vested -- the expectation so great -- that we may feel that it is not fair to allow a single person to lose so much for an overall public

purpose, just as the Constitution does not allow takings with compensation.

Therefore, the Supreme Court in considering what is a "least intrusive remedy" has distinguished between race-consciousness in hiring and race-consciousness where seniority interests are at stake. An approach that specifically stated that affirmative action approaches could not impose harsh costs on the vested interest of innocent bystanders would be a way of addressing real concerns with affirmative action while not forgoing race-conscious remedies.

3. RIGIDITY: Rigidity of affirmative action seems like a mere "design" issue, but actually directly reflects several of the major concerns about affirmative action. *First to the degree that people are required to meet a rigid target -- a quota -- this rigidity implies that when a trade-off comes between affirmative action goals and merit, that merit will be sacrificed to affirmative action.* Where flexibility is insisted upon, the decisionmaker has the prerogative to ensure that racial inclusion remains one factor -- instead of an ultimate trump card. Rigidity is also seen as offensive because it implies that all differences between people are the function of discrimination and that cultural differences play no role in determining differences among people.

Therefore, flexibility in design is more than just a design issue -- flexibility represents the inclusion of other values (merit and innocent bystanders) besides racial inclusion or remedies in the decisionmaking calculus.

**SUGGESTED UNIFYING THEME
ONE INCLUSIVE AMERICA**

The Inclusion -- One America Rationale: I believe that we must preserve the need for affirmative action for some "corrective" or remedial goals and some diversity/inclusionary goals. And while I believe that we will put affirmative action on a stronger footing if we broaden to include economic disadvantage and disability -- we will be putting our head in the sand on race to pretend that affirmative action can ignore the issue of race.

My suggested rationale is a bigger message about the fact that we are one people and one nation with only one class of citizenship. The President's goal is to create an America where all people that they are first class citizens, that they are included in the mainstream, and that they have a chance to show what they can do with their God-given talents. But that goal particularly drives us to action where a specific group faces a barrier. Some of those barriers are geographic (inner city or rural poor); some are economic and geographic; some are about disability; and some of the barriers are about past and existing discrimination.

This theme provides a large enough context to justify affirmative steps to help economic disadvantage, but has the strength to also help provide a foundation for affirmative action in limited cases.

This dual aspect of inclusion provides the rationale for the following steps:

1) General economic action to remove barriers: The belief that drives the President to action is bigger than race. It is about removing barriers and giving all people opportunity. Therefore this rationale for affirmative action is the rationale that leads us to take efforts in pre-school, education, apprenticeships, small business loans. It also can provide a rationale for giving preferences to people who by their disability or economic disadvantage have special barriers. This view sees itself not as a preference over merit, but as removing barriers and disadvantages to give people opportunity.

2) Action To Remove Barriers from Specific Disadvantages: Some would argue that economic preferences alone can help groups who have been historically discriminated against. Yet, the fact is that we recognize that the barriers created by race discrimination are a distinctive aspect of the exclusion and, because of race, that the exclusion creates

special harms to the community being excluded that cannot be addressed simply by economic preferences. Affirmative action is justified not because we believe in group rights, but because we recognize the evil of racial group wrongs inflicted to exclude a class of people because of the color of their skin.

3) Action to Be Inclusive in the Institutions Most Essential to Citizenship: While an inclusive and diverse society does not assume that each group will be proportionally represented in each occupation -- or that discrimination can always be assumed to be the cause of some groups being under-represented in some areas -- the exclusion of historically-excluded groups from major institutions would deny members of the group necessary representation, and deny benefits to the entire community. In this context, race can be used as a flexible factor. This would not apply to most institutions or employers, but it should be acceptable for a President or Governor to take some notion of diversity into account when choosing cabinet officers without demonstrating past discrimination. The same could be said at the local level for schools, colleges, police departments to believe that there are some benefits to ensuring that historically-excluded groups are included.

SUGGESTED UNIFYING THEME ONE INCLUSIVE AMERICA

The Inclusion -- One America Rationale:

I. Overall Goal Is a Unified America Where All Americans feel that they Are Full Citizens and Has the Opportunity to Achieve Everything their God-Given Talent Allows Them:

Goal is two-fold:

- 1) We should be one America. There is no more them -- only us. We can't let this issue or any other issue divide us. We are one people -- a mosaic -- but one people.
- 2) Want to remove any barrier that keeps any American from achieving the most they can -- not only for themselves but for their country.

II. Because of we treasure every individual and because we don't have a person to waste, the Clinton Administration is committed to removing barriers that keep every person from having an opportunity to achieve, compete and support a family.

Real Economic Barriers today:

- 1) Poverty -- childrens poverty
- 2) Concentrated Urban Poverty/violence
- 2) Adult illiteracy
- 3) Low Skills
- 4) Middle class struggles to invest in futures

Comprehensive Agenda to Remove these Barriers for All Americans:

Discrimination:

It would be nice if we could end the discussion here. But, we must face that the legacy of past discrimination and its continuing affects.

1) We have made progress and all of America should be proud. examples and facts.

2) But we must face that discrimination is still a barrier for opportunity and full citizenship today.

Facts and examples:

polls and statistics on housing etc.

We need to remove the discriminatory barriers that keep all Americans from reaching their potential and feeling that they are full citizens.

The question we face is what are the most fair and effective ways to remove those barriers -- and move us toward a day when the legacies of discrimination no longer remains a barrier.

Much America agrees on:

- 1) Tough enforcement against discrimination against anyone.
- 2)

But a major question is whether we should take affirmative steps to overcome the more serious and entrenched impact of discrimination.

For the last thirty years there have been efforts across this nation to make America a more inclusive nation. Many of these efforts have been led by corporate America's need for a more diverse workforces. Much has been led by Republican Administrations.

Now the issue is should we go forward?

Some say that we should declare an end to all affirmative steps

to make America more inclusive.

Others say that we

Today there are those who say that we cannot

The question that is at the heart of the debate is what are the specific steps

could take affirmative steps: chart a new course;

Ability to I believe that we must preserve the need for affirmative action for some "corrective" or remedial goals and some diversity/inclusionary goals. And while I believe that we will put affirmative action on a stronger footing if we broaden to include economic disadvantage and disability -- we will be putting our head in the sand on race to pretend that affirmative action can ignore the issue of race.

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first step as opposed to a limiting principle for .
In other words, if one justified affirmative action as part of a government policy to remove barriers for all people, one could recognize that while some of the distinctive barriers were racial -- and that the most targeted

Could see as principle that try first.
yet, can have econ with race

or can have race, but allow econ disadvantage to be considered also

needs based rules out diversity
needs based rules out

does not have to be premised on the notion that The argument could be made that need-based affirmative action can accomplish the most good with the least downsiders.

Colorblindness:

what groups

tightness of discrimination

Least intrusive of the principles: hurting race and merit and innocent bystanders, assumptions of stigmatizations offend non-discrimination:

at some point overrides
recruitment

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dealing with the preference issue : recognize the imperfection of all criteria and therefore understanding that within a range we can't say for sure that we are offending criteria. What we mean in essence is an affirmative action "standard for error."

Preference: merit overcome disadvantage

Competing Principles:

Certainly, we are for taking steps in all of these areas, and in most of them, whites as well as minorities benefit.

3) We also must

assumes cause

groups rights

make clear that

always include whites

believe that for public purposes, we cannot get into the law school rational of "corrective" or "aspirational" goals for our public definition. Yet, paradoxically, we need a public rationale that makes room for both corrective and diversity rationales. To me, the one theme that can

ability to compete

rationale for affirmative action, but it is a bigger rationale that belief compels of an inclusive America provides a justification for three rationales: economic

him to take steps across the policy spectrum to ensure that people are included in the pursuit of the American dream. This leads to two relevant goals: removing barriers and ensuring that our public institutions make no American feel that they are not included -- that they are second-class citizens.

Job as President is to ensure that every person achieve all they can with their god given potential.

Ultimately every person must be responsible for their own well-being. Government can not make up all the disadvantages that happen to people, but we have an obligation to ourselves to remove barriers to give people the opportunity to take responsibility for their lives.

This new-Convention that is at the heart of my agenda.

Currently, in our society, the greatest barrier is lack of education and strong family. Poverty and crime often play into this.

Why we address programs: this nation is filled with great individuals who have benefited from a good education; a college loan;

**BUDGET STRATEGY
AGENDA**

March 14, 1995

Strategic Issues:

1. Response to Gregg Analysis
2. Timing on Overall Response to Republican Budgets
3. Veto strategy and Specific Recession Items

Specific Issues:

4. Greenspan/CPI
5. Taxing Food Benefits
6. Tax Distribution Tables
7. Repeal Corporate Alternative Minimum Tax

THE WHITE HOUSE
WASHINGTON

JAN - 9 1998
10:10 pm

January 9, 1997

BY PRESIDENT HAS BEEN
1-12-98

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
RE: NEC Weekly Report
CC: ERSKINE BOWLES

Copied
entire report
Sperling/COS
page 1 - HRC

Capital Budget Commission: Shortly before Christmas, I spoke at the beginning of the first meeting of the Capital Budget Commission. As you know, the purpose of the Commission is to review the appropriate role of capital investments in both current and future federal budgeting. As I mentioned to them, the debate over how to use surpluses will make their findings even more interesting than we initially thought. Two of the best people from OMB, Barry Anderson and Joe Minarik will be assisting them. The Commission will report to the NEC within one year from the date of the recent meeting. I found the group excited and ready to be engaged in this effort. The members include Laura Tyson, Herb Stein, Steven Rattner, Richard Leone and others, in addition to the impressive co-chairs, Jon Corzine and Kathleen Brown.

School-College Partnerships: I have been speaking with Eugene Lang about applying his model to our college-school mentoring initiative. He is very enthusiastic. Indeed, he says it is close to the new direction he has been working on. Before Christmas, I invited him to meet with us, Education and DPC, which proved to be a very productive meeting. He indicated he would be interested in helping with both the design and roll-out of proposal. He has recommended a group of people who could serve as a brain trust of sorts who might meet after we announce this effort to work with us on next steps.

Minimum Wage: As you know, Senator Kennedy has put forward a proposal to increase the minimum wage from \$5.15 to \$7.25 by 2003. We have discussed the Senator's proposal with Larry Katz (a former Chief Economist at Labor and a professor at Harvard), Alan Krueger (a former Chief Economist at Labor and a professor at Princeton), and Ceci Rouse (soon to be on the NEC staff). The consensus view among these three economists was that more time was needed to evaluate the impact of the 1996/1997 increase. Working with Janet Yellen and the staff at CEA, we are going to study the pros and cons of increasing the minimum wage again. We will work to develop recommendations for you as soon as possible.

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THE PRESIDENT HAS SEEN
1-12-98

Wanted to see
MAYOR
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Reemployment/Job Training: Your FY99 budget includes significant increases in investments in job training: an additional \$100 million for dislocated workers; an additional \$62 million for JobCorps; TAA and NAFTA-TAA extended for five years; and an expanded TAA program so that workers in firms that shift production abroad are eligible for benefits. Moreover, the CAREERS bill is currently moving through Congress. Nonetheless, on Thursday, I convened a meeting with Labor, Treasury, and OMB to develop new ideas on updating the job training system for the 21st century. This meeting was largely a brainstorming session. However, we are going to meet on an expedited basis to flesh out specific, innovative proposals for you to consider as soon as possible.

Life-Long Learning Card: You forwarded me Bob Reich's proposal to use cards that would give people access to federal education and training benefits: OMB and Education have contracted for a feasibility study of the use of cards for the college aid programs, with a possible demonstration program down the road. This could be useful in the context of distance learning programs like the Western Governors University. We will work with DPC and OMB to further explore this issue, including the question of whether the job training programs and the education tax credits could be included.

Student Loan Consolidation Backlog: Education opened the doors to new consolidation loans on December 1. Education could have made a bigger splash about getting things back on track, but with the Sallie Mae operation shut down, the Assistant Secretary is afraid to over-promise. EDS has a current capacity to handle about 1,000 applications a day, with the ability to expand capacity within 3-5 weeks if that is necessary. So far, the volume has been quite low.

Student Loan Interest Rate: An analysis that we requested from Treasury indicates that lenders will not be able to turn a profit under the interest rate structure that is scheduled to go into effect on July 1, 1998. (The problem is caused both by the flat yield curve, and by inefficiencies caused by the move from a rate based on the 91-day T-bill to a rate based on 10-year notes.) As you know, we cannot simply cancel the change, because that would cost students a projected 1 percentage point drop in the interest rate they pay on loans. The issue is beginning to heat up; in response to inquiries from the trade press, we are sending the message that we understand the change is a problem for lenders, and we expect to work with them to find a solution that does not cost students.

Climate Change Outreach With Unions: Todd, Katie, and I met this week with representatives from a broad array of unions on climate change. The union reps expressed their strong desire for adjustment assistance for workers dislocated by any changes in energy use or other economic activities that result from policies to address climate change. They were also concerned that climate change policies could induce U.S. firms to move their plants abroad.

On the first point, we emphasized that while mitigating climate change would produce benefits for the country as a whole, and while we had structured our policies to ensure that changes were gradually phased in, we were eager to work together with them on ways to cushion any transition problems that could arise along the way. On the second point, we emphasized that you would not be submitting the treaty for ratification until we had obtained meaningful developing country participation, and we agreed that we (including Janet Yellen and Larry Summers) would meet again with them to discuss the empirical evidence concerning environmental regulations and plant location decisions (which generally suggests that such decisions are not strongly affected by differences in environmental regulations). The union representatives also expressed an interest in meeting again on the related topic of electricity restructuring, about which they have some concerns. We agreed to meet on that issue also.

✓
John

Katie and I also met with Erskine about our internal structure for moving forward on climate change. We will be calling several prominent outsiders -- including Norm Augustine, John Deutch, Charlie Curtis, and others -- to explore their interest in helping us to improve energy efficiency and work with industries to reduce greenhouse gas emissions.

Medicare Buy-In Roll-Out: Myself, Chris Jennings and Jeanne Lambrew of the NEC have initiated efforts to solidify the already-positive support for our policies to help people ages 55 to 65 access health insurance. The night before the event, we had a conference call with our Medicare Commission members to educate them about the policies and their rationale. The Commissioners were enthusiastic, especially Drs. Altman and Vladeck who think that this a solid, defensible policy. Last Tuesday, we met with all of the major aging and advocacy groups to present the policies and answer questions. We brought in the key validators, like Robert Reichauer, Henry Aaron, and Judy Feder, to explain the details and design of the proposals. Again, they were generally positive. We plan to continue this education effort next week by meeting with key groups like the business community and women's groups as well as start Congressional staff briefings.

SAVER Implementation. As you know, the SAVER Act, which you signed on November 20, mandates that you convene a retirement savings income summit by July 15, 1998 (subsequent summits are to be held in 2001 and 2005) to discuss private pension and individual retirement savings issues. The Labor Department is charged by statute with planning and conducting the summit in consultation with the American Savings Education Council, a coalition including AARP, labor unions and trade associations. There will be 200 participants, which need to be named by January 31 -- 100 are to be nominated by you in consultation with the Congressional Democratic leadership and 100 by the Congressional Republican leadership (half by the Speaker of the House and half by the Senate Majority Leader).

I held a meeting with John Podesta, Legislative Affairs, OMB, Presidential Personnel, Public Liaison and others to ensure that the process of naming participants proceeds smoothly. We will be working with Labor and others in the White House to get a joint list with Congressional Democrats. We think this summit provides an excellent opportunity to build support for your proposals on pensions to spur higher private savings.

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THE PRESIDENT HAS BEEN
1-12-98

Information Technology Worker Shortage: Tom Kalil, on our staff, is working with the Departments of Education, Labor, Commerce on a conference on the information technology workforce that will be held on January 12th-13th in Berkeley, California. The industry is growing so rapidly that many companies are complaining that they can't find enough workers with the necessary skills. The conference is being jointly sponsored by industry and the Department of Commerce. We will be announcing steps to help meet the growing need for workers with IT skills -- such as upgrading the skills of the existing workforce and getting high-tech companies more involved in school-to-work.

Need opportunity
for. Clear copy
to the industry
clearly
Tulley

The entire high tech sector (information, communications, electronics) now employs over 4 million Americans at wages that are 73 percent higher than the private sector average. There are a few members of Congress (e.g., Rep. John Dingell) who believe that the IT industry is raising this issue primarily to loosen restrictions on immigration. We have made it clear to the industry that our interest is in upgrading the skills of the U.S. workforce.

Japanese Economy: We continue to privately press Japanese officials for (1) additional fiscal stimulus to boost Japanese economic growth and (2) greater clarity on measures they will take to address their banking problems. Treasury, the Federal Reserve, the IMF and financial markets believe that the fiscal measures announced by Prime Minister Hashimoto last month are insufficient to restore healthy economic growth in Japan (98 budget remains contractionary).

In meetings this week with a close Hashimoto advisor (his Deputy Chief of Staff) and Japan's Minister of Economic Planning, I made clear our view that additional fiscal contraction this year will impede economic recovery in Japan and Asia as a whole and that while we had been encouraged by the size of their tax cut, we were disappointed to hear that, on the whole, their budget was contractionary. They responded that Hashimoto will consider additional measures as necessary, but cannot publicly announce any new proposals until the current proposals are enacted (late March, early April) because it could hurt Hashimoto, who has made a strong political commitment to balancing the budget. I replied that it was important that additional fiscal steps be taken as soon as possible particularly because of Japan's importance to helping to energize the region at this critical time. I assured them we would not mention publicly that they were considering such measures but stressed because of the current situation, timing could be critical.

They clearly were looking for positive public signals from us on their fiscal plan, but we made clear that we could not back off privately or publicly from our consistent position of the need for stronger, demand-led growth. I also indicated that we were very sensitive to the possible market consequences of public criticism by the USG, and, given the close relationship between you and the Prime Minister, are sensitive to Hashimoto's political situation. It will be helpful for you to discuss these issues further with Hashimoto early next week.

Boeing: Dan Tarullo and Dorothy Robyn worked with Boeing officials this week in response to the recent announcement that Airbus is launching two derivatives of the A340, which will compete with the 747 and 777. France and Germany have committed to provide launch aid for the A340 (under the 1992 U.S.-EU bilateral, the EU can subsidize up to one-third of development costs), but the UK is apparently wavering. After Dan talked to Boeing CEO Phil Condit (Condit also talked to Charlene Barshefsky), NEC worked with USTR, State and Commerce to draft a demarche to the UK urging them to avoid any further entrenchment of government subsidies to the aircraft industry.

Roswell, NM: Last November, when Levi-Strauss announced that it was closing 11 plants, the NEC decided to undertake a pilot project in Roswell, New Mexico, one of the affected communities, to test our Community and Economic Adjustment Initiative. This initiative, which you announced as part of Fast Track, borrows a page from our successful base closure adjustment effort. The pilot project is proceeding well. A project manager from DoD's Office of Economic Adjustment, Tom Shea, has been detailed to the Economic Development Administration and in turn assigned to Roswell. Shea has been instrumental in getting Roswell set up a single, representative group to plan for redevelopment (previously, organizational schisms had impeded progress), using a \$40,000 planning grant from EDA as a carrot. Shea and Dorothy Robyn have also been coordinating the response of other federal agencies. In addition to Roswell, we are considering undertaking a second pilot project in El Paso, Texas.

April 3, 1997

MEMORANDUM FOR GENE SPERLING

FROM: BOB SHIREMAN

RE: Issues that may be raised with the Chaka Fattah proposal

Entitlement: In the Pell Grant program, awards can at least theoretically be reduced if the appropriation turns out to be insufficient. However, this program makes a firm, legally binding promise of the maximum award. Therefore, it could probably be portrayed as making the grant an entitlement (beyond what it already is).

Cost: According to OMB, budget authority would be scored in the year that the promise is made. Outlays would occur in the year that the student used the Pell Grant. The rough *outlay* cost -- in addition to Pell Costs that would otherwise be incurred -- is estimated to be \$460 to \$800 million per year. (Additional budget authority that would have been used six years from now would be moved to the year when the promise is made). The lower-end estimate is the cost of providing the maximum grant to students who would not have otherwise qualified for the grant, assuming no increase in college attendance rates (53%). The high estimate assumes college attendance rates equal that of families in the highest quartile (74%).

Design problems/issues:

- The proposal targets "the highest grade of elementary school." That is would range from third to eighth or ninth grade.
- School-based poverty data is not available at the Federal level, and it changes from year to year at any particular school.
- 13% of the children at the highest-poverty schools have family incomes over \$35,000 and therefore would probably not have qualified for a Pell Grant.
- Students might try to go to a particular school temporarily in sixth grade in order to get the benefit.
- The promise is not a sufficient incentive to bring results. It would need to be combined with mentoring and related activities in order to have an impact.

Idea:

- Turn the proposal into a "matching" program, which challenges the private sector to start I Have a Dream-type programs in high-poverty areas (perhaps census-based "Educational Enterprise Zones"). The Secretary of Education could establish criteria for programs that would be expected to have good results. Those that meet the criteria would get the advance Pell Grant.

THE PRESIDENT HAS SEEN
4-7-97

THE WHITE HOUSE
WASHINGTON

April 5, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN *PC*

SUBJECT: Recent Information Items

Tab A - copied
Sperling/Bowles
Tab B - returned to
DOTUS
Tab C - copied
Jennings/Bowles
Tab E - copied
Bowles/Hadley

We are forwarding the following recent information items:

(A) Sperling memo on 21st Century Scholars proposal. Forwarded by Erskine. Gene mentioned this concept is in his weekly report last week and fleshes it out a bit in this memo. The proposal is modeled on Eugene Lang's "I Have a Dream" program and calls for guaranteeing Pell Grants to poor sixth graders upon graduation from high school. Gene notes the program has particular potential for Hispanic youth because of their dropout rates. Gene is working through the budgetary impacts but it appears the outlays would not occur until the Pell Grant is disbursed, rather than promised. Ideas for a possible rollout event include you visiting a "Dream" school with some alumni "Dreamers" who have completed college, a few in high school and a few sixth graders.

(B) Letter from Lea Rabin. Emotional letter in which she writes about how much she misses her husband during these "trying and turbulent times" and knows you too are troubled by the "sad developments" in the Mid-East. Thanks you for the "wonderful letter" you sent her on the laying of the cornerstone of the Yitzhak Rabin Center. *You are scheduled to see Mrs. Rabin on Wednesday.*

(C) Jennings memo on Dr. Dean Ornish's proposal. You asked that Chris look into the status of Ornish's proposal to fund his Life Style Intervention project as a HCFA Medicare demonstration project. Chris has been working closely with HHS. Last week, HCFA's Bruce Vladek met with Ornish. Bruce agreed to approve the demonstration project provided that Ornish could get a letter from the head of the National Heart, Lung and Blood Institute (NHLBI) confirming that Ornish's program is as safe as conventional therapies. In the past, NHLBI has previously raised questions as to whether Ornish's program was safe for the geriatric population. Nevertheless, Ornish seemed satisfied with this outcome as he believes he has new evidence that his approach is safe. If NHLBI agrees, Chris is hopeful we can move forward.

(D) Sperling memo on Clinton Administration Commissions. Erskine and Sylvia asked Gene for an analysis of the commissions you have established. Of the sixteen higher-profile commissions, seven were largely successful (e.g. Human Radiation, Gulf War, AIDS, Aviation Safety, Gore-Chernomydrin), one had little impact (Entitlement Reform) and eight are still at work gathering information (e.g., Bioethics, Critical Infrastructure,

Downstairs

fun

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'97 MAY 23 PM 9:30

THE WHITE HOUSE
WASHINGTON

May 23, 1997

THE PRESIDENT HAS SEEN

5-26-97

MEMORANDUM FOR THE PRESIDENT

FROM: GENE SPERLING
cc: ERSKINE BOWLES
RE: NEC Weekly Report

LOOK AT WORK

5-26-97

Sperling } copied
CDS } to

Sweatshops: The first meeting of an NEC-led interagency process to coordinate administration-wide efforts to fight sweatshops internationally and domestically will take place next week. We will continue to work with the Apparel Industry Partnership which has begun working to implement the framework announced at the White House last month, and will assist in the recruitment of additional members of the Partnership.

Early Pell Grant Notification: Myself and Bob Shireman met with Cong. Chaka Fattah this week to go through some of the details of modifications that we are considering as well as the scoring issues. It was a very positive and constructive meeting. Cong. Fattah indicated he would be happy with any modification that we worked out jointly. We will press to get the scoring issue settled and get a decision memo to you shortly. The best times to announce this initiative could be the first couple of weeks of June (graduation of elementary school) or late August/early September (back to school).

6/1/97

Comp. Time: On Friday, we held a comp time meeting with John Podesta, Alexis Herman, Tracy Thornton, Maria Echaveste and others to discuss our strategy on comp time legislation. We went over both strategy as well as which provisions we needed to hold firm and which ones we could ultimately compromise on. We are going to continue to work with Senate Democrats on a common position and negotiate together jointly with them as well as Republicans such as Ashcroft and Jeffords.

America Reads: While it was a great victory to get a commitment in the budget agreement for a child literacy proposal consistent with America Reads, we still must go through the process of passing a bill authorizing it. Chairman Goodling has reportedly told his Republican colleagues that it is time to begin putting together legislation on America Reads, pursuant to the budget agreement. We are working with Education and National Service to determine some bottom lines and consider a strategy for the AmeriCorps component.

Yan-ujia
to Robert
Amunum

The legislation you proposed does not actually authorize the National Service funds, it just makes reference to the additional appropriations and creates a joint Education-National Service structure for running the program. The cooperative arrangement *could* be accomplished without legislation, so we could simply authorize the Education Department's portion, and save the AmeriCorps fight for the appropriations bill, when we have more leverage.

Harris Wofford is concerned that not mentioning National Service in the authorizing legislation sends the wrong message. Therefore, we will start with the posture that National Service must be an integral part of the program, and see where that takes us with Goodling. At some point in the near future, I believe it could be productive for you to give Chairman Goodling a call directly since your Oval Office conversation with him seemed to have had a positive effect. I mentioned this to Secretary Riley, but I still need to consult with John Hilley as to the timing of such a call.

Yes
Agree - Let's call on Goodling again - Call on Hilley again

NEXTEA: We are continuing our aggressive outreach effort on NEXTEA. Hours before your recent welfare-to-work event, Secretary Slater, Bruce Reed and others briefed an overflow crowd in Room 450 on the welfare-to-work elements of NEXTEA. We are also working with the Senate Banking Committee to build support for those elements. Next week, we will hold a similar event on NEXTEA's program for disadvantaged business enterprises.

Boeing-McDonnell Douglas Merger: The NEC is working closely with USTR and other agencies to better understand the European Commission's stated objections to the Boeing-McDonnell Douglas merger. The Administration should not and will not speak out on the merits of the merger, until the FTC has made its decision, which is expected in mid-June or early July. However, we have been urging the EC to carry out the merger review in accordance with established regulations, free of political considerations.

This page to Carroll

Children's Issues: Cong. Tim Roemer contacted me this week about the possibility of setting aside funds, perhaps in the budget, for children's initiatives such as 0-3 and pre-school. I told him that while I couldn't say such a proposal would be consistent with the agreement, you were very interested in working on such children's issues as part of the Democratic agenda following the budget agreement.

I continue to think that the focus on children's issues would fit well with an emphasis on long-term Medicare and Social Security reform. A children's initiative and long-term entitlement reform allows you to send the following simple message: We need to invest in our children today and not borrow from their tomorrows.

Agree

Because I continue to be worried that there may be a limit to how much we can spend on children's health care without inducing employers to drop health care coverage, it may be a good idea to think of using the tobacco tax for children's issues more generally (eg. 0-3, Head Start, day care, community schools).

Don, Rahm, Bruce, Michael Waldman, Ann Lewis and I have been in the process, however, of discussing different frameworks for building a new democratic agenda and there are several good and differing ideas being considered as to how best to frame and pay for different children, education and worker initiatives that I believe Don and Rahm are trying to pull together.

5-26-97

Financial Services Modernization: Following your approval of the Treasury's financial services modernization proposal, Secretary Rubin announced it in a speech on Wednesday. Bob Rubin and I both feel that the modifications and strategic decisions that were cooperatively arrived at proved effective leading to a good launch. The proposal was generally favorably received. Rep. Leach called the proposal "very constructive to the process," while Rep. Roukema, who heads the House subcommittee on financial institutions, called it a "welcome contribution." We will be working on clearing the actual bill language next week, in preparation for Secretary Rubin's testimony before the House Banking Committee on June 3.

Pensions: The SAVER bill, which contains the requirement for a quadrennial "White House" retirement summit (to which Congress would get to invite all the delegates), was passed on a voice vote on the suspension calendar in the House last week. We consulted with the Vice President's office and we both agreed that this was highly delicate in its present form. Working with Labor and White House Legislative Affairs, we were able to slow its movement in the Senate, but it will take continued work to ensure that any bill requiring a White House meeting is carefully crafted and under our control.

Volunteers/Tort Reform: The Senate passed the House version of the volunteer liability bill, clearing it for your signature. We have been working on both the SAP and now a signing statement designed to support this bill on the ground that it is actually a reasonably well-crafted bill in support of a good cause involving both plaintiffs and punitive defendants acting without financial motives, but warning that we could not accept several of its provisions -- most notably the absolute prohibition of joint and several liability for non-economic damages and one-way preemption -- if presented in a broader products bill. We continue to work on alternatives to the currently pending products liability bill.

NOX

Welfare-to-Work TANF Funds: We worked with Bruce Reed and the DPC on recommendations regarding the \$3 billion in welfare-to-work funds added by the budget agreement. Under the current proposal, 50 percent of the funds would be awarded to cities/counties and 50 percent to States through challenge grants awarded on a competitive basis. Preference would be given to proposed programs in high-poverty, high-unemployment areas. Factors such as poverty concentration could also be taken into account to ensure that funds are channeled to the most disadvantaged areas. Twenty percent of the funds in each pool (i.e., 20 percent of the total) would be set aside for performance bonuses. The Administration could also advocate for awarding bigger bonuses for placements in better jobs. Neither Bruce nor I are sure our proposal can hold in its present form but following Bruce's consultations with key constituencies and cabinet members we both felt that this was the right starting place.

Must get as much as possible directed to local gov't

X

DC: We worked with PBGC and OMB to meet the Treasury's and the District's remaining concerns with the pension provisions, and we are almost there. (There is an outstanding issue concerning DC court employees other than judges, which will be resolved next week.) Ellen Seidman helped prepare Treasury for testimony on the economic development portion of the bill; it went very well.

I know a court clerk can run

THE WHITE HOUSE
WASHINGTON

December 6, 1997

MEMORANDUM FOR THE PRESIDENT

**FROM: GENE SPERLING
BOB SHIREMAN**

SUBJECT: College-School Early Intervention Initiative

In preparation for the budget decisions that will need to be made in the next few weeks, this memorandum is intended to provide you with a status report on the development of a possible college-school early intervention initiative, and an opportunity for you to provide direction to our continuing efforts. In order to move forward on the budget, there are three issues that need to be settled: (1) the basic parameters of the early intervention programs, (2) the issue of early notification (the "guarantee" of aid), and, of course, (3) funding.

With the approach described in this memo, you would be able to announce a new program that would, with an initial investment of up to \$300 million --subject to the budget process:

- Provide families at high-poverty middle schools (and possibly others as well) with an official notification of the \$20,000 or more that is already available for their children to go to college; and,
- Through colleges and other partners, provide intensive, long-term early intervention and support services to 200,000 to 400,000 new children each year (at 1500-3500 high-poverty schools), depending on funding.

Background

As you remember, this initiative began with your interest in the "21st Century Scholars Act" by Rep. Chaka Fattah. This legislation, which continues to garner significant support, including some Republicans, would guarantee sixth graders at high-poverty schools a maximum Pell Grant when they got to college; send a notice to them annually from the Secretary of Education reminding them of the availability of aid; and make them automatically eligible for the counseling, academic support, and other services provided by TRIO programs (such as Upward Bound) in high school and college.

Working with OMB and Education, we analyzed the specifics of the Fattah approach and found a number of problems: higher-than-expected costs and inefficiencies; inequities and perverse incentives; and the difficult issue of a new entitlement. Most important, the research on early intervention programs indicated that in order for them to be successful, it is *critical* that mentoring, counseling and tutoring be provided to students. Simply making them eligible for TRIO is not enough. As you know, Rep. Fattah is aware of these concerns and is flexible on the design of a program.

We felt strongly that the Administration needed a strong early intervention initiative that goes well beyond a notification about financial aid. Research demonstrates that programs that start early and are sustained for a number of years are effective. For example, in the rigorously-evaluated Quantum Opportunities Program, 42 percent of the participants attended college, compared to 16 percent in the control group. To have a significant impact on college enrollment of disadvantaged youth, it is clear that we need a full-fledged early intervention program.

Our idea is to center this effort on colleges reaching out to children at high poverty schools. College involvement is critical for a number of reasons. First, this approach creates an ethic of responsibility: it reminds colleges that they are responsible for helping to build a pool of disadvantaged youth -- disproportionately minorities -- who are well-prepared for college. Second, if college is to be the goal that sixth graders see, they need to have some connection to the institution. Third, colleges can ease student fears about college costs, and perhaps even offer guarantees or financial aid and admittance if students meet certain milestones. Fourth, colleges are best able to tell students -- and the schools they attend -- what types of courses and skills they need to succeed. Indeed, an ancillary benefit of this approach should be higher standards.¹ And finally, a stable, long-term institution needs to be there to ensure the quality and staying power of a program like this one.

In October, principals discussed options (DPC, OMB, Education, PIR, COS, and OLA were represented). At that meeting, there was strong support for the concept of Federal aid to partnerships between colleges and needy schools, to provide sixth graders with mentoring and other support that would be sustained through high school graduation. There was also strong support for getting early information to families about the availability of Federal financial aid for college.

Since the principals meeting, we have accelerated our consultations and research. I have spoken with more than 200 college presidents, both individually and in groups, and the response has been quite positive. Many of them have provided examples of their own efforts to tap into K-12 schools to recruit and offer help early. Education is reviewing all of the research literature,

¹In fact, in response to our consultations on this issue, we already have a proposal from colleges in the California State University system for an early intervention program that would focus on math as the gateway to college.

and with my staff has carried out an effort to identify model programs with the characteristics that we discussed at the principals meeting. Both Mike Smith and I have spoken with Eugene Lang, founder of the "I Have a Dream" program, and he agrees that we are on the right track. Lang is coming in to meet with me in mid-December. Even though he is best known for his promise of aid to Harlem sixth graders, he feels strongly that the early and sustained *support services* are the most important determinant of a successful program (and he agrees with the need for college involvement).

It is important that while pursuing this effort, we do not give the impression that we are denigrating two types of young people: those who do not go to college, but who prepare well for productive jobs without college; or those who only need one or two more years of post-secondary education or skill training to be successful in the workplace. Your School-to-Work initiative values equally a variety of pathways to success. We will ensure that the program design helps all children know they can go to college if they work hard and succeed through high school, without implying that they may be failures if they choose postsecondary education other than college.

Basic Parameters of the College-School Partnerships

Some of the colleges with whom we have consulted want the program to be very flexible, to incorporate a wide variety of program models. But we have pressed that while we support flexibility, there needs to be a vision -- some common elements that give the proposal an identity that will propel it to success both legislatively and, ultimately, programmatically. We recommend the following core components:

Start Early and Stay with Kids through High School. Students should begin in the program *not later than* the seventh grade. The program must continue to provide services through high school graduation (or at least for six years). (There will be some attrition due to dropping out of school or of the program, moving out, or participating in another program.) Programs should not pre-judge some kids as not having college "potential." Instead, we should encourage programs that involve whole classes or cohorts of students.

College as a Goal. The programs must make sure that every child in the class/cohort comes to believe that college is within grasp if he or she works hard, and that it is affordable with Federal aid. The message will also make it clear that the same kind of rigorous academic preparation is needed for careers that do not require college. Special consideration would be given to partnerships that guarantee enrollment in a college for participating students who reach particular milestones, and/or for programs that guarantee additional financial aid to cover the full costs of the college.

An Intensive Element. Programs must provide intensive assistance to students at least during some part of the program. For example, this may be a residential summer component at a college.

Community Involvement. Community organizations and businesses should be tapped to offer mentors, guarantees of additional financial aid in exchange for student performance, exposure to careers, and other support.

Full-Time Coordinator. To make the program a success requires the full commitment of the school district and the middle and high schools into which the college mentors will reach. It is critical that full-time coordinators serve as the "glue" between the colleges and the schools, ensuring that colleges come through on their commitments, and schools link their own counseling and guidance program and other services -- including Title I and systemic reform efforts -- to the college program on an on-going basis.

Family Involvement. It is also critical that families learn both about the college financial aid that is available, the courses that the child needs to increase the likelihood of success in college and career, and the resources that are available to help (tutoring, mentoring, etc.).

Note on relationship to TRIO programs. Some colleges already have Federal TRIO grants with some of the above characteristics, and/or they have other similar programs. The largest Federal investment, Upward Bound, provides counseling and intensive academic support to *selected* disadvantaged *high school* students who show aptitude for college. The Talent Search program provides a one-shot program of early information about college to middle school students. Those programs do not come close to addressing all of the need, so there would not normally be a problem with them duplicating some part of this new program. Applicants for the college-school partnership funds would have to describe how their existing early intervention programs would be coordinated with the new program. It is expected that some partnerships would apply for the new grants to extend and expand their programs, so that Upward Bound, for example, could essentially create a grade 4-10 feeder program, and Talent Search could add a more intensive component with follow-up during the high school years. Others might simply focus on high-poverty schools where the students are not being served by any current program.

Maintaining the separate TRIO programs with similar purposes could be an ineffective use of funds, if the new design turns out to work better for poor children. However, the politics of attempting to reform or integrate TRIO into the new design legislatively (as noted, we hope it will happen locally), argue against making the effort. We will design the evaluation of the new program to address comparisons to TRIO (and other models).

Early Notification/Guarantee

At the October principals meeting, there was concern that Fattah's idea of early notification guarantees not translate into any new entitlement to aid: first, it creates budget complications, both politically and practically; second, it creates the impression that the current programs are not secure -- contrary to the "universal access" message that we are sending in the wake of victories on HOPE and Pell.

Our feeling is that we do not need to go so far that we create a new entitlement. We can achieve Fattah's goal by providing children and their families with *early, official notification* of their eligibility for college financial aid. Because of the combination of student loans, Pell Grants, and HOPE Scholarships, virtually everyone is already eligible for at least \$20,000 of aid for four years of college. We can make a firm statement about eligibility without creating the budget complications. (As with Federal pensions and some military benefits, the actual amounts would depend on the continuation of the programs.)

This would be part of the larger information campaign on access to higher education, which I will get you a memo on in the coming week. While the focus would be on getting the notifications to families at the highest-poverty schools, we would not need to be that restrictive and could reach a larger number than the Fattah legislation proposes. Our expectation is that we can provide a minimum level of information to every family on a regular recurring basis, and that we will find ways to make special efforts to tailor the message for poor families with children of all ages.

As already noted, we would encourage partnerships to supplement Federal aid with additional financial assistance and/or guaranteed admission to a particular college if the student takes the right classes and works hard.

Funding

The costs of successful programs range significantly, from a few hundred dollars per participant to several thousand. The ability of a college and other partners to put up some of its own resources also varies. It was clear from my discussions with the presidents of Yale and Columbia that they mainly wanted to be associated with a national effort and would put a lot of their own (substantial) resources to the effort. On the other hand, in some parts of the country it would be important to be able to have a significant Federal contribution, at least at the start. Our work continues on these design questions.

For the purposes of estimating potential impacts, we have assumed an average \$1,000 per participant cost in the first three years, and \$800 for the remaining three. New cohorts of children are added each year, but there is a declining (national average) Federal match, with the local programs expected to take over after the sixth year (again, our work continues on these design questions). With those assumptions, a \$300 million Federal investment in FY 1999 would allow us to serve 375,000 seventh graders (at about 3300 high-poverty schools). That is more than seven times as many as are now served by Upward Bound. The amount would need to ramp up somewhat as new cohorts of students are added. The initial, FY 1999 funding amount could be reduced either by reducing the size of the proposal, and/or by phasing in the number of partnerships funded.

Add at least \$30 million. The TRIO programs have a strong, organized constituency. We are working with the association on this proposal, and so far they are supportive. But they are concerned that our interest in this new proposal may weaken our resolve as far as increases for the TRIO programs. Therefore, it is critical that an increase of at least \$30 million be included in the Budget for TRIO if we move forward with the school-college mentoring partnerships. Doing so will help get the proposal through Congress. *An increase of \$53 million for TRIO is suggested in my memo to you on Hispanic education.*

Legislative strategy. We are currently assuming that this would be a new, competitive direct grant program from the Department of Education, probably part of our proposal for reauthorization of the Higher Education Act. If funded on the discretionary side, it would benefit us in the appropriations process to use an existing authority, and there are a couple we could choose from. We are also exploring the possibility of funding the program on the mandatory side, which could have some strategic advantages.

Some of the Committee leadership on the Hill are expected to pursue a state-based model, making use of a program authorized in 1992 called the National Early Intervention and State Scholarship Program. It is funded at \$3.2 million now and funds some useful models. Education opposes using this authority, however, because it would be more difficult to maintain a high-quality, highly targeted effort within a state formula grant program.

Next Steps

If you are comfortable with the general approach, then we will continue to draft the descriptions that will need to be included in the Budget, if funding is to be included. We will then continue to vet the idea, and will begin to develop a roll-out strategy.

Views and Recommendations

Secretary Riley strongly supports this initiative as a logical next step in our efforts to assure access to higher education for all Americans.

Sperling considers this to be as important as any education initiative this year, because (1) given the strong interest of colleges in the effort, we can have a considerable national mobilization, (2) it targets the age group that is most neglected in Federal education policy, and (3) it helps with the long-term needs relating to affirmative action. Reed and Kagan support the proposal for similar reasons.

Judy Winston considers this proposal to be fully consistent with the President's Initiative on Race, which includes a focus on *action* designed to bridge racial divides. She is exploring the possibility of including a representative of an effective early intervention program in the program for the December 17 Advisory Board meeting.

12-30-97

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THE WHITE HOUSE
WASHINGTON

December 15, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan

SUBJECT: New Initiatives on Discretionary Side of Budget

Copied
Reed
Sperling
Kagan
Waldman
Bowles

As you know, OMB is trying to find an additional \$6 billion for discretionary spending. Assuming this money becomes available, the DPC and NEC recommend that you fund the new initiatives listed below -- in the amounts listed below -- in your FY 1999 budget. OMB has signed off on these recommendations. Some of the departments, however, may appeal for increases in base programs that would cut into the amount of money available for new initiatives.

We already have given you detailed memos on most of these initiatives. If you approve the initiatives, you can announce any or all of them in the State of the Union.

Because so many of the new initiatives involve education, we are attaching an appendix to this memo that shows recommended funding levels for the Department of Education's major base programs. In reviewing the education spending, you should note that the Department has just reestimated Pell Grant costs in a way that will free up additional monies. We had thought we would need a \$434 million increase in the Pell Grant Program to raise the maximum award from \$3,000 to \$3,100. The new estimates show we can finance these policies with between \$150 million and \$220 million less. We are currently considering whether to keep these funds in the Pell Grant Program to support a larger increase in the maximum award and make other policy changes, or alternatively to invest them in the After-School and Head Start components of the child care initiative.

Education

- 1. Education Opportunity Zones (\$225 million):** This initiative will provide funding to about 25 high-poverty urban and rural school districts for agreeing to adopt a "Chicago-type" school reform agenda that includes ending social promotions, removing bad teachers, reconstituting failing schools, and adopting district-wide choice.
- 2. College-School Partnerships (\$150 million):** This initiative, which builds on Eugene Lang's model of helping disadvantaged youth, will provide funding for college-school partnerships designed to provide mentoring, tutoring, and other support services to students in high-poverty schools, starting in the sixth grade and continuing through high school. The six-year funding

12-30-97

path will provide help to nearly 2 million students. The proposal also will include Chaka Fattah's idea of early notification to disadvantaged 6th graders telling them of their Pell Grant and loan eligibility.

3. Campaign on Access to Higher Education (\$20 million): This initiative will fund an intensive publicity campaign on the affordability of higher education. The goal of the campaign will be to make every family aware that higher education is now universally accessible -- and that it is the key to higher earnings.

4. Teacher Recruitment and Preparation (\$67 million): This initiative, which you previewed last July at the NAACP Conference, will provide scholarships to nearly 35,000 new teachers over five years for committing to work in high-poverty urban and rural schools. It also will upgrade the quality of teacher preparation programs serving these communities.

5. Technology Teacher Training (Approx. \$230 million): This initiative will dedicate 30 percent (about \$150 million) of the Technology Literacy Challenge Fund (which is being increased from \$425 to \$500 million) to ensure that at least one teacher in every school receives intensive training in the use of technology for education, so that those "master teachers" can train their colleagues. An additional \$80 million will begin an effort to train every *new* teacher in the latest technology.

6. Hispanic Education Action Plan -- (\$195 million or more): This initiative will increase funding for a number of existing programs to improve education for Hispanic Americans and other limited English proficient (LEP) children and adults. It would double our investment in training teachers to address the needs of LEP children; boost the Migrant Education Program by 16 percent; increase the TRIO college preparation program by 10 percent; and create a 5-year, \$100 million effort to disseminate best practices in ESL training for adults. We would accompany these program increases with administrative actions to help Hispanic students complete high school and succeed in college.

7. Distance Learning -- (\$50 million?): We are still in the process of developing a new initiative, related to Governor Romer's Western Governors University, to promote the use of technology to give people "anytime, anywhere" access to learning opportunities.

Child Care

We recommend placing most of the child care initiative -- in particular, the proposed increase in the Child Care and Development Block Grant and the establishment of a new Early Learning Fund -- on the mandatory side of the budget. The smaller pieces of the initiative that we propose placing on the discretionary side are the following:

1. After-School Program Expansion (\$100-200 million): This program expansion will increase funding of the 21st Century Community Learning Center Program (now funded at \$40

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How many

million) for before- and after-school programs for school-age children at public schools. Depending on the exact funding level chosen, this investment will create new programs in 1,500-4,000 schools with slots for between 75,000 and 200,000 children; at the same time, it will enable still more students to participate in other school-site activities.

2. **Standards Enforcement Fund (\$100 million):** This new fund will support state efforts to improve licensing and accreditation of providers, and to enforce health and safety standards -- particularly through unannounced inspections of child care settings. The fund also will enable states to issue report cards, for use by consumers, on the quality of the facilities inspected.
3. **Provider Training (\$51-60 million):** A new Child Care Provider Scholarship Fund, which you proposed at the Child Care Conference to fund at \$50 million annually, will support 50,000 scholarships each year to child care workers working toward a child care credential. The students will commit to remaining in the field for one year for each year of assistance received, and will earn increased compensation or bonuses when they receive their credential. An additional \$1-10 million will allow the Department of Labor to expand its Child Care Apprenticeship Training Program, which funds providers combining work toward a degree with on-the-job practice.
4. **Research and Evaluation Fund (\$10-30 million):** This new fund will establish a National Center on Child Care Statistics, and provide grants for research projects and state and local child care hotlines and consumer education activities.
5. **Head Start and Early Head Start Expansion (\$284-334 million):** This level of increased investment in the overall Head Start budget should permit doubling the set-aside for Early Head Start over five years without reducing the resources available for children 3-5. The doubled set-aside would enable more than 50,000 additional children to receive Early Head Start services in 2003.

Welfare, Housing, Urban

1. **Welfare-to-Work Housing Vouchers (\$283 million):** This initiative will provide 50,000 new housing vouchers to help welfare recipients in public housing who need to move in order to find employment. HUD will distribute these vouchers on a competitive basis to public housing authorities working with local TANF agencies and/or grantees of the new \$3 billion welfare-to-work program. (A separate proposal, for which no new funding is needed, would allow families in public or assisted housing to use vouchers to buy a home; HUD expects this proposal to assist some 25,000 people become homeowners over two years, though OMB believes this figure to be exaggerated.)
2. **Housing Portability/Choice (\$20 million):** In addition to the new welfare-to-work housing vouchers discussed above, our proposed package on housing portability and choice expands Regional Opportunity Counseling sites and takes administrative actions to eliminate obstacles to

portability in the Section 8 housing program.

3. "Play-by-the-Rules" Homeownership Proposal (\$30 million): This initiative will assist families that always pay their rent on time to become homeowners. The Neighborhood Reinvestment Corporation will provide downpayment assistance, interest rate buydowns, or rehabilitation loans to approximately 10,000 families.

4. Homeownership Opportunity Fund (\$11 million): This initiative will provide funds for HUD to develop a loan guarantee program to allow state and local governments to leverage current HOME funds with private-sector investments to fund large-scale, affordable housing developments in distressed communities.

5. Community Empowerment Fund (\$300-400 million): This initiative establishes a public/private fund ("Eddie Mac"), which will invest in inner-city businesses and create a secondary market for economic development loans (like Fannie Mae).

6. Homeless Assistance (\$250-325 million): This level of increased investment includes \$177 million to help 32,000 homeless people receive Section 8 vouchers.

Labor and Workforce

1. Child Labor (\$89 million): This initiative is anchored by a \$30 million commitment -- up from \$3 million -- to the International Program on the Elimination of Child Labor (IPEC). The initiative also will include funding to improve Customs Service enforcement of U.S. law banning the import of goods made with forced or bonded child labor (\$3 million) and to double the Department of Labor's enforcement of child labor laws in the agricultural sector (\$4 million). Finally, the initiative will provide additional funding to the Migrant Education Program so it can reach 50,000 more migrant children (\$50 million). We are developing non-budget items to fill out the package.

2. Community Adjustment (\$50 million): This initiative will fund the creation of the Office of Community and Economic Adjustment (OCEA), which we proposed as part of the Fast Track debate. As you know, this office will be modeled after the Defense Department's Office of Economic Adjustment -- the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. We expect the Office to help 35-40 communities in its first year of operation. The initiative also will fund a variety of other efforts to assist communities that face sudden and severe economic dislocation.

3. Out of School Youth Opportunity Program (\$250 million): Congress advance appropriated \$250 million for this program last year contingent on the passage of authorization legislation. The program will fund competitive grants for efforts to increase employment among out-of-school youth between the ages of 16 and 24.

Health

1. 21st Century Trust Fund (Approx. \$1 billion): This initiative will provide substantial additional funding to NIH (\$750 million) and NSF (\$250 million), ramping up substantially over time, for research activities – particularly on the treatment and cure of diseases. We will provide you with a separate memo on this initiative in the next day or two. Funding for this initiative will come from comprehensive tobacco legislation.

2. AIDS Programs Expansion (\$165 million): A funding increase for the Ryan White Program of almost 15 percent will go principally toward ADAP, to ensure that new and effective treatments of AIDS reach those who need them. Some of the funds will support education and prevention programs operated by states, cities, and community health centers, as well as by the CDC.

3. Racial Disparities in Health Care (\$80 million): This initiative will address racial disparities in six areas of health care: infant mortality, breast and cervical cancer, heart disease and stroke, diabetes, AIDS, and immunization. The proposal includes additional funding (\$50 million) to established public health programs to adapt and apply their prevention and education strategies to eliminate racial disparities. It also includes funding (\$30 million) for up to thirty local pilot projects to test innovative approaches to reach this goal.

Environment

(Katie McGinty proposed and has further information about these initiatives)

1. Climate Change (\$400 million): To support our broader climate change initiative (including tax incentives), this funding will go to a number of departments in accord with PCAST's recommendations.

2. Second Generation Clean Water (\$450 million, including some on mandatory side): This initiative will assist in restoring 1000 watersheds that are too polluted for fishing or swimming. Funding will go to five agencies to support a variety of activities designed to address polluted runoff and implement comprehensive watershed management strategies.

Crime

1. Community Prosecutors (\$50 million): This initiative will provide grants to prosecutors for innovative, community-based prosecution efforts, such as Eric Holder adopted in the District of Columbia. A full 80 percent of the grants will go to pay the salaries and training costs associated with hiring or reassigning prosecutors to work directly with community residents.

Race

A number of the above proposals -- e.g., education opportunity zones, university-school

partnerships, housing vouchers -- can be presented as part of the race initiative, because they target predominantly minority areas or provide disproportionate benefits to members of minority groups. Other proposals described above -- the Hispanic dropout plan and the race and health initiative -- have obvious and explicit race connections. In addition:

1. Civil Rights Enforcement (\$72 million): This initiative will fund reforms to the EEOC and the civil rights offices at DOJ, HUD, HHS, Education, and DOL. Most important, additional funding of \$37 million will allow the EEOC to expand its mediation program (allowing more than 70 percent of all complainants to choose mediation by the year 2000), increase the average speed of resolving complaints (from over nine months to six) and reduce the EEOC's current backlog (from 64,000 cases to 28,000). The initiative also will fund a dramatic expansion of HUD's civil rights enforcement office (in the 30th anniversary year of the Fair Housing Act) and improve coordination among the government's civil rights offices. We are preparing a number of non-budgetary administrative actions, especially involving fair housing and lending, to accompany our budget proposals in this area.

Appendix -- Education Budget

The recommended funding level for all of the Department of Education's discretionary programs (including new initiatives) is \$30.9 billion, an increase of \$1.4 billion (4 percent above FY 1998). In addition to providing for the new initiatives described above, this recommended budget maintains or increases funding for the Department's major base programs, while reducing certain lower priority spending.

Major Base Programs

Education testing: \$16 million. The full amount needed to maintain progress on test development.

Pell Grants: \$7.779 million. A \$289 million increase would maintain higher independent student eligibility and raise the maximum award from \$3,000 to \$3,100. The additional \$150 million previously thought necessary to effect these policies would increase the maximum award by another \$50; alternatively, as noted earlier, we could use these funds to increase our investments in the After-School and Head Start components of the child care initiative.

America Reads: \$260 million. We did not get our America Reads bill in FY 1998. We did obtain increases for tutoring in the Corporation for National and Community Service. Congress did, however, "advance appropriate" \$210 million for FY 1999 for Education, contingent upon enactment of new law. The increase to \$260 million reflects our original first year plan.

Title I, Education for the Disadvantaged, Grants to LEAs: \$ 7.725 million. A \$350 million (4.5 percent) increase over FY 1998 to serve an additional 400,000 children in poor communities. Secretary Riley requested a \$492 million increase.

Goals 2000: \$510 million. A \$10 million increase over FY 1998, to maintain momentum in the States for school reform.

Comprehensive School Reform: \$175 million. A \$30 million increase over FY 1998 for demonstrations of school reform models.

Adult Education: \$394 million. A \$33 million (9 percent) increase over FY 1998 for basic education and English language training for the disadvantaged, immigrants, and welfare recipients. This increase is part of Hispanic Education Action Plan discussed above.

Special Education: \$4,811 million. Same as the FY 1998 level, which was increased by \$775 million over FY 1997. States can spend the increase over 2 years. Secretary Riley has expressed concern about the lack of an FY 1999 increase. We are convinced that no increase will satisfy the advocates, and would prefer to negotiate this level in Congress, rather than use up scarce funds in your budget now.

College Work-Study, \$915 million. An \$85 million increase over FY 1998, make progress toward your goal of 1 million Work-Study positions by FY 2000. Given the reduction in Perkins loans (noted below), this increase keeps the campus-based aid programs at level funding from FY 1998.

Reductions in the Base

A number of programs have been reduced to make room for initiatives and major base programs, including: Impact Aid (-\$92 million), the Education Block Grant (-\$350 million), and Perkins Loans (-\$85 million). Each of these has a vocal constituency. We believe we can make the case that our funding of initiatives and base programs are all higher priority than these programs.

HEALTH INVESTMENT OPTIONS IN THE BUDGET

MEDICARE

USES

Pre-65 Initiative Options: \$1 - 2 billion

Clinical Cancer Trial Care: \$1.7 billion

Medicare Improvements: \$0.2 - 3 billion
[e.g., Mammography coinsurance,
annual physical]

Private Long-Term Care Options: \$0.1 - 4 billion

SOURCES

Anti-Fraud: \$1.5 - 2 billion

Income-Related Premium: \$6 - 19 billion

COVERAGE

USES

State Incentives to Enroll
Medicaid-Eligible Children: \$2 billion

Workers' Transitions Options: \$2 - 5 billion

Voluntary Purchasing Coops: \$0.1 billion

SOURCES

[Cost Allocation, Reserve or Tobacco?]

NOTE: All scoring is preliminary and subject to change.

THE PRESIDENT HAS SEEN
12-30-91

MANDATORY EXPENDITURES

(Five-Year Costs)

CHILD CARE \$6.0-\$12.0 Billion

- Child Care Block Grant = 66%-75%
- Early Learning Fund = 25%-33%

CLASS SIZE \$6.0-\$9.0 Billion

FOOD STAMPS \$2.0-\$3.5 Billion

HEALTH CARE

- Medicare Pre-65 Initiative \$2.0 Billion
- Medicare -- Clinical \$2.0 Billion
- Long-Term Demonstration \$0.5 Billion
- Children's Outreach \$1.0-\$2.0 Billion

COLLEGE AID \$1.3-\$1.7 Billion

SCHOOL CONSTRUCTION \$5.0 Billion

EMPOWERMENT ZONES (Rural or Urban) \$0.562 Billion

FAST TRACK/TAA \$0.697 Billion

**AG-ENVIRONMENTAL (Crop Insurance,
Environmental Conservation, Forest Service)** \$0.720 Billion

MISCELLANEOUS \$0.462 Billion

- Veterans
- Transportation
- District of Columbia
- Social Security Administration

TOTAL: \$28.6-\$40.5 Billion

TOTAL (w/ School Construction As Tax Cut): \$23.6-\$35.5 Billion

12-30-97

SOURCES OF FUNDING FOR NEW INITIATIVES
(preliminary estimates, dollars in billions)

	<u>FY 1999</u>	<u>5 years</u>
Mandatories:		
Veterans tobacco (INCREASE to the deficit).....	0	6.4
Cost allocation.....	0.5	2.9
Education reform.....	0.9	3.6
State bank fees.....	0.1	0.5
Child support enforcement.....	0.06	0.3
Agriculture.....	0.3	1.6
Subtotal.....	1.9	15.3
Limited Use Mandatories:		
Directed State use of tobacco settlement.....	2.3	14.9
TOTAL, MANDATORIES.....	4.2	30.2
<hr/>		
Medicare:		
Medicare error reduction/modest policy changes.....	0.2	2
Medicare income-related premiums.....	2	12
Subtotal.....	2.2	14.0
<hr/>		
Revenues:		
Options from the FY 1998 budget.....	2.8	19.9

HIGH HOPES
for College
for America's Youth

February 4, 1998

Table of Contents:

- I. Description of Program
- II. Evidence of Need and Effectiveness of Solution
- III. Examples of Mentoring and Early Intervention Programs

HIGH HOPES for College for America's Youth

February 4, 1998

"I also ask this Congress to support our efforts to enlist colleges and universities to reach out to disadvantaged children starting in the sixth grade so that they can get the guidance and hope they need so they can know that they, too, will be able to go on to college."

--President Clinton, State of the Union address, January 27, 1998

Today President Clinton is announcing a new initiative to inspire more of our young people to have high expectations, to stay in school and study hard, and to go to college. This long-term investment -- starting with \$140 million in the FY 99 Budget -- would promote partnerships between colleges and middle or junior high schools in low-income communities, to provide children with the support they need starting in sixth or seventh grade and continuing through high school graduation.

TELLING FAMILIES EARLY: COLLEGE IS WITHIN REACH. Families need to know that college is affordable regardless of their income. High Hopes would provide children and their families at middle and junior high schools in low-income communities with a 21st Century Scholar certificate, an official, early notification of the amount of their eligibility for Federal college aid.

COLLEGE-SCHOOL PARTNERSHIPS PROVIDE CHILDREN WITH MENTORING AND OTHER SUPPORT. It takes more than money to go to college and succeed. To make the hope of a college education a reality, degree-granting colleges (including 2-year institutions) would be encouraged to establish partnerships with middle and junior high schools with large concentrations of low-income children. Working with parents, community and religious groups, and businesses, the partnerships would provide information about what it means and what it takes to go to college, as well as support services -- such as mentoring, tutoring, college visits, summer programs, after-school activities, and counseling -- to help the children stay on track. The partnerships will help ensure that children have access to the rigorous core courses that prepare them for college and let parents know how they can help their children prepare for college.

STAYING WITH THE CHILDREN THROUGH HIGH SCHOOL GRADUATION. This new initiative will be flexible, allowing partnerships to design their own efforts based on local needs and resources. But to be most effective in increasing college attendance by low-income youth, the programs must be based on experience with strategies that work, and must:

- begin not later than middle or junior high school (the 6th or 7th grade);
- continue to provide help through high school; and,
- serve a whole cohort of students (such as an entire sixth grade).

HIGH HOPES COULD REACH 2,500 MIDDLE SCHOOLS, MORE THAN 1 MILLION STUDENTS. The President's Budget calls for a \$140 million investment in new High Hopes partnerships in 1999, and an additional \$70 million for new partnerships in each of the years 2000 and 2001 (as well as continuation funds for the original partnerships). If each project begins with one sixth or seventh grade class, this would fund partnerships with up to 2,500 middle and junior high schools. If each project adds an incoming class each year, more than 1 million students would be served over five years.

THE NEED FOR HIGH HOPES FOR COLLEGE AND EVIDENCE THAT INTENSIVE EARLY INTERVENTION WORKS

High Hopes for College uses college-school partnerships to help children in low-income communities develop the aspirations and skills needed to go to college as early as the 6th grade. It will help them understand how they can go to college by informing them about college options, academic requirements, costs, and financial aid, and by providing support services -- including tutoring, counseling, and mentoring -- to keep them on track through high school graduation and into college.

The Need for a College Education: College graduates today can expect to earn at least \$600,000 more over their lifetime than high school graduates; this amount has doubled in the past fifteen years, and is likely to continue to grow [Census Bureau, 1993], making a college education even more important than ever before. Yet:

- Only 43 percent of children from low-income families [bottom 20 percent of income distribution] enroll in college after high school, compared to almost 83 percent of children from high-income families. [U.S. Dept. of Education, *National Education Longitudinal Survey (NELS) 1988*]
- Among high test-scoring students, students from low-income families are *five times* as likely not to go to college as students from high-income families. [NELS 1988]

The Importance of Academic Information: To get into and complete college, more low-income middle and junior high school students and their parents need to learn about the importance of taking key courses as early as the 8th grade:

- Low-income students who take algebra I and geometry are almost *three times* as likely to attend college as those who do not (71 percent vs. 27 percent). [NELS 1988]
- Although taking algebra by the 8th grade is considered a gateway to college preparatory courses and going on to college, only 15 percent of low-income students [bottom 1/3 of income distribution] enroll in algebra by the 8th grade. [National Assessment of Educational Progress (NAEP) 1996]

The Need for Information on College Costs and Financial Aid: College costs are not nearly as high as many families assume, and many do not know that there are many financial aid programs like Pell grants, federal work-study, and loans, making college more affordable than ever before:

- Among low-income, high-test score students who are not planning on attending college, nearly 60 percent cite an inability to afford school as the reason. [NELS 1988]
- About 80 percent of children whose parents read materials about financial aid go on to college, compared to only 55 percent of children whose parents do not read this material among 12th graders interested in continuing their education after high school. [NELS 1988]
- A survey in 1996 found that the public overestimated the tuition of public two-year colleges by \$2,330 (about 3 times actual average tuition), of public four-year colleges by \$3,148 (over twice actual average tuition), and of private four-year universities by \$4,990 (almost 1/3 more than actual average tuition). [American Council on Education, 1996]

The Need for High Hopes for College Partnerships: While some existing programs successfully help low-income children get ready for college, there are too few of these programs and reach only a small number of students. These programs often start too late in encouraging students to take the core courses needed for college, and they do not provide the intensive, sustained support that studies show is necessary for success. *High Hopes for College* is intended to change this and create a national ethic that all colleges should partner with at least one low-income school starting in the 6th or 7th grade, and work with the students to ensure that they have the opportunity and are prepared to go to college.

Evidence Supporting Proposed Strategy: Studies show that successful programs helping low-income students at the middle or junior high school level include tutoring, counseling, and mentoring, as well as information about college, financial aid, and careers. [Consuelo Arbona, *First Generation College Students: A Review of Needs and Effective Interventions*. Decision Information Resources, 1994] These strategies are employed in such programs as:

Advancement Via Individual Determination (AVID): AVID joins colleges with middle or high schools in developing classes to provide low-income students with academic assistance, information about college preparatory courses and financial aid, tutoring, and other supports to encourage them to go to college. Several independent evaluations of AVID (including the state of California, the state of Kentucky, the University of California at San Diego, and the Guthrie-David Research Group, which are available through the AVID Center in San Diego) have found that:

- Nationwide, 93 percent of AVID graduates enroll in college and 60 percent are accepted in four-year institutions. In San Diego, 89 percent of AVID graduates are still enrolled in college after two years. [AVID Center]
- In San Diego, 55 percent of African American AVID students and 43 percent of Latino AVID students enroll in 4-year colleges compared to national averages of 33 percent and 29 percent, respectively. [AVID Center]
- In 1996-97, 90 percent of high school AVID students nationwide were enrolled in college preparatory courses. [AVID Center].

I Have A Dream (IHAD): Eugene Lang's IHAD program provides an entire grade of low-income students with a comprehensive set of services, including intensive mentoring and academic support and an early guarantee that their college tuition will be paid for by a combination of public and private resources. Studies collected by the IHAD Foundation show that:

- The original IHAD class of Dreamers exceeded expected educational outcomes: in a school where the projected graduation rate was 25 percent, 67 percent received high school diplomas, 17 percent received GED certificates, and 62 percent entered college. [IHAD Foundation]
- 75 percent of Chicago Dreamers in the class of 1996 graduated from high school, compared to only 37 percent of control group students. [Univ. of Illinois at Chicago, 1997].
- In Denver, 80 percent of IHADs first class of Dreamers graduated on time in June 1995, and another 7 percent graduated in 1996. By contrast, the Denver Public Schools estimate that the on-time graduation rate for all its students is about 60 percent. Some 60 percent of the IHAD graduates then went on to college and another 8 percent entered the military or vocational studies [IHAD Foundation].

Upward Bound: The U.S. Department of Education's Upward Bound program reaches out to low-income and disadvantaged youth at the *high school* level. Studies show that Upward Bound is effective in getting students to take more academic coursework. For example:

- Upward Bound students took 17 percent more academic course work than members of a control group, notably in English, science, math, foreign languages and social studies. [*The National Evaluation of Upward Bound: The Short-Term Impact of Upward Bound: An Interim Report. U.S. Dept of Ed, May 1997*]
- Upward Bound students achieve similar grades as those in a control group while undertaking a stronger academic curriculum. [*The National Evaluation of Upward Bound: The Short-Term Impact of Upward Bound: An Interim Report. U.S. Dept of Ed, May 1997*]

Examples of Mentoring and Early Intervention Programs

The Early Scholars Outreach Program, University of Washington

The Early Scholars Outreach Program (ESOP), established in 1987, is a partnership between the University of Washington (UW) and nine Washington State middle schools with large enrollments of disadvantaged students underrepresented in higher education. The program's aim is to increase the number of students who are enrolled and participating competitively in a college preparatory curriculum by the time they reach the 9th grade.

During the school year, high achieving UW students from similar backgrounds serve as role models and provide tutoring and mentoring. The ESOP provides these 6th, 7th, and 8th-graders with visits and overnight stays on the University campus, where they visit academic departments, hear presentations from faculty, participate in study skills workshops, and interact with UW students in a variety of settings. A series of workshops are held for parents to help families establish home environments that promote academic achievement. As a bridge to high school, incoming 9th-grade participants take part in a six-week summer enrichment program that provides training in reading, writing, language arts, mathematics, computer applications, and study skills.

Since 1987, 2,855 students have participated in ESOP. A UW study indicates that between 1992 and 1995, the grade point average of participating vs. non-participating ESOP students was 2.90 and 2.26, respectively. Ninety-seven percent of ESOP student graduate from high school, and 77% of those tracked report attending a 2-year or 4-year college. To date, of the 53 accepted to the University of Washington, 30 are currently attending.

*Contact: Lette Hudgu, Associate Director
Office of Minority Affairs, University of Washington
Seattle, WA
(206) 543-6436*

Advancement Via Individual Determination (AVID), San Diego, California

In Advancement Via Individual Determination (AVID), college and middle or high school partners jointly develop the curriculum for an academic class designed to provide low-income students and first-generation college goers with academic assistance, tutoring, information about college preparatory courses and financial aid, and other encouragement to enroll in college preparatory courses and apply for college. AVID's structure includes a regularly scheduled academic elective, a rigorous curriculum, structured tutorials, and parent training. The program is administered by a site team composed of the AVID coordinator, the principal, core academic teachers, and students--all of whom meet monthly to discuss effective practices for accelerating student performance and removing barriers to rigorous curriculum. Local college students serve as tutors and mentors for AVID students, working with them in small groups and individually during the AVID class. AVID serves more than 30,000 students in almost 600 schools in 11 states, as well as Department of Defense schools in 13 countries.

Program data indicate that more than 92% of AVID graduates enroll in college (60% in four year institutions) with 89% still in college after two years. Also, 55% of African-American AVID students, and 42% of Latino AVID students enroll in 4-year colleges. In 1996-97, 90% of high school AVID students nationwide were enrolled in college prep courses, and 28% of middle school AVID students were enrolled in at least one honors level course.

*Contact: Mary Catherine Swanson, Executive Director
AVID Center
San Diego, CA
(619) 682-5050*

**Early Outreach Hispanic Math/Science Education Initiative, University of Illinois at Chicago (UIC),
College of Education**

The Hispanic Math/Science Education Initiative (HMSEI), designed to increase the number of Latino students who are prepared to enter college and professional careers, partners the University of Illinois At Chicago Early Outreach Program, Malcolm X College, Benito Juarez High School, Roberto Clemente High School, and their feeder middle-schools. Program activities include academic enrichment in math, science, reading and composition; mentoring; career awareness forums; tutoring; exposure to a college environment; and a forum for parents to share information and concerns through the HMSEI Parent Network. The program convenes on the Malcolm X College campus on Saturdays, October through May. In addition, 12th graders in the program participate in a High School/ College Transition Program. Program mentors include undergraduate/graduate students from the UIC Colleges of Engineering and Medicine as well as professionals from diverse walks of life.

The HMSEI is currently in its 7th year. The program has measured its effectiveness by the number of HMSEI students electing science and math courses in high school (81%), the number completing high school (100%) and the number entering college (75%).

*Contact: Ethel Lynch Machen, Director
Early Outreach, University of Illinois at Chicago
Chicago, IL
(312) 996-2549*

Campus Partners Mentoring Program, Xavier University, New Orleans, Louisiana

The Xavier University mentoring program, founded in 1989, matches college students with 6th- through 8th-graders from two partner schools. The goals of the program are to provide youth with alternative life/work options through increased exposure to educational and career planning resources; and to provide a match with a college mentor to provide critical academic assistance and cultural awareness.

College student volunteers in Campus Partners are required to attend a three day training session designed to introduce the volunteer to the dynamics of working with students labeled "at-risk." Required bimonthly meetings are designed to allow volunteers to reflect on their past experiences and plan appropriate workshops for the entire Campus Partners program. Required Journal entries allow volunteers to keep a log of the experiences with their mentee and also allow the Coordinator of Volunteer Services to ensure a productive relationship between the mentor and mentee.

Campus Partners serves approximately 50-60 6th- through 8th-graders per year. Youth are matched with college student volunteers using an interest survey. The mentor and the youth develop goals for the relationship. Each month, mentors and youth meet twice one-on-one and once as a group for "rap" sessions on such themes as goal-setting, personal relationships, communication, and personal health maintenance. Other activities include life planning activity sessions and tutoring. Pre- and post-surveys have indicated attitudinal changes toward academics, enhanced employment outlook, and improved self-concept through working cooperatively with others and relating in new, constructive ways.

*Contact: Nedra Jasper-Alcorn, Associate Vice President for Student Services
Xavier University
New Orleans, LA
(504) 483-7357*

I Have a Dream Foundation

In 1981, Eugene Lang promised to give each sixth grade student at P.S. 121 in East Harlem a scholarship for college after they graduated high school. Learning that 75% of the students were projected dropouts, Lang organized a program of support services to keep them in school and eventually enable them to use his scholarship. This originated the "I Have a Dream" Program (IHAD). In 1986, Lang established the "I Have a Dream" Foundation to assist others seeking to sponsor similar IHAD projects by adopting entire elementary school grades or entire 8-9 year old age groups in public housing developments. IHAD has grown to now include 170 projects in 63 cities with over 15,000 children--"Dreamers."

IHAD serves its Dreamers with services that include counseling, mentoring, tutoring and cultural and recreational activities, personally involving thousands of sponsors and volunteers with enriching inputs from businesses, community groups and over 200 colleges and universities. One of many creative examples: MBA students at Stanford University's Business School joined to raise funds for, launch, and conduct the IHAD-East Palo Alto in 1992. Support activities included an entrepreneurial venture called *Kidz in Biz*-- a greeting card business, in which Dreamers created the logo, designed the cards, and planned and carried out production and successful marketing strategies. Similarly, older Dreamers of IHAD Chicago, in association with college students, spent the summer building playgrounds in vacant lots in inner city neighborhoods in addition to their remedial coursework.

The success of IHAD is reflected in many studies. Results of a national survey of Dreamers found that: 69% got high school diplomas, 17% got GED certificates, and 62% entered college. In Chicago, 75% of 1996 Dreamers graduated from high school, compared with only 37% of control group students.

*Contact: Mark Maben, Director of Communications
"I Have a Dream" Foundation
New York, NY
(212) 293-5480 x14*

Passport to College, Riverside, California

Passport to College, initiated in Fall of 1996, is a collaboration of Riverside Community College, the Riverside County Office of Education and six area unified school districts who, together with the active commitment of businesses and individuals throughout the region, seek to make a college education possible for an entire class of students enrolled in the Riverside Community College District.

Passport to College involves teachers, students and parents in a continuum of activities from the 5th to 12th grades, including campus tours, classroom presentations, teacher training workshops, parent meetings (in English and Spanish), financial aid workshops and other activities. Mentors include Riverside Community College student ambassadors, and community, business, and civic leaders who participate in the program. Riverside Community College guarantees admission to all 11,500 participants in the program who graduate from high school, and for the class of 2004, last-dollar scholarships (after grant aid and other scholarships) for two-years of full-time tuition and fees at RCC. Four area four-year institutions of higher education--University of California-Riverside, La Sierra University, University of Redlands, and California Baptist College--have agreed to offer additional scholarship support for Passport students to complete their undergraduate degrees after completing two years at RCC.

*Contact: Amy Cardullo, Assistant Director
Riverside Community College Foundation
4800 Magnolia Avenue
Riverside, CA 92506
(909) 222-8626, fax (909) 222-8670
amyc@rccd.cc.ca.us*

The Berkeley Pledge, University of California, Berkeley, California

The goal of the Berkeley Pledge, established in September 1995, is to preserve the diversity of the campus through stronger partnerships with K-12 schools and districts; statewide recruitment activities; removal of financial barriers to University study; enhancement of Berkeley's undergraduate support programs; and promotion of undergraduates to graduate study and professional careers. The Berkeley Pledge Partners include other UC campuses, K-12 administrators and teachers from the four surrounding school districts, community non-profit agencies, school volunteer placement programs, industry partners, city and government funding agencies, and Berkeley's Interactive University project (a U.S. Department of Commerce project linking UC Berkeley and K-12 through the Internet). In the 1997-98 academic year, the neighboring Community Colleges will join the partnership.

Through the pledge, over forty schools with high-minority, low-income populations receive targeted services for teachers, students, and parents, as well as assistance with curriculum enrichment. These programs include one-on-one and group activities for students, as well as in-class support to the teachers. Mentors and tutors serving in this program are UC faculty, staff and students, as well as community volunteers.

There have been significant gains in mathematical student achievement in participating elementary and middle schools, as well as increases in enrollment and performance in college preparatory mathematics and advanced math classes. Future evaluations will measure literacy gains, individual and class grade point averages, standardized test scores, in-house assessments, college prep course enrollments and grade performance in these courses, college applications and enrollments.

*Anita Madrid, Berkeley Pledge Coordinator
University of California- Berkeley
Berkeley, CA
(510) 643-5088*

Early Identification Program (EIP), George Mason University, Fairfax, Virginia

George Mason University (GMU) and the Fairfax County Area II Public Schools developed the Early Identification Program (EIP) in 1987 to increase the number of minority students who enter college. Since then, partnerships have also been formed with Arlington County Public Schools (since 1988) and Prince William County Public Schools (since 1991). Other partners in the program are Booz Allen and Hamilton, Mobil Corporation, NationsBank and Crestar Bank.

EIP selects minority students with academic potential and provides year-round tutoring and other support throughout high school. EIP features a mandatory Summer Academic Academy prior to 9th grade, taught on the GMU campus by a staff of 14 outstanding local teachers, university professors, and local business men and women. Special projects in math, English, science and computer science encourage active class participation and critical thinking, develop confidence and motivation, and serve as a preview of upcoming fall courses. During the school year, GMU students hold tutorial sessions after school at local high schools and at GMU. Mobil Corporation funds the program's math review days, which take place once a month for 4 hours on GMU's campus. In addition to tutoring, EIP has a small mentoring component with Booz Allen and Hamilton that is in its third year. Students also attend Saturday Workshops every eight weeks on the GMU campus, which provide academic and cultural enrichment and educational fieldtrips. Detailed student information is maintained on courses, grades, SAT scores, attendance, and college-application status.

Parents and students sign a contract specifying parental and student responsibilities regarding attendance, academic effort and parent participation over the next four years. The parental contact is maintained through regular correspondence, workshops, and an active Parent Council. Parents are required to participate in 2-1/2 hour Strengthening the Family workshops over the course of 4 weeks. The Strengthening the Family curriculum was designed by the National Coalition of Social Services and Mental Health Organizations

(COSMOS) as part of the Concerned Parents Project. The workshops, which are taught in Spanish and English, are designed to increase parents' understanding of the educational system, in the hopes that parents become more involved in their children's schoolwork. Parents also learn communication skills and better methods of child discipline.

The program reports that they have graduated 6 classes from high school, and have a 71 percent retention rate. Of those who completed 4 years in EIP, 95 percent go on to college.

*Contact: Hortensia Cadenas, Director
George Mason University Early Identification Program
Fairfax, VA
(703) 993-3120*

"Tell Them We Are Rising" Program, Temple University, Philadelphia, PA

The "Tell Them We Are Rising" Program (TTWAR) began in 1988 when Dr. Ruth Hayre promised 116 sixth grade students in two Philadelphia schools the guarantee of tuition for postsecondary education if they graduated from high school. The purpose of the program was to help students finish high school; to provide financial assistance to attend a postsecondary institution, and to offer support through program intervention.

The students were economically disadvantaged and drawn from neighborhoods with high concentrations of poverty. They attended schools mired in failure-- less than half of the high school students graduate in four years. TTWAR provided a broad range of intervention services to the students during their middle and high school years including mentoring, tutoring, parental workshops and a students' club. The intervention services were geared to address and eliminate major barriers to student success, such as family difficulties, the lure of the streets, poverty, teenage pregnancy and low expectations of both school and family.

A comprehensive evaluation of the program after nine years provides evidence of the success. For example, a significantly greater percentage of the students in the program graduated from high school compared to a similar comparison group. In addition, the tuition incentive generated the involvement of parents and public school and university educators to provide the support and guidance seen as critical for disadvantaged children at-risk for failure.

*Contact: Trevor E. Sewell, Dean
College of Education
Temple University
(215) 204-8017*

Community Mentor Program, St. Edward's University, Austin, Texas

The Community Mentor Program (CMP) was founded in 1990 with a grant from the W.K. Kellogg Foundation to address the needs of minority youth at both the elementary and college levels. CMP seeks to promote student retention, academic achievement, career exploration and community service for both St. Edwards University student mentors and for more than 500 Austin Independent School District elementary school children.

Each year the program places 70 or more university students from migrant or low-income families as mentors the majority of whom enrolled at St. Edward's through a program for children of migrant or seasonal farm workers. Mentors develop a school-based relationship with a minimum of 5 children under the supervision of an elementary school classroom teacher. Each mentor provides 450 hours of service during the academic year and receives a stipend. These CMP participants are considered a "Service-Learning Corps" and conduct their service as Americorps members.

CMP is a partnership between St. Edward's University, seven local elementary schools and several other community agencies. The program currently receives financial support from the Corporation for National Service as well as numerous local, state and private foundations. Outcomes of the program include improved academic performance and classroom behavior for children mentored in the program, and a higher graduation rate for CMP mentors compared to a comparison cohort of SEU students.

*Contact: Donna Hagey, Director
Community Mentor Program
St. Edwards University
(512) 448-8439*

Georgia Post-Secondary Readiness Enrichment Program (PREP)

Georgia's Postsecondary Readiness Enrichment Program (PREP) is an academic support and outreach program aimed at middle school students. The University System of Georgia administers PREP in conjunction with the Georgia Department of Education and the Georgia Department of Technical and Adult Education, and is funded with a combination of public and private support.

PREP is designed to help middle-school students-- beginning in their seventh grade year-- and their parents make timely and informed decisions regarding higher education and career goals. It serves as a safety net for students who may need academic intervention and other support systems to meet heightened admission requirements which go into effect in 2001 for the state's 34 public colleges and universities. The program targets at-risk students and guides them toward admission into Georgia's public colleges, universities and technical schools, broadening the choices they will have after high school graduation. Visits to college campuses, tutoring and mentoring, career exploration, technology instruction and leadership development are a few of the advantages that students receive from participation in PREP.

PREP has admitted a new group of seventh graders each year since the program's inception in 1995 and currently serves three classes of students in grades 7-9. Last year, more than 6,000 students actively participated in PREP, and another 33,000 students visited the University System's 34 campuses during Middle School Visitation Days. The program has the potential to touch 200,000 students by 2001. Beginning this academic year, close to 300 college students and high school honors students have been enlisted to provide morning, after-school and Saturday one-on-one or group mentoring. Also new this year, PREP students perform community service, including working with senior citizens in nursing homes, planting urban gardens, and working with non-profit agencies such as the Red Cross.

*Contact: Arlethia Perry-Johnson, Assistant Vice Chancellor
University System of Georgia Board of Regents
(404) 656-2318*

Neighborhood Academic Initiative, University of Southern California

The USC Neighborhood Academic Initiative (NAI) sponsors programs that deliver proven educational and social services to low-income, minority students and families residing in communities contiguous to USC. NAI formed partnerships with area middle-schools to provide their students an opportunity to acquire the various skills necessary to gain admission to USC. Using public and private resources, the Initiative funds four related programs.

The Pre-College Enrichment Academy provides low-income minority students daily accelerated classes, special activities and projects designed to help them acquire the academic skills necessary to succeed at the university level. Students who fulfill the Academy's requirements from middle through senior high school and qualify for admission to USC will be awarded a four-and-a-half year tuition scholarship to complete an undergraduate degree. Seventy seventh-grade scholars (35 from each of two local middle schools) who are

capable of "C" work in all subjects are admitted each academic year. Tutoring is offered on the USC campus or at school, and scholars attend the USC/Aetna Saturday Academy for 4 hours each week for instruction in communications, computer skills, math and science.

USC's Family Development Institute (FDI) implements programs in adult literacy, parenting and other areas to help low-income families prepare themselves and their children for educational, occupational and social success. Current and retired faculty provide required workshops, classes and field trips to help parents to reinforce principals taught in the Academy.

The two other components of the program are: a Retention Program to help former Academy scholars who attend USC through tutoring, counseling, peer/ faculty mentoring and faculty instruction; and a Research and Evaluation component which evaluates the overall effectiveness of NAI programs.

*Contact: Dr. James C. Fleming, Director
USC Neighborhood Academic Initiative
Los Angeles, CA
213/740-6313*

Pace Hispanic Outreach Program (PHOP), White Plains, NY

The Pace Hispanic Outreach Program (PHOP) is a unique tutorial program for Hispanic immigrant students at the White Plains High School. This program, a collaborative effort involving the White Plains School District, Pace University and Centro Hispano (a community organization serving Hispanics in White Plains), is dedicated to insuring that these immigrant students stay in school and graduate with the necessary skills for success in college and/or the job market. In 1997, 13 bilingual Pace students tutored 104 White Plains High School students in English, mathematics and social studies. One-to-one tutorial sessions are held during study hall periods and are designed to complement and reinforce classroom instruction. In addition, the program enlists high school counselors to provide weekly clinics to help high school seniors prepare college applications, financial aid forms and essays. Active community support and parental involvement help build confidence among participants by reducing the sense of powerlessness that language barriers cause in some Hispanic families.

Results of a 1995-96 study of 54 PHOP participants found that students who participated in the program: experienced a smooth transition to the White Plains school system from the schools of their country of origin; received higher grades than comparable non-participants; and were more involved in community activity. In addition, the study found that all the program's graduating students are planning to attend college. PHOP students emerge as community leaders, with many of them becoming tutors at other schools in the district to "give back" to the community.

*Contact: Malula Gonzalez, Coordinator
914/422-2432
fax: 914/422-2196*

Rhode Island Children's Crusade for Higher Education, Providence, Rhode Island

Founded in 1989 by the Commissioner of Higher Education, the Rhode Island Children's Crusade for Higher Education (RICCHE) is a statewide public-private partnership to ensure that low-income children graduate from high school and continue their education. RICCHE operates through partnerships with schools, local agencies, college-preparation programs, higher education institutions, the RI Office of Higher Education, and federal programs such as AmeriCorps, the Department of Education's National Early Intervention Scholarship and Partnership (NEISP) program, and the National Crime Prevention Council's Teens Crime and the Community program. Children enroll as Crusaders in the third grade by making a pledge to work hard in school and to avoid alcohol, drugs and early parenthood. At the heart of the program is a ten-year series of

age-appropriate interventions that help to keep students on track for higher education. Those who succeed and financially qualify may take advantage of scholarships equivalent to tuition at the University of Rhode Island. Sixty-seven trade schools, colleges and universities have agreed to donate scholarships to Crusaders accepted to their schools. The value of these pledges is \$45.6 million. In addition, RICCHE has established a scholarship fund, currently valued at \$8.8 million.

There are 17,400 Crusaders in the third through ninth grades. Program activities take place during the school day, after-school, on weekends and during the summer. The RICCHE AmeriCorps program provides mentors who serve as role models and advocates for youth. They provide support on a day-to-day basis as they see Crusaders in the schools, meet with parents and teachers, undertake service projects with the students, and link them to community resources. RICCHE's NEISP project matches college mentors with middle schoolers in weekend and summer adventure education programs that build leadership, teamwork and communications skills. The Crusade has also established relationships with Upward Bound, Education Talent Search and others to take advantage of support programs that help Crusaders learn about educational options, financial aid, and required courses for entrance into higher education institutions.

*Contact: Mary Sylvia Harrison, President and Executive Director
Rhode Island Children's Crusade for Higher Education
301 Promenade Street
Providence, RI 02908
(401) 222-6907, fax (401) 861-5536
rice3212@aol.com.*

University Park Campus School (UPCS), Clark University, Worcester, MA

The University Park Campus School (UPCS), a joint project of Clark University and the Worcester School Department, is a free neighborhood-based school that is part of the Worcester public school system. Every student who enters and completes UPCS and then passes Clark University's entrance requirements will be able to attend Clark for four years tuition-free.

Still in its first year, UPCS serves only seventh grade students, and will enroll a new group of seventh grades each year until the school has the full grades 7-12 format. The 35 students in the school's first class are mostly low-income and from diverse backgrounds. Students attend UPCS from 7:45 to 4:00 Monday through Thursday, and participate in community service and special seminars on Fridays from 8:30 to 3:00. In addition to their regular courses, UPCS students have daily, targeted review sessions; take special classes with Clark professors and students; and everyone, including the teachers, must read during a half-hour of silent time each morning. Many parents volunteer regularly at UPCS, and adult education courses are offered at the school during the evening. In addition, many Clark work-study students serve as tutors and mentors during after-school sessions.

According to *Education Week*, "in August 1997, school opened a full month early for students who wanted extra enrichment. Attendance was optional, but when the doors opened, every student showed up. Likewise, most of the students arrive early every morning and stay for an optional hour of after-school tutoring three days a week." The UPCS receives funding and support from a variety of sources, including the Worcester Public School system, local private foundations, and the U.S. Department of Housing and Urban Development's office of university partnerships.

*Contact: Jack Foley, Executive Assistant to the President
Clark University
Worcester, MA
(508) 793-7320*