



January 11, 1995

Block GRANTS

To All Governors:

Over the next couple of months, Congress will seriously consider collapsing a large number of categorical grants into a small number of block grants. The administration will recommend such an approach in their budget to be submitted during the first week of February and a number of Republican proposals are currently circulating on Capitol Hill. It is important that the Governors have the opportunity to negotiate both the structure and funding levels of the final programs. I believe we can best ensure our participation in this process if we develop a series of proposals of our own.

We see this as a two step process. First, we would try to reach agreement on the basic structure that makes most sense to the Governors. This would include both the number of grants and the programs to be consolidated. Second, we would develop recommendations for addressing a range of issues such as planning and reporting requirements, administrative flexibility, and accountability that would be common to all block grants.

The purpose of this memorandum is to get your reaction to the structure and programs we might include in an NGA proposal.

The attached draft was prepared by NGA staff. We would appreciate it if your staff could review it and give comments back to NGA by January 20th. While we realize that a full review will take more than a week, we would appreciate it if you could give us an initial response by using the attached questionnaire. We would then welcome additional comments during the next several weeks. Our expectation is that this proposal will continue to be modified over time. It is important to know which programs should not become part of the consolidation. It is also important to identify those issues that may be most important to you during the second stage. Considering the importance of the allocation formula, I should be clear that our working assumption would be that the state-by-state distribution in the new grant would be the same as that for the current categorical grants for fiscal year 1994.

Your comments will be incorporated in a revised proposal which will be reviewed by the Executive Committee and then made available to the administration and Congress as an example of an approach that is consistent with NGA policy. At the same time the Balanced Budget Task Force will continue to work on recommendations concerning the other issues.

Once specific legislative proposals are advanced by Congress or the administration we would anticipate using NGA's interim policy position procedure.

If you or your staff have questions about this initiative, the individual proposals, or the questionnaire, please call either the staff contact listed for the individual grant or NGA's Deputy Executive Director, Barry Van Lare at (202) 624-5342.

We look forward to hearing from you so that we can finalize a recommendation by the Winter Meeting.

Sincerely,



Raymond C. Schepach

Enclosure

cc: Washington Representatives  
NGA State Contacts/Intergovernmental Affairs Contacts

NOTE: If you would like this document on a computer disk or by computer fax, please give us a call.



3. Children and Family Services (*Contacts:* Linda McCart, 202/624-5336 or Elizabeth Steif, 202/524-7873)

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4. Lifelong Learning (*Contact:* Martin Jensen, 202/624-5353)

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5. Education (*Contacts:* Patty Sullivan, 202/624-7723 or Paul Goren, 202/624-5309)

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6. Crime Control and Corrections (*Contact:* Nolan Jones, 202/624-5340)

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7. Health Services (*Contact:* Carl Volpe, 202/624-7729)

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8. Public Health and Prevention (*Contact:* Carl Volpe, 202/624-7729)

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9. Substance Abuse Prevention and Treatment (*Contact: Carl Volpe, 202/624-7729*)

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10. Mental Health Systems and Treatment (*Contact: Carl Volpe, 202/624-7729*)

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11. Health Professions (*Contact: Carl Volpe, 202/624-7729*)

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12. Aging Services (*Contact: Carl Volpe, 202/624-7729*)

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13. Surface Transportation (*Contact: Lydia Conrad, 202/624-5363*)

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14. Affordable Housing (*Contact: Tim Masanz, 202/624-5311*)

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15. Community and Economic Development (*Contact: Tim Masanz, 202/624-5311*)

16. Environmental Mandates Assistance (*Contacts: Tom Curtis, 202/624-5389 or Kara Kindermann, 202/624-8575*)

17. Environmental Program Management Grants (*Contacts: Tom Curtis, 202/624-5389 or Kara Kindermann, 202/624-8575*)

18. Agriculture Programs (*Contacts: Tom Curtis, 202/624-5389 or Laura Armstrong, 202/624-5376*)

C. What issues (planning requirements, limits on administrative expenses, accountability and reporting requirements, periodic adjustments to reflect cost of living increases or demographic changes, ability to transfer funds, etc.) will be most important to your state in deciding whether or not to support a block grant legislative proposal?



**DRAFT – FOR COMMENT ONLY**

**A Plan to Consolidate  
Federal Categorical Grants  
to States**

**January 6, 1995**

**by**

**The National Governors' Association**

**DRAFT -- FOR COMMENT ONLY**

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## DRAFT – FOR COMMENT ONLY

### I. Introduction

The current array of federal grant programs is outdated and contributes to public disillusionment with big government. The public rightly questions the complexity of federal programs and recognizes that often there is no single national solution to pressing domestic problems. Equally important, the public is growing more concerned with the impact of federal decisions on the allocation of scarce state and local resources. As a result, the electorate is demanding the flexibility to tailor programs to meet regional and local conditions and a greater direct role in determining program and service priorities.

The mix of federal categorical grants is also inefficient and often is not cost effective. The administration of an excessive number of federal programs creates unnecessary costs at both the state and federal level. The continuation of separate programs in some areas often requires duplicate applications and record keeping and can discourage needy individuals from seeking services. Moreover, the complexity of the grant system discourages the development of coordinated community based programs and often makes it difficult to secure the range of services needed to prevent or remedy complex problems. Funding sources are often biased toward treatment and often do not offer the flexibility needed to develop more cost effective investments in prevention. In addition, grant programs often ignore legitimate differences between states and among localities.

A simpler, more rational, and more flexible system of federal grants offers opportunities for significant administrative savings. More important it will encourage and reward state and local efforts to develop more innovative and more cost effective programs and services. In addition, it offers a real opportunity to enhance public involvement and to restore public confidence.

Over the past decade states have made considerable progress in improving their administrative capacity. Equally important, they have demonstrated a willingness and ability to be creative and innovative. They are at the forefront of reinventing government and ready for new challenges.

### Vision

America's strength lies in its citizens and its communities. We must free ourselves from the inefficient bonds of an overly complex array of national programs. An array of programs that too often substitutes the cookie cutter solutions and convenience of a distant bureaucracy for the needs of those most in need and the wisdom of the communities closest to the problems.

Americans deserve a government that is both cost effective and responsive. The consolidation and simplification of current categorical grants programs into a few broad block grants will truly enable states to reinvent government services in a manner that will:

- ensure that the investment of government resources will address local priorities
- focus investments on programs that produce measurable results
- eliminate programs that are not cost effective
- invest in prevention as well treatment
- reflect the unique characteristics of each community
- involve communities and program participants in program development and administration
- build on the strengths of all sectors - government, non-profit, and business

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- eliminate unnecessary administrative overhead
- reduce the proliferation of government programs and bureaucracies
- allow for the better coordination of services
- reduce red tape and other obstacles for those in need of service

### Alternative Approaches

Historically, the Governors have considered four different approaches to the simplification of the federal grant in aid system. Those approaches are:

- broad block grants to support state and local activities in selected areas
- consolidation of federal discretionary programs
- turnbacks of tax resources and program responsibility
- sorting out of federal and state and local responsibilities

Each of these approaches is discussed in more detail in the sections that follow.

### Block Grants

Block grants provide a vehicle for the federal government to assist states and localities meet high priority domestic needs that they would otherwise be unable or unlikely to accomplish. To be effective block grants must incorporate the following components:

- a definition of national purpose or objective
- identification of the clientele to be served
- specification of the nature of the services to be supported
- a planning process that involves the public through the legislative process or public consultation
- measures that will be used to evaluate program effectiveness
- auditing and financial management requirements consistent with acceptable state practices

The first step in crafting a block grant should be to define a national purpose or objective. This is important both in justifying federal involvement, and to make sure that there is clear understanding of Congressional intent. Block grants should be constructed around broad, not narrow, objectives. Ideally, the major national concerns could be addressed in no more than 10 to 20 broad grant programs.

Block grants should replace, not combine, current categorical programs. While the resources used to fund block grants will come from existing categorical programs, those programs and their attendant restrictions and requirements should be eliminated.

The next steps involve deciding the degree to which the federal government desires to limit the use of federal resources to certain segments of the population, or to define the types of services that may be provided. For example, some grants might be limited to programs that serve the poor or near poor. In other cases, the federal government might want to limit its support to direct services and to prohibit the use of funds for construction. Block grants should clearly set forth any such limits or requirements. However, they should not specify eligibility procedures or impose process or procedural requirements.

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The federal government has a legitimate interest in seeing that the planning process is open and responsive to public concern. States and localities should, however, be given considerable flexibility in attaining the goal of public involvement. Options should include use of the normal process of state or local legislative development, in addition to a variety of administrative processes of public consultation. Federal approval should not be required for the plans themselves, but states and localities should be required to report through the accountability process.

The federal government can improve both planning and accountability by a clear definition of how it will evaluate program accomplishments or success. These measures should be included in authorizing legislation.

To the extent possible accountability requirements should differentiate between fiscal accountability and program results. Fiscal accountability should be enforced through the audit process to ensure that funds are being properly expended. This should be accomplished primarily through the use of existing state audit procedures where they have been demonstrated effective. Program accountability should focus on providing the Congress and the public the information they need to evaluate both program effectiveness and the appropriateness of the allocation and priority setting decisions being made at the state and local level. State and local governments should be primarily accountable to their own electorates and to the Congress, not to federal bureaucrats.

### Consolidation of Discretionary Programs

Several hundred of the existing grant programs are discretionary and/or competitive in nature. Many of these programs are quite small, and their proliferation requires substantial investments both in the preparation and review of applications and in the administration of the programs themselves. While focusing attention on specific issues, these small grants often make it difficult to craft more comprehensive solutions. Not all of the discretionary programs are of a high priority or serve a national purpose. Equally important, many of these programs are outdated. Consideration should be given to consolidating discretionary programs on a departmental level and granting the Secretaries broad authority for the development and administration of limiting discretionary programs to encourage innovation and/or to address high priority issues that are not national in scope.

### Turnbacks

At the present time the federal government collects a number of earmarked taxes and uses these resources to fund grant programs to states and localities. Most of these programs relate to infrastructure. While historically these programs served to drive investments in federal priorities, increasingly they are used to maintain an already existing infrastructure. Consideration should be given to eliminating the federal taxes and returning program responsibility and tax sources to the states and localities. If this would produce significant inequities among the states, a small federal tax could be maintained to provide funding for a much smaller program of equalization grants.

Turnbacks would eliminate the need for an extensive federal bureaucracy and give states and localities greater flexibility in setting priorities. Additional savings would likely result through the use of more cost effective state contracting procedures.

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### Transfer of Funds between Block Grants

While substantial efficiencies will be gained by collapsing the huge number of categorical grants into a number of block grants, further efficiencies may be available if states were able to transfer a limited percentage of funds between grants. The Congress should consider this type of provision without the necessity of a waiver.

### Sorting Out

Many federal grant programs require a state or local match. In addition, many states allocate additional resources to supplement the funds dedicated to the federal program. As a result, there is often great confusion as to ultimate responsibility, and most programs are meshed in intergovernmental red tape. While block grants can reduce this intergovernmental red tape significantly, sorting out offers even greater simplification. Under this concept, the federal government would assume complete responsibility for certain services and leave other activities solely to the discretion of the states and localities. Carefully crafted sorting out proposals could be financially neutral.

Historically sorting out proposals have been broad in nature. For example, the federal government might assume the full responsibility for income security while withdrawing from education, training, and social service programs. Or the federal government might assume full responsibility for some portion of health care while leaving states fully responsible for another segment of health care.

There are, however, more limited approaches that also may be considered. Under these models, the federal government would assume responsibility for tasks best administered centrally, things like the administration of tax credits or support collection, or for those tasks that might be performed under contract with the private sector. States and localities would then assume a greater responsibility of those tasks that require the direct delivery of services by government entities.

### A Final Comment

The rest of this paper summarizes a number of block grants, turnbacks, and sorting out proposals. While each of the specific options are consistent with NGA policy, the Governors' have not reviewed or approved the options. Instead, the proposals were developed by NGA staff and reviewed by all states for practicability. While there are clearly a number of alternative ways of structuring the block grants that may be as valid as those contained in this paper, these were developed to assist Congress and the administration in developing the most effective approaches.

The Governors' view the proposals contained in this paper as an approach to make federal programs more efficient and cost effective, not as a strategy to reduce the deficit and shift costs to states. The Governors' would be willing, however, to negotiate the structure and funding levels with Congress and the administration.

## DRAFT – FOR COMMENT ONLY

### II. Block Grants

#### **READY TO LEARN**

##### **Purpose**

The Ready to Learn block grant is designed to provide flexible funding to support state efforts to ensure that all children, including those at risk of poor outcomes, are mentally, physically, and emotionally prepared for formal learning and to help ensure their success in later life. Specific activities covered would include services that promote healthy births for all children, enhance parents' ability to be their child's first teacher, enhance parents' and other caretakers' ability to provide stable and caring environments, and promote the health and well-being of all young children. (See unresolved issues.)

##### **Rationale**

The Ready to Learn block grant would bring into a single funding stream a series of program and services that are now provided to children and families through multiple categorical programs. By supporting state efforts to help young children and their families, the federal government is working towards the achievement of the National Education Goal One : By the year 2000, all children will start school ready to learn.

##### **Included Programs**

	FY 94 (\$ in millions)
*Child Care and Development Block Grant	893
*Title IV-A (AFDC) Child Care	528
*Title IV-A Transitional Child Care	140
*Title IV-A At-Risk Child Care	361
State Dependent Care Development Grants	13
Head Start	3,371
Child Development Associate Credential Scholarship	1
Child and Adult Care Food Program	2
Supplemental Feeding Program for Women, Infants, and Children (WIC)	3,210
Commodity Supplemental Food Program	95
Even Start	91
IDEA, infants and preschool	592
<b>TOTAL</b>	<b>9,297</b>

##### **Unresolved Issues**

Under the Ready to Learn Block Grant, funds that currently go directly to local grantees under the Head Start program would be redirected through the states to be combined with other state funds to provide childcare and other early intervention activities to ensure that all children arrive at schools ready to learn.

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In addition, this grant includes four entitlement programs (\*) that would be converted as part of this block grant to a discretionary program that would be subject to an annual appropriation.

It is unclear whether the health-related needs of children addressed by the following programs are best served through health funding streams or through a more integrated block such the one proposed. The placement of the following programs remain unresolved.

	FY 94
	(\$ in millions)
<i>Ready to Learn or Health Services Block Grant</i>	
Maternal and Child Health Block Grant	687
Childhood Immunization Grants	528
Healthy Start	98
Pediatric Emergency Medical Services	8
<i>Ready to Learn or Public Health and Prevention Block Grant</i>	
Childhood Lead Poisoning Prevention	35
<i>Ready to Learn or Mental Health Systems Treatment Block Grant</i>	
Children's Mental Health	35

## DRAFT -- FOR COMMENT ONLY

### YOUTH DEVELOPMENT

#### Purpose

To provide a base level of funding to states to support a continuum of developmentally appropriate activities that promote the social development of youth and facilitate their preparation for careers and lifelong learning. These activities will build the competencies of young people, while respecting the dominion of the family, fostering scholastic achievement, promoting self-reliance, and cultivating positive peer interactions. The range of activities to be funded may include school-, community- and work-based experiential learning, mentoring, community service, crisis intervention, and structured recreation and cultural activities during non-school-hours. These activities and services would be fully blended into comprehensive community-wide strategies that would enable all young people (in-school and out) to develop the knowledge, skills, attitudes, and values needed to successfully make the transition from childhood to productive adulthood. (See unresolved issues.)

#### Rationale

Pooling these categorical employment and training, education, and social service/prevention programs into a block grant would facilitate state and community efforts to plan and develop comprehensive strategies to promote positive youth development by meeting the fundamental needs of all youth without being bound by the narrow parameters of current federal youth programs. The current array of crisis-driven, narrowly targeted prevention and intervention programs are scattered across federal agencies and departments, and aimed at stratified segments of the nation's young people: those exhibiting behaviors or experiencing problems commonly associated with a specific adolescent "pathology" (e.g., delinquency, substance abuse, and pregnancy), or those deemed at-risk for developing such behaviors or problems. Hence, public action frequently occurs after a problem has surfaced, rather than seeking to prevent the problem from emerging in the first place. These programs have not significantly reduced the problems associated with adolescence and in many communities, the problems have intensified despite intensive interventions.

### DEPARTMENT OF HEALTH AND HUMAN SERVICES

	FY 94 (\$ in millions)
<i>Administration for Children and Families</i>	
Independent Living	70
Youth Gang Substance Abuse	11
Runaway and Homeless Youth Programs	
Basic Centers	36
Drug Abuse Prevention	12
Transitional Living	15
<i>Office of Community Services</i>	
National Youth Sports	12
<i>Public Health Service</i>	
Adolescent Family Life	6
<i>Center for Substance Abuse</i>	
High-Risk Youth	63

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	FY 94 (\$ in millions)
Violent Crime Control and Law Enforcement Act of 1994 -Title III:	
Community Schools Youth Service & Supervision Grant Program (new program authorized in FY 95 under Crime Bill)	26
<b>DEPARTMENT OF EDUCATION</b>	
<i>Elementary and Secondary Education</i>	
Drug Free Schools & Communities	375
Violent Crime Control and Law Enforcement Act of 1994 -Title III:	
Family and Community Endeavor Schools Grant Program* (new program authorized in FY 95 under the Crime Bill)	11
<b>DEPARTMENT OF LABOR</b>	
<i>Employment and Training Administration</i>	
Job Training Partnership Act (JTPA)	
IIB—Summer Youth Employment and Training Program	877
IIC—Year-Round Youth Program	659
Youth Fair Chance	25
Job Corps	1,041
<b>DEPARTMENT OF JUSTICE</b>	
<i>Office of Juvenile Justice and Delinquency Prevention</i>	
Part A—Management and Administration	4
Part B—Formula State Grants	58
Part C—Discretionary Grants	22
Part D—Youth Gangs	5
Part E—State Challenge (new program funded in FY 95)	10
Part G—Juvenile Mentoring	4
Delinquency Prevention Grants	13
Violent Crime Control and Law Enforcement Act of 1994 -Title III:	
Ounce of Prevention Council (new, authorized for FY 95)	1
<b>DEPARTMENT OF AGRICULTURE</b>	
<i>Extension Service</i>	
Youth At Risk	10
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>	
Drug Elimination Grants (50% of total appropriation minus 10% set aside for Native Americans)	119

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FY 94  
(\$ in millions)

**DEPARTMENT OF TREASURY**

Violent Crime Control and Law Enforcement Act of 1994—

Title III:

Gang Resistance Education and Training (new program FY 95) 9

**TOTAL** 3,495

\*Grants to CBO's.

**Unresolved Issues**

Several of the programs included in this block grant currently provide grants directly to LEAs and CBOs or award grants to a select number of states for carrying out special activities and therefore could be controversial.

Many of the other federal dollars currently funneled to youth services are hidden in the federal budget within larger programs enacted to address major social problems, (i.e., health, disease control, crime, family planning, and mental health) or represent nonstatutory set-asides within federal programs whose primary targets are either adults or young children. These programs, which dedicate significant resources to prevention, have not been included because it would be difficult to ascertain the portion of the total appropriation targeting young people. Hence, the federal programs targeting youth represent only a fraction of the total expenditures on youth.

Twenty-percent of the funds appropriated under the current Substance Abuse Block Grant (\$233 million) which is administered by the Center for Substance Abuse within the Department of Health and Human Services are earmarked for prevention and focused on youth. It is unclear whether the needs of youth are best served through a substance abuse block grant or through a more integrated block such the one proposed.

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### CHILDREN AND FAMILY SERVICES

#### Purpose

The Children and Family Services block grant is designed to provide funding to assist states in developing programs for intervention and follow-up services for children and families who are experiencing crisis. Specific activities covered would include services designed to strengthen parents ability to care for their children such as family support and preservation and parenting education; services to secure permanent homes for children; services to care for children who cannot remain in their home; and services to reduce violence in families.

#### Rationale

The Children and Family Services Block Grant would continue role that that the Federal Government as historically played in improving the welfare of children in specific areas of national concern. All of the programs listed are specifically designed to support families in crisis. The Governors believe that services to this population could be significantly improved by permitting states to provide services to children and their families through a single source. By providing a single stream of funds from the federal government, states are also better to able to blend state and federal dollars into a seamless system of services.

#### Included Programs

	FY 94 (\$ in millions)
Social services block grant	2,800
*Community services block grant	385
Temporary child care and crisis nurseries	12
Child welfare services (includes child welfare training)	299
Foster care	2,606
Adoption assistance	317
Adoption opportunities	12
Abandoned infants	15
Child abuse state grants	23
Child abuse demonstrations	21
Child abuse prevention, substance abuse	19
Family violence programs	28
Foster grandparents	70
Emergency assistance	575
Family Preservation and Support Program	60
Family Support/Resource Centers	13
<b>TOTAL</b>	<b>7,254</b>

\*Includes only that portion allocated to states

## DRAFT -- FOR COMMENT ONLY

### Unresolved Issues

Under current law, states are permitted to use funds under the Social Services Block Grant to provide support services to the elderly. Therefore, a portion of this block grant could be linked with the Aging Block Grant to provide services to the elderly. It should also be noted that the Foster Care and Adoption Assistance programs are currently entitlement programs. Under this proposal, these programs would become part of a discretionary block grant and therefore subject to an annual appropriation.

## DRAFT – FOR COMMENT ONLY

### LIFELONG LEARNING BLOCK GRANT

#### **Purpose**

To provide states a base level of funding for workplace skill training, occupational education, employment, and labor exchange services for welfare recipients, economically disadvantaged adults and older youth, dislocated workers who lose their jobs for any reason, incumbent workers whose skills need upgrading, and disabled individuals in need of training and placement assistance.

Activities to be funded include classroom and on-the-job training, basic skills instruction, literacy programs, needs-related supportive services, individual assessment, job counseling, job search assistance, career information, labor exchange, job matching services, administration of unemployment insurance and related income support programs, development and management of labor market information, and professional and capacity development. Labor exchange, job matching services, labor market information, and career guidance would be available to all citizens of working age, irrespective of economic need, through integrated intake, assessment, and referral systems in each community.

#### **Rationale**

Currently, a myriad of separate, confusing, and often conflicting federal training programs confront eligible economically disadvantaged adult and dislocated workers, at-risk youth, and welfare recipients – and employers who would like to hire them after they are trained to perform in the modern workplace. This block grant would afford states the opportunity to streamline their workforce development system, to create lifelong learning systems, and to integrate access by employers seeking skilled and ready workers and by individuals seeking training and placement assistance for their first job or a new career.

This block grant would provide the resources for managing a state's workforce development system, including its work-based income support components; developing and operating one-stop service centers providing access to the system; and supporting basic and occupational skills training to meet the economic and social needs of the citizens of the state. It would focus on developing the human resources represented by adults and dependent youth with children through partnerships that include state, local, and business interests from both public and private sectors.

In the interest of reducing the number of separate federal job training programs, this proposal has two parts. The first would combine some 30 federal programs into a single fund to be distributed as a single block grant to each of the states. The second would consolidate 15 additional federal programs into a single fund to be distributed by the Secretary of Labor through discretionary grants for activities of national significance and programs to encourage innovation and quality improvement and to address priority multistate issues.

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**Included Programs**

	FY 94 (\$ in millions)
<b>DEPARTMENT OF LABOR</b>	
<i>Training and Employment Services</i>	
JTPA Formula Grants to States	
JTPA Title II-A (Adults)	988
JTPA Title III (Dislocated Workers)	894
JTPA Federally Administered Programs	
JTPA Migrant Farmworkers Program	86
Labor Market Information	3
NOICC/SOICC (State Occupational Information Aid)	4
<i>State Unemployment Insurance and Employment Service Operations</i>	
Unemployment Compensation	
State Operations	1,716
State Integrity Activities	357
Employment Service	
Allotment to States	833
National Activity-Targeted Jobs Tax Credit	15
<i>Veterans Employment and Training</i>	
State Administration	162
<i>Community Service Employment for Older Americans</i>	
State Programs	90
<i>Trade Act Adjustment Assistance</i>	
TAA Training & Benefits	190
NAFTA Training & Benefits (New Program in FY 1995)	43
<b>DEPARTMENT OF EDUCATION</b>	
<i>Migrant Education</i>	
High school equivalency program	8
College assistance program	2
<i>Vocational Education</i>	
Data Systems (NOICC/SOICC)	4
<i>Student Financial Assistance</i>	
Pell Grants (Nonbachelors degree undergraduates only)	3,670
<i>Adult Education</i>	
State programs	255
State Literacy resource centers	8
Workplace literacy partnerships	19
Literacy training for homeless adults	10
Literacy programs for prisoners	5
<i>Vocational Rehabilitation</i>	
State grants	1,974
Client assistance grants to states	10

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	FY 94 (\$ in millions)
Training (for professionals)	40
Supported employment state grants	35
<b>DEPARTMENT OF AGRICULTURE</b>	
Food Stamp Program - Employment and Training for Recipients	158
<b>DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>	
JOBS Program - Education and Training for AFDC Recipients	1,100
<b>TOTAL, LIFELONG LEARNING BLOCK GRANTS</b>	<b>12,678</b>

**Secretary of Labor's National Discretionary Block Fund**

	FY 94 (\$ in millions)
<b>DEPARTMENT OF LABOR</b>	
<i>Training and Employment Services</i>	
JTPA Federally Administered Programs	
American Samoans/Asian Americans	4
Veterans employment	9
Rural Concentrated Employment Program (RCEP)	4
Pilots and Demonstrations	36
Research, Demonstration and Evaluation	12
Capacity Building	3
NOICC/SOICC (Occupational Information National Activities)	1
Skills Standards	3
Women in apprenticeship	1
Homeless job training	13
<i>Community Service Employment for Older Americans</i>	
National contracts	320
<i>State Unemployment Insurance and Employment Service Operations</i>	
Employment Service	
One-stop Career Center Grants (FY 1995 Funding Level)	120
<i>Veterans Employment and Training</i>	
Federal Administration	21
<b>TOTAL, FEDERAL DISCRETIONARY BLOCK FUND</b>	<b>548</b>

**Unresolved Issues**

Several programs that might seem appropriate for including in the block grants to states are instead incorporated in a national discretionary block fund administered by a department secretary. Most notable among these programs are the following:

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- One-stop career center grants, funded at \$50 million in FY 1994, are designed to be rolled out to a small number of additional states each year based on their readiness to implement the programs. While including in block grants to states would place all states on an equal footing for future funding, that could diffuse funds that are now focused on states that are most ready to make maximum use of them. The one-stop center funds would be included in the Secretary of Labor's national discretionary block fund (see above).
- Similarly, school-to-work implementation grants, which also involve a roll-out each year to another increment of states, are not included in block grants to states. These funds would be included in the Secretary of Education's national discretionary block fund.

Federal vocational education grants -- including basic state grants, tech-prep grants, consumer and homemaker education, etc. -- could have been divided among the youth development, education, and lifelong learning block grants. However, this would result in problems in a large number of states. In the case of the basic state grants, for example, states currently may use the federal dollars for secondary and post-secondary programs in ratios of their own choice, and the split now varies from state to state in a range from about 15% to 85%. To preserve maximum flexibility, these funds are incorporated in an education block grant to states with the understanding that up to 20 percent of a block grant's funds may be transferred to another block grant to satisfy a state's particular needs. States would be expected to establish strong planning, management, and operating linkages between the education block grant activities and the lifelong learning activities to be funded under this block grant.

### Specifically Excluded Programs

Several programs or portions of programs have been specifically excluded from this proposed block grant and the related secretary's discretionary block fund. Some are included in other block grant proposals, despite their apparent relevance to lifelong learning, because of more significant links to purposes of the other block grants. Others are excluded for reasons related to their national significance or applicability nationwide and would remain as discrete nationally administered financial assistance programs.

## DRAFT – FOR COMMENT ONLY

### EDUCATION

#### Purpose

To promote state-based systemic reform of the nation's education system by providing a single federal grant that can be coordinated with new and existing state reform efforts. The funds would be directed through the state planning panel to the appropriate states agencies and local school districts who would in turn spend the monies in accordance with the state's education reform plan. Funds would be used for capacity building and to provide direct services to primarily elementary and secondary education students. If provided for under the state plan, the a portion of the funds could be used to support the transitional programs for pre-school students, such as those students enrolled in programs such as Head Start and other early intervention programs.

#### Rational

Create a state-level *Education Reform Flexibility Grant* by combining a number of education categorical programs into a single grant that would be allocated to the states based on a formula similar to the current Title One formula. A portion of the funds would be allocated to local schools based on the state's allocation formula. This grant would be administered by a state panel appointed by the Governor. The panel would work with the Chief State School Officer and other appropriate state agencies in developing and administering the plan. The state would submit a single plan to the U.S. Department of Education. The plan would outline the state's current reform plan and would include a set of benchmarks and performance indicators that would lead toward the achievement of the national education goals. Through the panel, states would report to the Secretary and to the citizens of the state on progress in achieving the benchmarks. This program would be phased in by amendment the existing Goals 2000: Educate America Act.

#### Included Programs

##### *Education Reform Flexibility Grant:*

	FY 94 (\$ in millions)
Goals 2000: Educate America Act	372
Title I: Helping Disadvantaged Children Meet High Standards	7,222
Title II: Eisenhower Professional Development Program	320
Title VI Innovative Education Program Strategies	374
Education Infrastructure	100
Carl C. Perkins Vocational Education Act	973
<b>TOTAL</b>	<b>9,335</b>

##### *The Secretary's Discretionary Block Grant*

A second block grant would be created to provide the Secretary of Education with discretionary funds to support programs of national significance that help improve educational quality and provide support for special populations. This block grant would include an administrative set-aside for the Department of Education. Included in this block grant would be the following programs:

**DRAFT – FOR COMMENT ONLY**

	FY 94 (\$ in millions)
School to Work Opportunities Act	250
Charter Schools	6
Education, Research, Statistics, and Improvement	355
Federal Goals 2000 Activities	22
Technical Assistance for Improving Elementary and Secondary Education programs	45
Bilingual and Immigrant Education	245
Inexpensive Book Distribution	10
Arts in Education	12
Law Related Education	6
Christa McAuliffe Fellowships	2
Foreign Language Assistance	11
Title V: Programs to promote Title V	1,434
<b>TOTAL</b>	<b>2,398</b>

**Unresolved Issues:**

Currently, states may split their Vocational Education Grant between secondary and postsecondary education. The split varies widely between states. Therefore, there should also be a linkage between the *Education Reform Flexibility Grant* and the *Lifelong Learning Block Grant* to support vocational education activities at the postsecondary level.

This proposal does not attempt to consolidate federal programs to support postsecondary education because most federal aid at the postsecondary level is delivered through a voucher system that provides individuals with the ability to choose among different types of eligible institutions in any state. Governors support such flexibility and do not recommend that the federal system aid program be restructured for students attending degree granting institutions.

## DRAFT -- FOR COMMENT ONLY

### CRIME CONTROL AND CORRECTIONS

#### Purpose

Crime control is primarily a state and local responsibility. The purpose of this block grant is to assist states in defining the crime problem on a statewide basis; to develop objectives and priorities; to identify appropriate strategies and resources to achieve these goals; and to coordinate the justice system -- courts, corrections, prosecutors, defense, police-- with units of government (county and city).

#### Rationale

The strength of a "crime control and corrections block grant" is the flexibility provided the states to identify crime priorities, and initiate and experiment with new programs that address crime problems. It allows for the development of a statewide plan of attack that is necessary in order to mount and sustain an effective and coordinated crime fighting effort.

The problem of crime must be addressed from a system-wide perspective that can bridge the gap between police, courts and corrections agencies on the one hand, and geographical and political subdivisions on the other. The states have the authority and motivation to coordinate criminal justice functions, but need the resources and support that the federal government brings to bear on the crime problem. A block grant provides states with the discretion to allocate money to the highest priority problems and jurisdictions. Thus, allowing better targeting to meet the challenge of crime and violence.

A block grant to states must not have any restrictions such as earmarkings, set asides or mandates for special populations. States must have full flexibility to define the nature and course of the crime problem to be addressed.

	FY 94 (\$ in millions)
Edward Byrne Memorial Grant Program	358
Correctional Options Grants	12
State Correctional Grants/Boot Camps	0
Community policing	1,720
Violent Offender Incarceration and Truth in Sentencing Incentive Grants	0
<b>TOTAL</b>	<b>2,090</b>

## DRAFT -- FOR COMMENT ONLY

### HEALTH SERVICES BLOCK GRANT

#### Purpose

This proposal will create a unified financing mechanism to support and enhance the availability and delivery of a broad range of personal health care services. Predominantly, these funds would focus on the treatment of disease.

#### Rationale

The proposed consolidation of these programs would allow states to determine the priority health care needs and health services required by their residents and to target the resources to best meet the needs. Without the categorical limitations of the existing programs, states would be able to better target these service delivery dollars toward gaps in the existing health care system and would permit states to better coordinate these services with the existing array of primary and specialty care services available in the private sector and through the state Medicaid programs.

#### Included Programs

	FY 94 (\$ in millions)
Community Health Centers Grants	604
Ryan White AIDS	79
Developmental Disabilities Basic Support & Advocacy Grants	69
Project Grants for Health Services to the Homeless	63
Migrant Health Centers Grants	59
Rural Health Outreach	26
Rural Health Research	9
Residents of Public Housing Primary Care Program	9
Linking Community-Based Primary Care, Substance Abuse, HIV/AIDS, & Mental Health Treatment Services	8
HIV/AIDS Dental Reimbursements	7
Adolescent Family Life - Demonstration Projects	6
Trauma Care	5
Native Hawaiian Health Care	4
Coal Miners Respiratory Impairment Treatment Clinics & Services	4
Developmental Disabilities Projects of National Significance	4
Operation of Offices of Rural Health	3
Health Services in the Pacific Basin	3
HIV Demonstration Program for Children, Adolescents, & Women	2
Family Planning-Service Delivery Improvement Research Grants	NA
<b>TOTAL</b>	<b>1,464</b>

**DRAFT – FOR COMMENT ONLY**

**Unresolved Issues**

This is an omnibus health services proposal that covers a broad range of health care issues. As an alternative, should this block be subdivided into smaller more focused block grants such as community and migrant health care centers, communicable diseases (to include, for example, HIV/AIDS, sexually transmitted diseases, and tuberculosis programs), rural health care, and chronic diseases (e.g. cancer)?

It is unclear whether the health-related needs of children addressed in the following programs are best served through this funding stream or through a more integrated block such the Ready to Learn proposal. The placement of the following programs remain unresolved.

	FY 94
	(\$ in millions)
<i>Ready to Learn or Health Services Block Grant</i>	
Maternal and Child Health Block Grant	687
Childhood Immunization Grants	528
Healthy Start	98
Pediatric Emergency Medical Services	8

## DRAFT – FOR COMMENT ONLY

### PUBLIC HEALTH AND PREVENTION BLOCK GRANT

#### Purpose

This proposal will create a unified financing mechanism to support a broad array of preventive health services as well as support the continued existence of core public health functions.

#### Rationale

This proposal consolidates a myriad of categorical funding streams with the Preventive Health Block grant to permit states to help state support the prevention of disease and meet the priority public health needs of their residents. This consolidation would give states the resources and flexibility to conduct needs assessments and design data/vital statistics systems to monitor their public health priorities, as needed. In addition, states would have the flexible resources available to maintain emergency response capacity, to address disease outbreaks, natural disasters, toxic spills, or any other public health crisis that could emerge.

#### Included Programs

	FY 94 (\$ in millions)
Acquired Immunodeficiency Syndrome (AIDS) Activity	543
Preventive Health & Health Services Block Grant	157
Occupational Safety & Health (Research and Training)	128
Assistance Program for Chronic Disease Prevention & Control	123
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	112
Community Partnership Demonstration Grants	105
Preventive Health Services - Sexually Transmitted Disease Control Grants	87
Cooperative Agreements for State-Based Comprehensive Breast & Cervical	78
Epidemic Services	74
Infectious Disease	48
Centers for Research & Demonstration for Health Promotion & Disease Prevention	39
Injury Prevention & Control Research & State Grants Projects	39
Minority Community Health Coalition Demonstration	22
HIV Demonstration, Research, Public & Professional Education Projects	16
Prevention Centers	7
Emergency Preparedness	2
HIV/AIDS Surveillance	45*
Cancer Registries	15*
Disabilities Prevention	8*
Comprehensive School Health Programs to Prevent the Spread of HIV & Other Important Health Problems	6*

**DRAFT – FOR COMMENT ONLY**

	FY 94 (\$ in millions)
Community Health Promotion	5*
Tobacco	3*
Prostate Cancer	2*
Research, Treatment & Education Programs on Lyme Disease in the United States	1*
Skin Cancer	1*
<b>TOTAL</b>	<b>1,666</b>

\*FY 95 Appropriations figure

**Unresolved Issues**

Should environmental health be addressed separately from public health?

Other categorical programs that fund public health functions were identified, but complete information about these was not available in time for this proposal. These may be added at a future date, should information become available.

It is unclear whether the health-related needs of children addressed in the following program is best served through this funding stream or through a more integrated block such the Ready to Learn proposal. The placement of the following program remain unresolved.

***Ready to Learn or Public Health and Prevention Block Grant***

	FY 94 (\$ in millions)
Childhood Lead Poisoning Prevention	35

## DRAFT – FOR COMMENT ONLY

### SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

#### Purpose

This proposal combines a variety of categorical and demonstration programs with the existing substance abuse prevention and treatment block grant give states greater choices in the design of prevention and treatment programs.

#### Rationale

This proposal consolidates the block grant and demonstration funds (as well as smaller public education and training programs) into a single block grant administered by the states. This consolidation would free states to establish their own priorities for the demonstration of emerging prevention or treatment protocols. With such flexibility, states would be able to reduce waiting lists for treatment services, could direct funds toward maximizing coordination with other existing state programs, and would allow states, that so choose, to focus more finances on coordination of prevention or treatment programs.

#### Included Programs

	FY 94 (\$ in millions)
Substance Abuse Prevention and Treatment Block Grant	994
Community Prevention <sup>1</sup>	1157
Prevention Demonstration: High Risk Youth <sup>1</sup>	63
Treatment Improvement Demonstrations: Critical Populations	44
Prevention Demonstration: Pregnant Postpartum Women and their Infants <sup>1</sup>	43
Treatment Demonstrations: Target City Demo	35
Treatment Improvement Demonstrations: Criminal Justice	34
Treatment Improvement Demonstrations: Women and Children	28
Treatment Improvement Demonstrations: Comprehensive Community Treatment Programs	28
Residential Treatment for Pregnant Women	26
Capacity Expansion Program	15
Training (prevention) <sup>2</sup>	15
Prevention Public Education and Dissemination <sup>1</sup>	11
Prevention Demonstration: Other Programs <sup>1</sup>	7
Training (treatment) <sup>2</sup>	5
Treatment Improvement Demonstrations: Campus Projects	4
<b>TOTAL</b>	<b>1,417</b>

<sup>1</sup> Current funding to Public and Private Non-Profits

<sup>2</sup> Current funding to Academic Institutions

#### Unresolved Issues

Twenty-percent of the funds appropriated under the current Substance Abuse Block Grant (\$233 million) which is administered by the Center for Substance Abuse within the Department of Health and Human Services are earmarked for prevention and focused on youth. It is unclear whether the needs of youth are best served through this proposal or through a more integrated block such the Youth Development.

## DRAFT – FOR COMMENT ONLY

### MENTAL HEALTH SYSTEMS AND TREATMENT BLOCK GRANT

#### Purpose

This proposal combines a variety of categorical and demonstration programs with the existing mental health block grant to give states greater freedom to address the need of persons with mental illness.

#### Rationale

The current categorically-based mental health programs have insufficient flexibility in their focus to allow states to adapt to the rapidly changing health care environment. States simply need a more flexible funding source. For example, a more flexible block grant would help states and providers adapt to changes in mental health service delivery and financing as a result of the proliferation of health care networks. Further, the operation and modification of comprehensive management information systems are vital to evaluating the impact of services. Yet, current resources are inadequate to operate and modify such systems. Compilation and analysis of data for policy formulation, program management and evaluation is needed. This new block grant proposal would give states the flexibility to respond to this changing environment. In addition, this proposal calls for the consolidation of demonstrations under a block grant. While these demonstration funds are currently competitive, allocating them to states would give states more authority to test innovations, such as testing mental health "carve-out" management versus "integrated" management arrangements in the delivery of care in managed care settings.

#### Included Programs

	FY 94 (\$ in millions)
Mental Health Block Grant	278
Projects for Assistance in Transition from Homelessness (PATH)	30
Demonstrations: Community Support Program	24
Protection and Advocacy	22
Demonstrations: Homeless Demonstrations <sup>1</sup>	21
Clinical Training <sup>2</sup>	3
<b>TOTAL</b>	<b>378</b>

#### Unresolved Issues

Should there be a separate block to address homelessness that would include persons with mental illness and funding from the HUD?

Should competitive demonstration funds be grouped together and allocated to the Secretary of HHS for her disposition?

It is unclear whether the health-related needs of children addressed by the following program is best served through this funding stream or through a more integrated block such the Ready to Learn proposal. The placement of the following program remain unresolved.

**DRAFT -- FOR COMMENT ONLY**

*Ready to Learn or Mental Health Systems Treatment Block Grant*

Children's Mental Health<sup>3</sup>

FY 94  
(\$ in millions)  
35

- 
- <sup>1</sup> This is a special CMHS, Housing and Urban Development, Department of Education, and Department of Agriculture five year demonstration in 18 sites (9 states). It is designed to document the impact of an integrated care model recommended by the 1992 report of the Federal Task Force on Homelessness and Severe Mental Illness.
  - <sup>2</sup> Current funding to academic institutions, professional associations, and state human resource development programs.
  - <sup>3</sup> Current funding to Public and Private Non-Profits

**DRAFT - FOR COMMENT ONLY**

**HEALTH PROFESSIONS BLOCK GRANT**

**Purpose**

States play a pivotal role in the financing of medical and other allied health professionals education. This proposal would enhance that role by giving states more flexibility and authority to direct federal funding for workforce development.

**Rationale**

Currently, the majority of federal funding for workforce development flows directly to individuals and universities within a state. This proposal would promote a more active role for state government in the allocation of those scarce resources. States could identify their own needs for primary versus specialty care providers and target financial resources based upon these workforce patterns. The proposal would also allow states to direct resources to the cultural and linguistic minorities which reflect the demographics of the citizens. Finally, by increasing the state role in directing funds for health professions, states would be better able to encourage beneficiaries of financial assistance to practice in unserved or underserved areas of the state.

**Included Programs**

	FY 94 (\$ in millions)
Grants for Family Medicine	47
Health Careers Opportunity Program	25
Area Health Education Centers	22
Programs of Excellence in Health Professions Education for Minorities	24
Minority Health	20
Developmental Disabilities University Affiliated Programs	18
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students	17
Minority Scholarships	18*
Grants for General Internal Medicine and/or General Pediatrics	17
Professional Nurse Traineeships	16
Nurse Practitioner/Nurse Mid-wife	17
Advanced Nurse Education	12
Exceptional Financial Need Scholarships	10
Nurse Education Special Projects	10
Grants for Geriatric Education Centers	9
HPSL Recapitalization	8
Public Health/Preventive Medicine	8
Grants for Physician Assistant Training Program	7
Scholarships for Health Professions Students from Disadvantaged Backgrounds	6
Mental Health Clinical or Service Related Training Grants	5
Interdisciplinary Training for Health Care for Rural Areas	4
Allied Health Project Grants	4

**DRAFT - FOR COMMENT ONLY**

	FY 94 (\$ in millions)
Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds	4
Residency Training & Advanced Education in the General Practice of Dentistry	4
Area Health Education Centers - Border Health	3
Grants for Nurse Anesthetist Faculty Fellowships	3
Health Professions Research and Data	2
Grants for State Loan Repayment	1
Health Administration Traineeships & Special Projects Program	1
Chiropractic Demonstrations	1
Grants for Podiatric Primary Care Residency Training	1
Demonstration Grants to States for Community Scholarships	1
<b>TOTAL</b>	<b>345</b>

\*FY 95 Appropriations figure

**Unresolved Issues**

An additional number of categorical programs relevant to this block grant were identified, however complete information was not available at this time so they were not included in this analysis.

**DRAFT - FOR COMMENT ONLY****AGING SERVICES BLOCK GRANT****Purpose**

This block grant is designed to organize services for the elderly based on consumer needs rather than provider auspices. It would give states flexibility to fund the types of aging services most needed by older consumers in their jurisdictions.

**Rationale**

There are two compelling reasons for consolidating and block granting these programs. First, these programs are highly interrelated, and support and complement one another. For example, specialized Department of Transportation funds are used to purchase vehicles that transport older people to Department of Health and Human Services (DHHS) financed meal sites; DHHS funds are used for the vehicle operating costs. Both the Senior Community Services Employment Program (Department of Labor) and the Older Americans Volunteer Program (Corporation for National and Community Service) pay stipends to older people who provide direct services to the elderly (some of the services are partly financed by DHHS). In short, these programs perform overlapping functions.

The second reason is administrative efficiency. Even though these programs all serve the same target population (the elderly), their federal requirements and restrictions force states to; set-up duplicative grants management and reporting systems; to cajole local providers serving identical populations to coordinate their efforts; and allocate resources to certain functions that may be of lower priority than others due to the federal allocation of funds.

**Included Programs**

	FY 94 (\$ in millions)
Senior Community Service Employment Program	411
Congregate Nutrition, Title III-C1, Older Americans Act	376
Supportive Services - Title III-B, Older Americans Act	307
Commodities Support for Elderly Nutrition	151
Foster Grandparent Program	66
Transportation for the Elderly and Adults with Disabilities - Section 16(b)(2) of the Federal Transit Act	59
Retired Senior Volunteer Program	34
Senior Companion Program	30
Congregate Housing Services Program - Housing and Community Development Act	25
Health Promotion - Title III-F of the Older Americans Act	17
Insurance Counseling Assistance - Sec. 4360, OBRA '90	10
Home Delivered Meals, Title III-C-2, Older Americans Act	10
In-Home Services, Title III-D, Older Americans Act	7
Alzheimer's Demonstration Grants to States - Section 398 of Public Health Services Act	5
Elder Abuse - Title VII, Chapter 3, Older Americans Act	5
Long Term Care Ombudsman - Title VII, Chapter 2, Older Americans Act	4

**DRAFT -- FOR COMMENT ONLY**

	FY 94 (\$ in millions)
Benefits Counseling - Title VII, Chapter 5, Older Americans Act	2
<b>TOTAL</b>	<b>1,519</b>

**Unresolved Issues**

This proposal includes HUD funds for housing. Should it be included here or in a separate housing block grant?

## DRAFT – FOR COMMENT ONLY

### SURFACE TRANSPORTATION BLOCK GRANT FUNDING

#### **Purpose**

To fund those surface transportation projects that Governors deem appropriate for their states. Surface transportation refers primarily to highways, mass transit, bridges, highway safety programs, motor carrier safety and registration programs, innovative financing mechanisms, and associated research endeavors. It also includes related activities that enhance the environment, such as wetland banking, congestion mitigation, highway beautification, and bicycle and pedestrian projects.

#### **Rationale**

A surface transportation block grant would allow states to tailor federal funds to meet specific state needs without the constraint of federal functional classifications. Some states may need to focus highway funds on bridge replacement or mass transit operating assistance, for example. Although the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) provided an unprecedented amount of flexibility for states, it retained categorical requirements and created enhanced local control and set-asides.

#### **Included Programs**

	FY 94 (\$ in millions)
<i>Highways*</i>	
Surface Transportation Program	3,845
National Highway System	3,319
Interstate Maintenance	2,739
Bridge Replacement and Rehabilitation	2,556
Demonstration Projects	1,089
Congestion Mitigation/Air Quality	982
Metropolitan Planning	138
Apportionment Adjustment	790
Donor State Bonus	496
Minimum Allocation	1,234
Subtotal	17,188
<i>Transit*</i>	
Transit Discretionary Grants (Bus, rail, and new starts)	1,782
Transit Formula Grants (Urban, nonurban, rural, elderly, and disabled)	2,415
Subtotal	4,197
<i>Safety</i>	
Motor Carrier Safety Grants	65
Highway-Related Safety Grants	10
Highway Traffic Safety Grants	173
Subtotal	248
<b>TOTAL</b>	<b>21,633</b>

\* Most ISTEA programs allow for flexing of some funds between highway and transit programs.

## DRAFT -- FOR COMMENT ONLY

### Unresolved Issues

Suballocation. The increased flexibility of ISTEA also provided a more significant role for local authorities. The Act emphasizes coordinated transportation planning and gives metropolitan planning organizations (MPOs) considerable control over both project selection and actual funds by stipulating that states allocate obligation authority directly to these organizations. Projects in areas with over 200,000 population are given direct pass-through of their portion of the state's apportionment for the substantial Surface Transportation Program within ISTEA. This proposal does not address the role of local governments.

Turnback. The subject of "turnback" has arisen several times over the past decade, and is an alternative to a block grant. Turnback refers to the return to the states gas tax revenues. With the return of a substantial portion of the gas tax revenues to the state of origin, there is also the probable return of administration of some or all highway programs to the states. There are a variety of turnback proposals, with states either receiving a varying portion of the federal gas tax or instituting a substitute state gas tax as the gas tax declined. The current federal gas tax is 18.4 cents, with 6.8 cents diverted to the general revenue fund (although 2.5 cents of that amount is scheduled to return to the Highway Trust Fund in October 1995.) The average state gas tax (as of late 1993) was 18.3 cents.

The turnback approach does raise concerns. Advocates of a turnback suggest that direct state access to transportation funds without artificial federal spending ceilings (or congressional demonstration projects) will improve the flow of funds. However, opponents believe that the imposition of substitute state fuel taxes would be hard to achieve for a number of reasons, including possible state constitutional restrictions, the potential use of taxes for non-transportation purposes, and state/local conflicts over relative shares. Additionally, some donee states (that receive more federal funds than are collected in federal fuel taxes in their states) might not be able to enact a state substitute large enough to equal current federal funding. There is also the possibility that Congress might also impose additional federal fuel taxes immediately to further reduce the federal deficit. In addition, although states would no longer have to meet narrow program eligibility requirements, it is possible that national maintenance and safety standards could be eroded. Turnback opponents are also concerned that a nationally integrated intermodal infrastructure policy would be hampered.

Federal gas tax funding eligibility. The recent restructuring of Amtrak has amplified debate over whether rail transportation should be incorporated into surface transportation programs, thereby permitting federal gas tax revenues to be used for non-highway purposes. The recent DOT restructuring suggests this approach, but this proposal does not include use of the federal gas tax for rail or airport uses.

## DRAFT -- FOR COMMENT ONLY

### AFFORDABLE HOUSING BLOCK GRANT SUGGESTION

#### Purpose

Funding for a wide range of affordable housing services targeted primarily to low income persons and families, including construction and rehabilitation funds; interest rate buy-downs, downpayments, and other financial support; loans and loan guarantees; rent subsidies and vouchers; and supportive services.

#### Rationale

Depending on the per capita income of its residents and the inventory and condition of its housing stock, a state may need relatively more funds for the promotion of affordable housing construction and less for actual rental assistance or vice versa. These conditions also vary across a state and change over time. A block grant would permit a state to use federal funds to address its priority affordable housing needs. In addition, many existing federal housing programs are competitive grants, awarded after expensive grantswriting investments. A block grant with a modest set-aside as an incentive for states or communities that demonstrate excellence in program design or extraordinary need could be eligible for additional funding, removing the cost of grantswriting. By folding in programs from both the Department of Housing and Urban Development (HUD) and the old Farmers Home Administration (FmHA) (currently administered by the Rural Housing and Community Development Service - RHCDS), states would have the advantage of being able to manage housing programs consistently across the state.

#### Included Programs

	FY 94
	*denotes FY 95
	(\$ in millions)
<i>Housing Construction/Rehabilitation Programs at HUD</i>	
HOME	1,275
National Homeownership Trust	50*
Housing Counseling	12
Elderly Housing (Sec.202)	1,158
Housing for the Disabled (Sec.811)	387
Section 8 SRO (single room occupancy)	150
HOPE II & HOPE III	109
Youthbuild	(48)
(Fiscal 94 funding is earmarked from HOME and Severely Distressed Public Housing.)	
Lead Based Paint Hazard Reduction	150
Funding for Preservation of Existing Affordable Housing in Areas Needing Such Units (Preservation)	541
<i>RHCDA (formerly Farmers Home Administration (FmHA))</i>	
<i>Housing Production Grant Programs</i>	
Sec. 504 Very-Low Income Housing Repair Grants	25
Sec. 516 Rural Housing for Domestic Farm Labor	11
Sec. 53 Mutual and Self-Help Housing	13

**DRAFT – FOR COMMENT ONLY**

	FY 94
	*denotes FY 95
	(\$ in millions)
Sec. 525 & 509 Supervisory and Technical Assistance Grants (to assist in housing loan applications)	3
Sec. 509 Compensation for Construction Defects	1
Sec. 533 Rural Housing Preservation Grants	23
Subtotal: Grant Programs:	3,955
<b><i>HUD Loan Programs, Federal Housing Administration</i></b> (Loan programs are valued at their appropriated amount though funds from repayment of earlier loans often provide additional program funds.)	
Mutual Mortgage and Cooperative Management Housing Insurance Funds	263
General and Special Risk Insurance Funds	348
<b><i>RHCA/FmHA Housing Loan Programs</i></b>	
Sec. 502 Direct Single Family Loan Financing	354
Sec. 502 Guaranteed Single Family Loan Financing	12
Sec. 515 Direct Multi-Family Housing	310
Sec. 504 Housing Repair Loans	14
Sec. 504 Housing Repair Loans, Emergency Support	1
Sec. 514 Farm Labor Housing Loans	16
Sec. 524 Rental Housing Site Development Loans	-
Housing Credit Sales	133
Self Help Housing	-
Subtotal Loan Programs	2,221
Construction and Rehabilitation on Subtotal	5,405
<b><i>HUD Rental Assistance and Support Programs</i></b>	
Section 8 Certificates and Vouchers for Expiring Contracts	4,558
Section 8 Rental Assistance - Elderly	637
Section 8 Rental Assistance - Disabled	207
Section 8 Amendments	900
New Rental Assistance (incremental)	1,327
Flexible Subsidy	136
Elderly Housing Service Coordinators	22
Project-Based Service Coordinators	15
Tenant Based and Multifamily Service Coordinators	15
Family Self-Sufficiency Coordinators	8
Congregate Housing Services	25
Foster Child Care	77
Moving to Opportunity	171
<b><i>RHCA/FmHA Rental Assistance Programs</i></b>	
Sec. 521 Rental Assistance	447
Sec. 502 Rental Assistance	2
Sec. 542 Vouchers	25
Rental Assistance Subtotal:	8,572

**DRAFT – FOR COMMENT ONLY**

	FY 94
	*denotes FY 95
<i>HUD Homelessness Assistance Programs</i>	(\$ in millions)
Shelter Plus Care	124
Section 8 Veterans Affairs Supportive Housing	10
Emergency Shelter Grants	115
Supportive Housing	334
Innovative Homeless Initiative	100
Housing Opportunities for Persons with AIDS (HOPWA)	156
Emergency Food and Shelter	130
<i>Homelessness Assistance TOTAL</i>	<i>969</i>

***HUD Public Housing Construction and Rehabilitation Programs***

(The actual value of public housing programs in this block grant is uncertain because of hundreds of millions of dollars currently "in the pipeline" at HUD, already appropriated in past years, but unspent. These figures represent only one year's appropriation.)

Public Housing Development	478
Public Housing Amendments	30
PH Severely Distressed Housing	778
Public Housing Modernization (This figure includes Indian Housing)	3,230

***HUD Public Housing Operating Programs***

Public Housing Operating Subsidies	2,121
Tenant Opportunity Program	171
Family Investment Centers	26
Community Partnership Against Crime	265
Family Self Sufficiency Coordinators	8
Public Housing Service Coordinators	30
Public Housing Early Childhood Development (These are earmarked funds within the CDBG program)	(15)
Public Housing Subtotal	7,152
<i>Block Grant Proposal TOTAL</i>	<i>22,098</i>

**Unresolved Issues**

Public Housing. In the past, Governors have consistently stated that public housing is a federal responsibility, a safety net program. HUD is proposing to move public housing "to market" by converting operating and construction/rehabilitation grants to tenant-based rental assistance. In deciding to keep the public housing programs in the block grant, Governors need to address the viability of public housing within their state. Including within the block grant the value of federal operating subsidies and social service programs aimed at public housing may make the proposal acceptable. In that case, Governors need to insure that these support programs aren't dropped into another health, child care, or social services block grant instead of into the housing block grant. Public housing programs could be made a separate block grant. Another option might be to removed the "severely distressed" public housing from either block grant. Indian public housing was not included in this grant because these projects today are directly administered by HUD and states have little information on their status and to

## DRAFT – FOR COMMENT ONLY

avoid jurisdictional controversy. Public housing might also be viewed by Governors in the context of income security programs.

State-Local Concerns. HOME is funded with a 60/40 ratio, 60 percent local and 40 percent state, and HUD has proposed that ratio as the formula for its proposed consolidations. Since most public housing is in cities and the cost of public housing is a major portion of this proposed block grant, the locals will likely seek a larger share of this grant. Most competitive grants are also awarded to local rather than state governments.

Mixing production programs and rental assistance programs. For a given unit of affordable housing, capital construction costs would be greater than rental payments for that year. Accounting for both types of programs in one grant adds complexity, but many states already manage both types of programs on state funds. Separating these types of programs into two block grants is the proposal made by HUD and could be considered by Governors.

Liability for Failed Projects. HUD currently holds a large inventory of over \$100 billion in struggling or failed multi-family and public housing projects, among others. It is important that these liabilities not be transferred to states without a clear accounting, understanding, and acceptance by the states involved.

Homeless Assistance Programs. Establishing this as a separate block grant temporarily might improve the transition to a block grant. However, the programs are included here because of their close relationship to state efforts in affordable housing.

Tax-Based Programs Left Out. The Mortgage Revenue Bond Program and the Low-Income Housing Tax Credit, two affordable housing programs that states use, have not been included in this block grant. States already have significant flexibility to target these programs to areas of state priority within the targeting requirements.

Privatizing FHA: HUD proposes to turn the Federal Housing Agency (FHA) into an independent agency similar to Fannie Mae or Ginnie Mae. While these agencies have both been successful financially, some have criticized them for achieving this success by moving away from support for loans to low-income families. Governors need to consider whether privatization will retain FHA's goal of promoting and guaranteeing low income housing. Risk is inevitable in this market, and privatizing the agency doesn't remove the risk. The FHA loan programs are included in this block grant, but Governors may proposed do set them aside.

**DRAFT – FOR COMMENT ONLY**

**COMMUNITY AND ECONOMIC DEVELOPMENT BLOCK GRANT**

**Purpose**

To provide capital investment, training, management and technical assistance, and research aimed at promoting job creation and economic growth within a community, a region, or an industry sector.

**Rationale**

Economic development and the promotion of economic growth is a primary goal of state government. Consolidation of a wide range of existing federal resources into one flexible program would permit states to use these resources more effectively to respond to local market and community situations. Most states have developed strategic plans for development which identify priority areas for state action. Limited federal resources would be more efficiently spent in concert with state efforts.

**Included Programs**

	FY 94
	*denotes FY 95
	(\$ in millions)
<b><i>Community Development Program, administered by HUD</i></b>	
Community Development Block Grant	4,400
Empowerment Zones	400*
Special Purpose Grants	45
Economic Development Initiative (UDAG Recapture Funds)	125
Subtotal HUD	4,970
<b><i>Economic Development Programs, administered by EDA</i></b>	
Development Grants	172
Planning Grants	26
Technical Assistance Grants	12
Special Economic Development & Adjustment Grants	36
Subtotal EDA	246
<b><i>Rural Economic Development Programs, administered by the Rural Development and Cooperative Development Service (RBCDS) (formerly Farmers Home Administration)</i></b>	
Rural Business Enterprise Grants	43
Business and Industry Loans	249
Subtotal RBCDS	292
<b><i>Programs for Farmers administered by the Farm Service Agency (formerly FmHA)</i></b>	
Farm Ownership Loans	78
Farm Ownership Loan Guarantees	557
Farm Operating Loans	700
Farm Operating Loan Guarantees	1,800
Emergency Disaster Farm Loans	100

**DRAFT – FOR COMMENT ONLY**

	FY 94 (\$ in millions)
State Mediation Grants	3
Farm Outreach and Assistance Grants	3
Credit Sales of Acquired Property	124
Subtotal FSA	3,365
<b><i>The Appalachian Regional Commission</i></b>	
Appalachian Development highway system	184
Community Development Program	83
Business and Human Development Program	36
Local Development District & Technical Assistance	6
Subtotal ARC	309
<b><i>Development Programs administered by the Rural Utilities Service (formerly the Rural Electrification Administration)</i></b>	
Economic Development Loans	3
Rural Electrification Loans	725
Rural Electrification Loan Guarantees	300
Rural Telephone Loans	298
Rural Telephone Loan Guarantees	120
Rural Telephone Bank Loans	200
Subtotal RUS	1,646
<b><i>Community Development Program administered by the Rural Housing and Community Development Service (RHCDS)</i></b>	
Community Facility Loans	225
Community Facility Loans	75
Subtotal RHCDS	300
<b><i>Economic Development Programs administered by the Tennessee Valley Authority</i></b>	
Rural Development	21
Subtotal TVA	21
<b><i>The Small Business Administration</i></b>	
Surety Bond Guarantees Revolving Loan Fund	7
Direct Loan Programs	17
Guaranteed Loan Programs	196
Small Business Development Center Performance Grants	67
Service Core of Retired Executives (SCORE)	4
Small Business Advocacy	8
Business Development	50
Disaster Assistance	98
Subtotal SBA	447

## DRAFT -- FOR COMMENT ONLY

### Other USDA Programs:

	FY 94
	(\$ in millions)
<i>Cooperative State Research Service Programs</i>	
1890 College Tuskegee	27
Animal Health/Disease	5
Coop Forestry	20
Hatch Act	124
Hatch Act Reg.	39
Agriculture - Special	26
<i>Extension Services Programs</i>	
1890 Colleges	24
D.C. Act	1
Farm Safety	1
Expand Food and Nutrition	61
Pest impact Assessment	2
Pest Management	9
Renewable Resources	3
Smith Lever	228
Subtotal Other Programs	570
<b><i>Proposed Block Grant TOTAL</i></b>	<b>12,166</b>

### Unresolved Issues

Programmatic Changes: This proposal includes significant programmatic change since today most of these dollars flow directly from the federal government to businesses and citizens. Only the HUD programs use states to administer the programs.

Regional Disparities. Both the Tennessee Valley Authority and the Appalachian Regional Commission are directed to a specific geographic region of the country. Presuming that a hold harmless formula is developed, these areas would essentially retain this support. Since the TVA generates income that is part of its program funds, the block grant funding level may have to be reduced by this amount.

Community vs. Economic Development vs. Rural. In its HUD Restructuring Proposal of December 19, 1994, HUD suggests that the community development programs listed above become a discrete "Community Opportunity Fund." Governors may want to consider that as one option, but this proposal suggests that the program goals are closely linked and states would benefit from a single community and economic development program. Rural development programs could also be considered as a separate block grant.

Including Loan Guarantee Programs. Many programs in this proposed block grant are either loan or loan guarantee programs rather than grants. Loan guarantee programs are problematic because of the small dollar amount used to leverage larger projects. Depending on the amount of block grant funding available, states may be provided such a small dollar amount for such a program in a block grant that a program would be impossible. Governors may want language ensuring that residents cannot be entitled

## DRAFT – FOR COMMENT ONLY

to benefits of programs that are not viable in that state. Governors may want to remove loan guarantee programs from the block grant.

Overlap with Other Block Grants. There is overlap in rural development programs with water programs, since the revolving loan fund is the single largest federal rural development program. This proposal leaves those dollars with the environmental program management block grant and the agriculture block grant. This proposal also does not include defense conversion funds, trade adjustment assistance funds or other dislocated worker assistance. These programs are included in the Lifelong Learning Block Grant.

Research Funding. Funding research sometimes requires a minimum level for effective projects. This proposal includes all cooperative programs, assuming that states can cooperate without a federal government directive if the research goals are of regional importance.

## DRAFT – FOR COMMENT ONLY

### ENVIRONMENTAL MANDATES ASSISTANCE

#### Purpose

To provide assistance to local communities for environmental infrastructure needs in a manner that will result in compliance with various federal environmental requirements, particularly related to water quality. In order to enhance existing loan assistance programs, Governors seek greater flexibility to combine infrastructure monies and coordinate the expenditure of such monies based on state and local priorities.

#### Rationale

Governors have consistently called for more state flexibility in administering the federal infrastructure assistance monies to states and local communities. Specifically, the Governors propose consolidation of federal environmental loan funds (i.e., state revolving loan funds for drinking water and wastewater treatment construction) in order to enable states to target the funds to their greatest water quality, infrastructure-related needs. A consolidated infrastructure loan fund would combine all capitalization grant dollars for wastewater and drinking water state revolving loan funds (SRF), nonpoint source management and other dedicated water quality-related funds. Such consolidation would increase efficiency in the administration of federal dollars through states to local communities for environmental infrastructure projects and other activities to reduce water pollution. Priority needs may include construction of a wastewater treatment plant, enhancement of a public drinking water system, closure of a municipal waste landfill, or groundwater treatment to clean up contamination from underground storage tank releases.

#### Included Programs

	FY 94 Estimate (\$ in millions)
Wastewater State Revolving Loan Fund	1,200
Drinking Water State Revolving Loan Fund (appropriated but not yet authorized)	1,300
Underground Storage Tank Trust Fund	66
Nonpoint Source Management	80
FmHA Rural Water and Waste Disposal Loans/Grants	1,048
<b>TOTAL</b>	<b>3,694</b>

#### Unresolved Issues

1. A portion of appropriated amounts may need to be reserved for debt servicing of existing loans.

## DRAFT -- FOR COMMENT ONLY

### ENVIRONMENTAL PROGRAM MANAGEMENT GRANTS

#### **Purpose**

To provide administrative blocks grants which will result in greater state flexibility for more efficient management of environmental programs.

#### **Rationale**

The federal government currently provides categorical grants to assist in the administration of environmental programs. An administrative block grant would enhance the ability of states to use federal resources to meet national environmental protection goals consistent with state-based priorities, while improving coordination of current environmental management programs. The existing programs operate under priorities set by the federal government rather than by the states and funds are severely constrained by federal grant conditions. Eliminating the specific program grant criteria and allowing the states to use the money in a block according to their priorities would advance state environmental activities, particularly in voluntary, non-regulatory areas. To make this fully workable, states must be authorized to adjust timeframes for meeting certain federal requirements to allow priority environmental problems to be addressed first.

#### **Included Programs**

	FY 94 (\$ in millions)
<i><b>Air Pollution Control Program</b></i>	
Clean Air Act Section 105 Grants	177
<i><b>Water Pollution Control Program</b></i>	
Clean Water Act Section 106 Grants	82
Water Quality Management Planning Grants	13
Clean Lakes Program Grants	5
Wetlands Program Grants	10
Drinking Water Program	
Safe Drinking Water Act Public Water Supply Supervision Grants	64
Underground Water Source Protection Grants	11
Hazardous Waste Management Program	
State Program Support Grants	92
State Underground Storage Tanks Program	9
Pesticides Enforcement Cooperative Agreement Grants	16
Toxic Substances Enforcement Grants	5
Radon State Grants	8
Lead Grants	11
<b>TOTAL</b>	<b>502</b>

**DRAFT – FOR COMMENT ONLY**

**Unresolved Issues**

1. Adjusting federal enforcement priorities and explicit statutory requirements with deadlines based on individual states' environmental priorities

## DRAFT -- FOR COMMENT ONLY

### AGRICULTURAL PROGRAMS

#### Purpose

To broaden the focus of existing conservation-related agriculture programs while providing states with new tools to address environmental and conservation problems associated with modern agriculture. Currently, most funds are paid directly from the U.S. Department of Agriculture (USDA) to farmers for the purpose of taking agricultural lands out of production or encouraging certain farming practices.

The NGA 1995 farm bill draft policy proposes to combine certain monies currently available for resource management and conservation through USDA and give states a greater role to direct these funds for use in managing their agricultural, natural resource base. As part of this proposal, interested farmers and ranchers would work in coordination with state agencies in the development and implementation of a farm- or ranch-based total resource management plans. States would approve the plans, oversee implementation and allocate available resources within the state based on the plans and state priorities. Full implementation of the plan should protect the farmer or rancher against program changes and/or new requirements for a set period of time.

#### Rationale

Such a proposal focuses on agriculture-related conservation and environmental priorities of the state while giving Governors a new role in the investment of these funds. By allowing states to direct conservation monies associated with production agriculture, states are better able to address priority objectives such as the clean water requirements for which states are ultimately held accountable. The proposal also assists producers that face a complexity of environmental requirements by providing them technical assistance and certainty in their planning and compliance requirements.

#### Included Programs

	FY 94 Estimate (\$ in millions)
Conservation Operations	591
River Basin Surveys and Investigations	14
Watershed Planning	11
Watershed and Flood Prevention Operations	586
Great Plains Conservation Program	26
Resource Conservation and Development	33
Conservation Reserve Program	1,743
Wetlands Reserve Program	67
Agricultural Conservation Program	195
Water Bank	8
Colorado River Program	14
<b>TOTAL</b>	<b>3,287</b>

## DRAFT – FOR COMMENT ONLY

### Unresolved Issues

1. Allocation of these funds among states needs to be carefully considered, particularly for the Conservation Reserve Program (CRP), which is currently managed by USDA through a "bidding" process.
2. Unlike some other block grant proposals that enhance an established state role, this proposal would create major new state responsibilities including the following: 1) providing producers technical assistance in the preparation of farm-based plans, 2) approving the plans, 3) overseeing implementation, and 4) distributing monies directly to the farmers and ranchers. States are likely to have varying levels of interest and capabilities to carry out these tasks. Pilot projects and/or a transition period where involvement is, at first, voluntary, could be instituted. Ultimately, however, a complete transfer of authority to the states would be necessary to avoid duplication of effort at the federal level and to ensure that money saved through streamlining federal responsibilities is passed on to the states for their administrative costs.
3. Support from farmers.

## THE WHITE HOUSE

WASHINGTON

March 15, 1995

A MEMORANDUM FOR

BILL GALSTON	- DPC
BRUCE REED	- DPC
JOSE CERDA	- DPC
KUMIKI GIBSON	- OVP
KAREN PITTMAN	- OPFC
KEN APFEL	- OMB
BOB LITAN	- OMB
PAUL DIMOND	- NEC
SHERYLL CASHIN	- NEC
PETER EDELMAN	- HHS
ANNE ROSEWATER	- HHS
MICHELLE CAVATAIO	- DOeD
BILL MODZELESKI	- DOeD
DOUG ROSS	- DOL
SHAY BILCHIK	- DOJ
REGGIE ROBINSON	- DOJ

FROM: GAYNOR McCOWN *GM*

SUBJECT: YOUTH DEVELOPMENT BLOCK GRANT

CC: CAROL RASCO  
JEREMY BEN-AMI

Attached you will find a summary of Senator Kassebaum's Youth Development Block Grant. I'm also including a side-by-side of Crime Control Legislation done by OMB.

We will meet on Monday, March 20 at 12:00 p.m. (Room 211 - The Old Executive Office Building) to discuss the block grant and get an update from each agency represented. I would like to end the meeting with a coordinated strategy for moving forward.

Please call Charles Bonner at 456-5578 to confirm your attendance and, if necessary, provide information to gain entrance to the building. If you have any questions or suggestions of what to include in the agenda, you may call me at 456-5575.

Many thanks for your cooperation and I look forward to seeing you on Monday.

03-14-95 01:31PM FROM USSEN LABOR MAJORITY TO 93957238

P002/008

**SUMMARY**  
**YOUTH DEVELOPMENT COMMUNITY BLOCK GRANT**  
**March 17, 1995**

The Youth Development Community Block Grant (YDCBG) is an effort to reallocate existing federal funding for preventive youth programs into a more effective and efficient response to the needs of young people, aged 8 - 18. The goal of youth development programs is helping children and youth learn the life skills which they need to succeed. This legislation establishes a community driven, coordinated network of positive youth development to accomplish this goal.

**IN SHORT, THE "YOUTH DEVELOPMENT COMMUNITY BLOCK GRANT" :**

- Is community-based and flexible, with program accountability
- Invests money in prevention rather than crisis intervention
- Transforms current categorical programs into a cohesive network
- Can serve as a catalyst in building stronger communities to support children and their families

**Features of the Youth Development Community Block Grant**

• Community Control of Local Programs -

This legislation supports the idea that the best place to design and implement youth programs is within the community. When created within the context of the community and by a partnership of community members, the programs can draw upon the strengths of existing resources and address the specific needs of the youth living there.

All YDCBG-funded programs must address community youth development priorities as defined by the Local Board; recognize the role of the family in youth development; involve parents, youth, and community leaders in the program; coordinate services with other programs in the community; and establish process and outcome objectives responding to local needs.

• Focus on Prevention rather than Crisis Intervention -

The second part of the equation is that it is important to redirect resources to prevention activities. Most government funds are focused on solving problems rather than preventing problems from occurring. There are a variety of activities which help youth develop their social, emotional, and physical abilities, along with their ability to think and reason. These activities can involve mentoring, sports and recreation, peer counseling, youth clubs, leadership development, educationally based youth employment, and a variety of other non-academic pursuits. Youth development programs provide youth with hands on, active way to learn life skills which will help them make a successful transition from childhood to adulthood.

03-14-95 01:31PM FROM USSEN LABOR MAJORITY TO 93957238

P003/008

In addition, because these activities are not focused on correcting a specific problem, but on providing basic life skills, the programs do not need to be restricted to "high risk" youth or a special target population. Local communities and youth development agencies may choose to focus the activities on a specific group of children and youth, such as low-income or at risk youth, in response to a particular need of the community.

• Funds go Directly to Communities -

Nearly 95% of the YDCBG funds are funneled directly to local communities; states serve as a pass through and monitoring mechanism. Through a planning and priority setting process, local communities determine the types of activities which will be funded and who will provide those services. Program accountability is demonstrated by measuring the community's progress in meeting goals set in the planning and priority setting process. This provides communities broad flexibility to define local priorities and support local initiatives, while at the same time encouraging community partnerships, comprehensive planning, and service integration.

• Existing funds are consolidated into a cohesive strategy -

Funding for the YDCBG is drawn from existing federal youth prevention programs. The majority of existing youth development and prevention programs are funded through categorical grants awarded on a discretionary basis by the federal agency administering the initiative. These categorical programs are designed to respond to an identified problem such as substance abuse or teen pregnancy. The YDCBG recognizes that these problems are symptoms not only of youth but of an ineffective service delivery system--and that the new funding structure must transform the current potpourri of narrowly defined categorical programs into a cohesive community based strategy for youth. Current budget constraints demand that existing federal funds be more efficiently administered and more effectively used.

Although the legislation includes the repeal of several federal initiatives, a "grandfather" clause in the bill permits communities to continue funding for any local program currently receiving funding from the repealed programs. While the federal administration and legislation will be terminated, the programs themselves can continue to operate at the community level--where the service is delivered.

• Funds will be allocated based on a formula, rather than good grantwriting skills -

The majority of programs consolidated within the YDCBG are currently distributed through the discretionary grant process. Distribution among states and communities varies widely and is determined, in large part, by the grantwriting skills of the grantees. Through a formula based allocation of YDCBG funds, every county will receive some level of funding for youth development activities. This allocation formula gives equal weight to the size of the youth

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P004/008

population aged 6 - 18, the proportion of the youth population living below the poverty line, and increases in the rate of serious juvenile crime. A small state minimum and set aside for Native American populations is included in the legislation.

• Administrative structures are streamlined -

The primary administrative structure of the YDCBG is the Local Board. This Board, appointed jointly by the Chief Executive Officer of the County and a representative of the local youth development community, is responsible for setting the goals, determining strategies for achieving those goals, and distributing funds for youth development services in the community. The state serves as a pass through for distributing funds to counties based on the federal allocation formula. In addition, the state is responsible for basic monitoring, reporting and technical assistance functions to assist the counties implementation of the act. The federal role in the YDCBG consists of program oversight as well as state and local capacity building through training, technical assistance, and research-based demonstration projects.

Provisions in the bill promote the use of existing administrative structures on the federal, state, and local levels. Multi-county and other partnership efforts are encouraged.

• Sources for federal funding of the YDCBG -

**Department of Health and Human Services:**

Youth Gang Prevention Program

National Youth Sports Program

Demonstration Partnership Program

Community Coalition Demonstration Projects to Support HHS Needs for Minority  
Males

Demonstration Grants for the Prevention of Alcohol and Other Drug Abuse among  
High Risk Youth

Drug Abuse Prevention for Runaway and Homeless Youth

Drug Abuse Prevention and Education Relating to Youth Gangs

**Department of Labor:**

Summer Youth Employment and Training Program

**Department of Education:**

School Drop-Out Demonstration Assistance

Drug Free and Safe Schools and Communities National Programs

Drug Free and Safe Schools and Communities - State Grants

Drug Free and Safe Schools and Communities - Regional Centers

Drug Free and Safe Schools and Communities - Emergency Grants

03-14-95 01:31PM FROM: USSEN, LABOR MAJORITY TO: 93957278

P005/008

**Department of Justice-Office of Juvenile Justice and Delinquency  
Prevention:  
Youth Gangs  
Juvenile Mentoring  
Delinquency Prevention Grants**

**From the Crime bill:  
Ounce of Prevention Council  
Local Crime Prevention Block Grant Program  
Family and Community Endeavor Schools Grant Program  
Assistance for Delinquent and At-Risk Youth  
Local Partnership Act  
Urban Recreation and At-Risk Youth  
Gang Resistance Education and Training**

**The \$2 billion authorization amount for the YDCBG is the sum of the fiscal year 1995 appropriations for existing programs combined with the estimated appropriations for the crime bill programs, less 10%.**

03-14-95 01:31PM FROM USSEN LABOR MAJORITY TO 93957238.

P006/008

**PROGRAMS FOR CONSOLIDATION INTO  
THE YOUTH DEVELOPMENT COMMUNITY BLOCK GRANT**

**From the Crime bill:**

**Ounce of Prevention Council -**

FY95 Appropriations: \$1.5M

Authorizations: Total \$92M - \$1.5M FY1995; \$14.7M FY1996; \$18M  
FY1997 & FY1998; \$18.7M FY1999 & FY2000

**Local Crime Prevention Block Grant Program -**

FY95 Appropriations: N/A

Authorizations: Total \$377M - \$75.94M FY1996 thru FY1999; \$75.94M  
FY2000

**Family and Community Endeavor Schools Grant Program -**

FY95 Appropriations: \$11.1M (Total \$37M - \$25.9M appropriated for  
Community Schools Youth Services and Supervision Grant Program  
administered by HHS)

Authorizations: This program receives 30% of total appropriated for Violent  
Crime Control Crime Act. \$11M FY1995; \$31M FY1996; \$36.5M FY1997;  
\$46M FY1998; \$58M FY1999; \$60.5M FY2000

**Assistance for Delinquent and At-Risk Youth -**

FY95 Appropriations: N/A

Authorizations: Total \$36M - \$5.4M FY1996; \$8.8M FY1997; \$7.2M  
FY1998; \$8.1M FY1999; \$9M FY2000

**Local Partnership Act -**

FY95 Appropriations - N/A

Authorizations - Total \$1.62B - \$270M FY1996; \$283.5M FY1997; \$955.5M  
FY 1998, 1999, 2000

**Urban Recreation and At-Risk Youth -**

FY95 Appropriations - N/A

Authorizations - Total \$4.5M - \$2.7M FY1996; \$450,000 FY1997 thru 2000

**Gang Resistance Education and Training -**

FY95 Appropriations - \$9M

Authorizations - Total \$45M - \$9M FY1995; \$7.9M FY1996-2000

03-14-95 01:31PM FROM USSSEN LABOR MAJORITY TO 93957238

P007/008

**Department of Health and Human Services****Drug Abuse Prevention for Runaway and Homeless Youth -**

**Drug Abuse Activities - FY95 Appropriations: \$14.6M**  
**Authorization: Expired 1994**

**National Youth Sports Program -**

**FY95 Appropriations: \$12M (First \$9M were given outright and NCAA had to meet certain requirements to obtain additional \$3M - strings attached)**  
**Authorizations: \$15M for 1995, 1996, 1997, 1998**

**Demonstration Partnership Program -**

**FY95 Appropriations: \$8M**  
**Authorizations: \$30M for 1995, Such sums 1996 thru 1998**

**Community Coalition Demonstration Projects to Support HHS Needs for Minority Males - According to CRS (Edward Klebe #7-5969) this is really two programs with a general authorization given to the Office of Minority Health. There has been no authorization since 1993. The two programs are:**

**1. Family & Community Violence Prevention (used to be called Minority Male Grant Program) - FY95 Appropriations (Part of general appropriations): \$5.9M**

**2. Minority Community Health Coalition Demonstration Program - FY95 Appropriations: \$3.2M**

**Demonstration Grants for the Prevention of Alcohol and Other Drug Abuse among High Risk Youth -**

**FY95 Appropriations: \$65.2M**  
**Authorizations: Expired in 1994**

**Drug Abuse Prevention and Education Relating to Youth Gangs -**

**FY95 Appropriations: \$25.9M**  
**Authorizations: FY95 \$10.6M, Such sums thru 1998**

**Department of Labor****Summer Youth Employment and Training Program -**

**FY95 Appropriations: \$1.1B**  
**Authorizations: Such sums every year**

**Department of Education:**

**School Drop-Out Demonstration Assistance -**

FY95 Appropriations: \$28M

Authorizations: Such sums thru FY 1999

**Drug Free and Safe Schools and Communities National Programs -**

FY95 Appropriations: \$25M

Authorizations: Such sums 1996 thru 1998

**Drug Free and Safe Schools and Communities - State Grants -**

FY95 Appropriations: \$457M

Authorizations: Such sums 1996 thru 1998

**Drug Free and Safe Schools and Communities - Regional Centers -**  
According to CRS (Edward Klebe #7-6863) this program is part of National Programs.

**Drug Free and Safe Schools and Communities - Emergency Grants -**  
According to CRS (Edward Klebe) this program is no longer funded.

**Department of Justice, Office of Juvenile Justice and Delinquency Prevention:**

Youth Gangs

Juvenile Mentoring

Delinquency Prevention Grants



THE WHITE HOUSE

WASHINGTON

April 4, 1995

A MEMORANDUM FOR BILL GALSTON - DPC  
BRUCE REED - DPC  
JOSE CERA - DPC  
MIKE SCHMIDT - DPC  
KUMIKI GIBSON - OVP  
KAREN PITTMAN - OPPC  
KEN APFEL - OMB  
BOB LITAN - OMB  
JAMES DUKE - OMB  
PAUL DIMOND - NEC  
SHERYLL CASHIN - NEC  
PETER EDELMAN - HHS  
ANNE ROSEWATER - HHS  
MICHELLE CAVATAIO - DOeD  
BILL MODZELESKI - DOeD  
DOUG ROSS - DOL  
SHAY BILCHIK - DOJ  
REGGIE ROBINSON - DOJ

FROM: GAYNOR McCOWN ~~X~~ - DPC

SUBJECT: YOUTH DEVELOPMENT BLOCK GRANT

CC: CAROL RASCO  
JEREMY BEN-AMI

Many thanks to those of you who were able to attend the March 20 meeting regarding the Youth Development Community Block Grant (YDCBG) proposal. I think we can all agree we had a useful discussion and are making some progress. The experience and expertise of this group will play an important role in the development of a coherent strategy to move forward.

The proposal will be introduced to the Senate today and to the House as early as next week. Attached you will find the most recent draft.

I went to a meeting yesterday where Kimberly Barnes O'Connor was the featured guest and she did indicate that there would be some minor changes but the bill will closely resemble this version. She reiterated that the President's Prevention Council could indeed be preserved as the "coordinator" under the provisions of the bill, which sets aside 3% for such purposes (\$30-\$40M). Furthermore, the executive agency for the block grant remains a toss up between HHS and OJJDP.

A couple of things that will definitely change:

members of the community board will be expanded to youth and parents; and a requirement of "report card to the community" (in addition to the report to the federal government) will be added for the purpose of accountability

James Duke, from OMB, spoke to Kimberly recently in an effort to glean the rationale for the trade-offs to fund the YDCBG. He has developed a table, which I'm including here.

You will recall at our March 20 meeting, we made some specific plans for follow-up:

- (1) Each agency represented agreed to briefly summarize the work they are doing in the area of youth development in order to reiterate the current status and importance of existing initiatives.
- (2) Each agency represented agreed to do a thorough analysis of the Youth Development Block Grant proposal and list the pros and cons vis a vis their own departments.

We will meet again next Monday - April 10 - at 11:00 a.m. in room 211. In preparation for this meeting, it would be helpful if we had this information. My fax number is 456-7028. If you have any questions, please call me @ 456-5575.

Thanks for your cooperation and I look forward to seeing you on Monday.

**Youth Development Block Grant (Kassebaum)**  
**Estimated Offsets**  
*(\$ in Millions)*

	1995	1996	1997	1998	1999	2000	1995-2000 Total
<b>Crime Act (VCRTF):</b>							
Ounce of Prevention Council	2	15	18	18	19	19	90
Local Crime Prevention Block	—	78	76	78	78	78	377
Family & Community Endeavor Schools	37	104	37	48	58	61	342
Assistance for Delinquent & At-Risk Youth	—	5	8	7	8	9	38
Local Partnership Act	—	270	284	356	356	356	1,520
Urban Recreation & At-Risk Youth	—	3	0	0	0	0	5
Gang Resistance Education and Training	9	7	7	7	7	7	45
<b>Health &amp; Human Services:</b>							
Drug Abuse Prevention for Runaway & Homeless Youth	15	—	—	—	—	—	15
National Youth Sports Program	12	15	15	15	—	—	57
Demonstration Partnership	8	30	30	30	—	—	—
Community Coalitions Demos	—	—	—	—	—	—	—
Family Violence Prevention	6	—	—	—	—	—	6
Minority Community Health	3	—	—	—	—	—	3
Alcohol & Drug Prevention Among High-Risk Youth	65	—	—	—	—	—	65
Drug Abuse Prevention - Youth Gangs	28	11	11	11	—	—	57
<b>Labor:</b>							
Summer Youth Employment and Training	1,100	1,100	1,100	1,100	1,100	1,100	6,600
<b>Education:</b>							
School Drop Out Demo	28	28	28	28	28	—	140
Drug Free Schools - National Programs	25	25	25	25	—	—	100
Drug Free Schools - State Grants	457	457	457	457	—	—	1,828
<b>Justice:</b>							
Youth Gangs	10	10	10	10	10	10	60
Juvenile Mentoring	4	4	4	4	4	4	24
Delinquency Prevention Grants	20	20	20	20	20	20	120
<b>Total</b>	<b>1,828</b>	<b>2,179</b>	<b>2,127</b>	<b>2,210</b>	<b>1,696</b>	<b>1,669</b>	<b>11,589</b>

Shaded Area Reflects Base For Estimate \$2B Annual Tradeoff [FY 1998 Estimate VCRTF Plus 1995 Enacted Levels For Department Programs] From The Estimated Base of \$2,258 She Takes 10% Off To Arrive At Roughly \$2B per year. Excess Goes To The Treasury.

Tradeoff Base = 2,258 (226) = 2,032

**Violent Crime Control Billpayers  
Estimated Offsets  
(\$ In Millions)**

	Kassebaum S - x	Dole S - 3	McCollum H.R. 728
<b>Crime Act (VCRTE):</b>			
Community Policing	---	---	8,800
Ounce of Prevention Council	90	90	90
Local Crime Prevention Block	377	377	377
Model Intensive Grants	---	626	626
Family & Community Endeavor Schools	342	342	342
Assistance for Delinquent & At-Risk Youth	38	36	36
Police Recruitment	---	24	24
Local Partnership Act	1,620	1,620	1,620
National Economic Partnership Act	---	270	270
Urban Recreation & At-Risk Youth	5	5	5
Community Based Grants For Prosecutors	---	50	50
Family Unity Demonstration Project	---	20	20
Residential Drug Treatment - State Grants	---	270	---
Gang Resistance Education and Training	45	45	45
Urban Parks & Recreation	---	---	35
Drug Courts	---	1,000	---
Violent Young Offender Incarceration	---	150	---
Presidential Commission	---	1	---
<b>Health &amp; Human Services:</b>			
Drug Abuse Prevention for Runaway & Homeless Youth	15		
National Youth Sports Program	57		
Demonstration Partnership	88		
Community Coalitions Demos			
Family Violence Prevention	6		
Minority Community Health	3		
Alcohol & Drug Prevention Among High-Risk Youth	65		
Drug Abuse Prevention - Youth Gangs	57		
<b>Labor:</b>			
Summer Youth Employment and Training	6,600		
<b>Education:</b>			
School Drop Out Demo	140		
Drug Free Schools - National Programs	100		
Drug Free Schools - State Grants	1,828		
<b>Justice:</b>			
Youth Gangs	60		
Juvenile Mentoring	24		
Delinquency Prevention Grants	120		
<b>Total</b>	<b>11,687</b>	<b>4,925</b>	<b>12,339</b>

THE WHITE HOUSE

WASHINGTON

February 23, 1995

A MEMORANDUM FOR BILL GALSTON

BRUCE REED  
JOSE CERDA  
KUMIKI GIBSON  
BOB LITAN  
PAUL DIMOND  
SHERYLL CASHIN

FROM: GAYNOR McCOWN ~~AK~~

SUBJECT: YOUTH DEVELOPMENT BLOCK GRANT

CC: CAROL RASCO  
JEREMY BEN-AMI

The meeting to discuss the Youth Development Block Grant Proposal is tomorrow morning at 10:00 a.m. in room 248. The objective is to provide information about questions raised at our February 8 meeting and to put a strategy in place for moving forward.

In preparation for this meeting, I'm attaching some material that may be useful. Included is a list of the repeals (FY 95 appropriations and estimates of the FY 96 authorizations) and an analysis of the proposal, done by the Administration for Children and Families, which contains details about particular "issues" and a summary and specifications.

At our February 8 meeting we discussed looking at this proposal and making some determinations about it vis-a-vis the Administration's Performance Partnership model. I have also attached a short description of the Performance Partnerships.

Following is a suggested agenda for our meeting tomorrow:

- I. UPDATE ON STATUS OF THE PROPOSAL
- II. SPECIFIC CONCERNS ABOUT THE PROPOSAL (IN GENERAL AND VIS-A-VIS THE PERFORMANCE PARTNERSHIP MODEL)
- III. NEXT STEPS

Please call me at 456 - 5575 if you have any questions. I'll look forward to seeing you tomorrow at 10:00 a.m.

## Repeals Included in the Kassebaum Youth Development Block Grant

(Dollars in millions)

# DRAFT

	FY 1995 appropriation	FY 1995 estimate of	FY 1995 Percent
<b>Title III of the Crime Act (Crime Prevention):</b>			
A. Dances of Prevention	2	15	
B. Local Crime Prevention Block	—	75	
C. Model Intensive Grants	—	100	
D. part 1 — Community Schools	20	79	
D. part 2 — FACES	11	31	
E. Delinquent and At-Risk Youth	—	5	
H. Police Recruitment	—	2	
J. Local Partnership Act	—	270	
K. NAFL Community Economic Partnership	—	45	
O. Urban Recreation and At-Risk Youth	—	3	
Q. Community Justice Grants for Prosecutors	—	7	
G. Family Unity Demonstration	—	4	
T. Substance Abuse in Federal Prisons	—	14	
U. Resident. Abuse. Abuse for State Prisons	—	27	
V. Prevention of Tuberculosis in prisons	—	1	
X. Gang Resistance Education and Training	2	7	
<b>Subtotal, Title III of Crime Act</b>	<b>48</b>	<b>676</b>	<b>29%</b>
<b>Other Programs:</b>			
<b>Administration for Children and Families:</b>			
Demarcation Partnership Program	8	8	
National Youth Sports Program	12	12	
Youth Initiative/ Youth Gang Drug Prevention	11	11	
Drug Ed. and Prev. for Homeless Youth	14	14	
<b>Subtotal, ACF Programs</b>	<b>45</b>	<b>45</b>	<b>2%</b>
<b>Public Health Service:</b>			
High Risk Youth Demonstrations (PHS Act, Sec. 517)	65	65	
Minority Males (PHS Act, Sec. 1707)(3)	6	6	
<b>Subtotal, PHS Programs</b>	<b>71</b>	<b>71</b>	<b>3%</b>
<b>Department of Labor:</b>			
Summer youth employment (Title II, Part B of JTPA)	1,056	1,056	44%
<b>Department of Education:</b>			
School Dropout Demo. (Title I, Part D of ESEA)	28	28	
Drug free schools (Title IV of ESEA)	482	482	
<b>Subtotal, Other D. of Ed.</b>	<b>510</b>	<b>510</b>	<b>21%</b>
<b>Department of Justice:</b>			
Gang-free schools (Title II, Part D, JDEP Act)	10	10	
Chicago Activities (Title II, Part E, JDEP Act)	10	10	
Monitoring (Title II, Part G, JDEP Act)	4	4	
Modeling centers (Title IV of JDEP Act)	7	7	
<b>Subtotal, DoJ Programs</b>	<b>31</b>	<b>31</b>	<b>1%</b>
<b>Subtotal, Other Programs</b>	<b>1,713</b>	<b>1,713</b>	
<b>Total, All Consolidated Programs</b>	<b>1,761</b>	<b>2,391</b>	<b>100%</b>
<b>Block Grant Level</b>	<b>—</b>	<b>2,100</b>	
<b>Difference</b>		<b>-1,761</b>	<b>-12%</b>

a/ For crime bill programs, the estimate is the FY 1995 authorized level.  
For other programs, the estimate is the FY 1995 level.

24-Jan-95

**DRAFT****FOR INTERNAL DISCUSSION ONLY****DRAFT**

Proposed Draft "Youth Development  
Community Block Grant Act of 1995"

**ISSUES**

**I. Positive features**

\* Creating a block grant would reduce administrative burdens on community-based organizations and give them greater flexibility in the use of Federal dollars. This, in turn, should enable them to serve youth in a more flexible, responsive and holistic manner.

\* This bill would concentrate in one agency all of the funds for youth programs currently spread across a number of Federal agencies. As a result, it would create a focal point for Federal leadership in establishing national youth development goals and monitoring and evaluating the implementation of the block grant.

\* Support of this bill would give the Administration the opportunity to be bi-partisan and proactive in consolidating services/reinventing government. It could counter public perception that we oppose all block granting, regardless of the potential benefit. On the other hand, even if the Administration supports this approach, it will not necessarily get the credit for moving in this direction.

**II. Issues related to proposed repeals**

\* Crime Bill. The bill repeals Title III of the Crime Bill, which conflicts with the Administration's current position to support the Crime Bill as enacted.

There is particularly strong interest in the Administration to maintain the Community Schools program, authorized in Title III.

\* DAPP. The bill would repeal the Drug Abuse Prevention and Education Program for Runaway and Homeless Youth (DAPP). The Department is currently proposing to consolidate DAPP with two other programs for runaway and homeless youth.

It is critical to ensure that adequate services are targeted to this often underserved population. Yet in a large block grant

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the needs of this population are likely to get lost. At the same time, the effectiveness of the proposed runaway and homeless youth consolidation would be diminished with the loss of the DAPP funds (\$14 million in FY96).

♦ High Risk Youth Demos. The bill would repeal the High Risk Youth Demonstration Programs. The Department is proposing to include these demonstrations in a new, integrated substance abuse demonstration program.

♦ Minority males. The bill seeks to repeal "community coalition demonstration projects to support health and human service needs for minority males." However, there is no statutory authority for this program (it was started by Secretary Sullivan in 1990) and the one-time, FY95 appropriation of \$5.9 million has already been made to the consortium of Historically Black Colleges and Universities. The citation in the current draft of the bill (Paragraph (3) of section 1707(b) of the Public Health Service Act would repeal one of the major functions of the Office of Minority Health: the Health Information Resource Center.

♦ Substance Abuse Treatment in prison. Because these are highly targeted programs, there is concern that merging them with many others into a large block grant would result in a loss of these services on the State level. What would happen to the provision of these services in Federal prisons?

### III. Issues related to the Federal role

♦ Demonstration programs. The Federal government has an important role to play in operating demonstration programs, and there is some concern that the bill does not explicitly authorize this activity.

♦ Funding directly to Community Boards. There could be enormous administrative burdens if States do not apply for funds and ACF ends up funding thousands of Community Boards directly. It is difficult to predict how likely this scenario would be.

♦ Evaluation. While Federal responsibilities outlined in the bill include evaluating progress, this would not be feasible in the initial years when no baseline of information is available. It also is unclear whether the data needed to report to Congress would be available to the Assistant Secretary unless States and grant recipients are instructed to gather comparable information.

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It is also unclear whether requiring each grant recipient to do an evaluation would be feasible or a sensible use of resources.

\* National goals and plan. The purposes and uses of the national policy goals and national strategic plan remain unclear, including their relationship to (and proposed affect on) community program direction and spending.

\* Prescription of funding formula. As currently written (p.12), "the Secretary" is to prescribe a formula for allocating 1/3 of the local funds. However, "Secretary" is not defined in the bill.

#### IV. Issues related to Governance

\* County-based system. The bill establishes Community Boards by county. While the establishment of multicounty Boards are allowable and provisions are made for the appointment of Board members in very small counties, the county-based system raises some concerns. Some States, such as Connecticut, don't have counties. In others, counties have limited responsibility and organizational structure. In others, counties are very large, encompassing numerous, distinct communities and cities. In addition, in many states, cities are also key youth-serving local government entities.

\* Representativeness of Boards. As the Community Boards are currently structured, they are unlikely to be truly representative of the community because more than half of the membership would be service providers with no assurance that citizens or consumers would be participating. Particularly vulnerable populations and small community-based organizations may not have a voice or may end up without funding. This should be a compelling interest.

\* Prescriptiveness. In contrast, there is a concern that the Community Board structure as outlined is too prescriptive and unwieldy. State and county governments are given little or no flexibility in planning to address youth development. As an example, the amended version of this bill adds Section 5(b)(6)(B)(i)(XII) stipulating that not more than 10% of the funds made available through the grant must be used to provide preservice and inservice training and educational materials and services for program staff.

\* Technical assistance by Boards. The requirement that Community Boards provide technical assistance to applicants and grant

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recipients may be beyond their capacity.

\* Eligible recipients undefined. The bill does not clearly define who shall be considered an eligible grant recipient. It says only "an entity shall submit an application." There is concern that without further clarification, it would be difficult for the Federal Government to determine if the grant recipient is a responsible fiscal agent.

\* Appeals. A local appeals structure for grant recipients should be established.

\* Reporting. The three-tiered reporting structure seems burdensome.

#### V. Issues related to funding

\* Transition period. There is no transition period established in the bill. What would happen to currently authorized and operating programs during the first year planning period?

\* Small grantees at a disadvantage. Small and even moderately-sized grantees would be at a distinct disadvantage in providing their portion of the funding in FY98 (40%) and FY99 (50%). It is unclear how most community-based organizations could raise funds of this amount.

\* Defining Native American. The current definitions of Native American organizations are too broad. The Indian Health Service prefers the definition used in the Indian Health Improvement Act.

\* Nature of grants to Native American organizations. The Indian Health Service prefers that the grants in the 1.5% set-aside not be competitive, given the limited capacity of many Native American organizations to successfully engage in this kind of process.

\* Size of the grants. As the bill is currently structured, funds may be distributed to every county in the country. As a result, the size of grants available to individual youth-serving organizations may be extremely small and may limit their ability to fulfill the broad mandates of the community plan.

#### VI. Issues related to definitions

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♦ Youth. Given what we know about the need to start early in prevention efforts, consideration should be given to lowering the age range for programs covered under this act. Specific references to meeting the developmental needs of children should be noted in the Purposes section.

♦ Community. There is no definition of "community" specified in the bill. Is a community to be defined by geographic boundaries? Language or ethnic make-up? Other criteria?

♦ National youth organization. The definition of "national youth organization," requiring an organization to have programs in at least seven states, would exclude those minority organizations that can cover the great majority of their population by providing programs in fewer than seven states.

♦ Definition of low-income family. Limiting the definition of low-income family to those below the poverty level may have the effect of decreasing the extent to which entire communities are able to participate in and derive benefits from the program.

♦ Prevention. Because the prevention purpose is so critical, it should be further defined.

♦ Outcome objectives. As defined in Section 4(7), outcome objectives are only related to individual behavior. Community outcomes are equally important, in that communities must often make significant changes in infrastructure in order to achieve their goals. In addition, to secure productive outcomes, it would be important to ensure an emphasis on provision of services that have a track record for effectiveness.

♦ Best practices. It would be important for the strategic plans for youth development to have as an additional goal promoting knowledge about successful approaches.

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FOR INTERNAL DISCUSSION ONLY

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Proposed Draft "Youth Development  
Community Block Grant Act of 1995"

**SUMMARY and SPECIFICATIONS**

**I. SUMMARY**

This bill would pass funds through States and then county-based Community Youth Development Boards to entities with programs that meet the objectives and goals of a Community Strategic Plan for youth development.

The bill would repeal a series of programs with similar objectives in HHS, ED, and DoJ as well as all of the prevention programs in Title III of the Crime Bill.

The bill would give administrative authority over the block grant to the Assistant Secretary for Children and Families, HHS. Total funding would be \$2.5 billion for FY96 and \$2.8 billion for each of fiscal years 1997, 1998 and 1999.

**II. SPECIFICATIONS**

**Purposes**

- To create a single, comprehensive Federal strategy for community-based youth development services.
- To support communities in designing strategic plans that:
  - support the primary role of the family;
  - give priority to prevention;
  - promote increased collaboration and coordination.
- To support youth development programs that:
  - address the process and outcome objectives in the Community Strategic Plan;
  - incorporate components that promote competencies in youth;

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- promote the involvement of youth, parents and other community members in the planning and implementation of the program;
- coordinate services with other youth and family services in the community and help participants access the services;
- expose youth to a variety of adult role models and mentors;
- encourage youth leadership and civic involvement;
- seek to establish a long-term partnership with participating youth;
- employ strong outreach efforts to low-income youth and their families.

**Definitions**

- ♦ National Youth Development Organization: private, nonprofit organizations whose purpose and activities are national in scope, and that, either directly or through its local affiliates, provide youth development programs in at least seven states.
- ♦ Outcome Objective: an objective that relates to the impact of a program or initiative, with respect to the participants in the program or initiative or the community that the program or initiative serves, including objectives relating to--
  - changes in the competencies of individual participants;
  - reducing high-risk behaviors, including school failure, teenage pregnancy, use of alcohol and drugs and juvenile delinquency.
- ♦ Process Objective: Relating to the manner in which the program or initiative is reaching its intended target population.
- ♦ Youth Development Organization: private, nonprofit youth-serving organizations with a major emphasis on providing youth development programs.
- ♦ Youth Development Program: a program which attempts to help youth develop social competencies (work, family life,

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problem-solving and communications skills); moral competencies (personal values and ethics, responsibility and citizenship); emotional competencies (personal identity, self-confidence, autonomy and the ability to resist negative peer pressure); physical competencies; cognitive competencies. Conducts activities with a primarily nonacademic focus, using active and experiential learning methods.

♦ Youth-Serving Organization: an organization with a primary focus on providing youth development, health and fitness; educational, special education, child protective services, psychological, vocational and training, rehabilitative, child welfare, parenting, teen pregnancy, or residential services to youth.

### **State Responsibilities**

- ♦ The Governor establishes or designates an existing entity to administer the State's activities.
- ♦ The State makes application to ACF for funds, solicits and approves applications from local Community Boards (described below) and distributes funds to these Boards.
- ♦ The Governor devises a mechanism to regularly receive input from youth development organizations in order to coordinate activities statewide and evaluate the effectiveness of programs funded under this Act.
- ♦ The State monitors the operations of the Community Boards and provides technical assistance as they develop and implement their Community Strategic Plans.
- ♦ The State submits an annual report to ACF, together with the findings of an independent audit.

### **Community Boards**

- ♦ The Chief Elected Officer of each County selects an existing entity or facilitates the establishment of a new Board, which meets certain criteria.
- ♦ 1/2 plus one of the members must be representatives of private, non-profit youth development organizations, including where feasible, a representative mix of nationally affiliated and non-affiliated youth development

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organizations. The remaining members are selected by the County CEO independently or, in some cases, jointly with the Chief Executive Officer of a subdivision of a specified size.

- \* The Community Board prepares and submits to the State for approval a Community Strategic Plan for youth development based on an assessment of needs and resources, and including specific process and outcome objectives and measures of program effectiveness.

- \* The Community Board establishes monitoring and evaluation procedures and provides technical assistance to applicants and grant recipients.

#### **Reporting mechanism**

- \* Grant recipients report annually to the Community Board; Boards report annually to the States; States report annually to ACF.

#### **Federal Responsibilities**

- \* The Assistant Secretary implements a mechanism to regularly receive advice and input from a representative mix of youth development organizations to improve the effectiveness and increase coordination of Federal youth development activities.

- \* The Assistant Secretary develops and issues national policy goals based on the process and outcome objectives identified by Community Boards and youth development organizations.

- \* The Assistant Secretary develops a national strategic plan for youth development, including specific process and outcome objectives, designed to achieve the national policy goals.

- \* The Assistant Secretary develops and establishes a system for monitoring and evaluating the effectiveness of activities funded under this Act.

- \* The Assistant Secretary ensures effective coordination of programs funded under this ACT with other Federal programs serving youth and families.

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- ♦ The Assistant Secretary submits a report to the President and Congress every two years.

**Funding**

- ♦ \$2.5 billion would be authorized for FY96 and 2.8 billion would be authorized for each of fiscal years 1997, 1998 and 1999. ACF would receive 3.5% of the appropriation, or \$87.5 million in the first year for activities specified above.

- ♦ 1.5% of the total appropriation will go to Native American organizations.

- ♦ The remaining 95% of funds would be allocated to States to assist Community Boards in carrying out Community Strategic Plans.

- ♦ If a State does not submit an application for funds, the Assistant Secretary can make direct grants to Community Boards.

- ♦ **Set-asides:** In the first year, each eligible Community Board would get 5% of the local allocation to be used for initial planning. In addition, each fiscal year the Community Board can use up to 5% for planning, administration, coordination and evaluation. Local grant recipients can use up to 10% for administration, planning and coordination and an additional 5% for evaluation.

- ♦ **Match:** the Federal share is 80% in the first year, 70% in the second, 60% in the third and 50% in the fourth year.

- ♦ **Formula for determining allocations to States:** 1/3 of funds are based on the number of youth in the State relative to the number of youth in all States; 1/3 of funds are based on the number of youth in the State from low-income families relative to the number of such youth in all States; the remaining 1/3 based on a formula prescribed by the Secretary that takes into account the increase in violent juvenile crime in the State since 1990 relative to the increase in these crimes in all States.

## PERFORMANCE PARTNERSHIPS

**Current Federal Grant System.** The current system has broken down in a tangle of good intentions gone awry. There are too many funding categories, suffocating regulations and paperwork, a misdirected emphasis on remediating rather than preventing problems, and no clear focus on measurable outcomes. The system stifles initiative and squanders resources without achieving sufficient results.

Over 600 Federal domestic programs are administered through grants to State and local governments -- everything from rural development and well-baby care to economic development and police protection -- or through income transfers administered jointly by Federal and State governments. Together these grant and income transfer programs amounted to approximately \$225 billion in fiscal 1994. Notwithstanding years of debate at all levels about grant consolidation and simplification, the number of grant programs continues to proliferate. Of these programs, 451 -- 75 percent -- are grants of \$50 million or less.

**Proposed Performance Partnerships.** The Administration is proposing six "Performance Partnerships" with States. These new consolidated program approaches merge funding categories, create funding incentives which reward desirable results, and reduce micromanagement and wasteful paperwork. They would focus on outcomes and treat outcomes as the principal measure of success. And they would empower our communities to make their own decisions about how to address their needs, and to be held accountable for results.

"Performance Partnerships" would be:

- structured, managed and evaluated on the basis of results (i.e., progress in achieving agreed upon measures of performance),

- focus on outcomes as the criteria by which to measure success,

- some portion of the funding will be at "risk" based on actual performance, not simply "reimburse the cost" of doing activities,

- permit customers and beneficiaries to shape programs to better match their individual needs -- through voice, choice and giving them the means to integrate services from multiple providers,

- simplify application, reporting, financial management and evaluation requirements to permit comprehensive service delivery.

- delegate responsibilities for service design and delivery to front-line, local-level providers,

- the federal agency and the state grantee will develop and communicate measurable program goals and report progress in achieving these goals, and

- federal monitoring will focus on progress toward strategic goals:

Performance Partnerships will measure outcomes, not inputs. This will mean, for example, focusing on results, not effort:

- whether air and water are getting cleaner (not whether environmental regulations are in place),

- teen pregnancy, not number of clients served, and

- literacy and other learning standards, not school and teacher expenditures.

Recipients should be rewarded for risk-taking and for setting ambitious rather than readily attainable benchmarks. At the same time, they should be held harmless for failure to achieve results, provided they use funds in a manner that should have produced the desired outcomes (given the current state of knowledge). In contrast, current grant programs report and satisfy accountability in terms of a cost-reimbursement framework focused on inputs, namely the resources used to carry out the program (i.e., number of full-time employees, amounts of equipment or materials use, dollars spent)

For example — the President's plan for HUD's mission on economic development for communities and transitions to economic independence for needy families would:

- consolidate 60 programs into three,

- stress outcomes: job creation and moving families out of dependency, and

- give "bonus" resources to communities based on their progress.

In contrast, typical programs:

- define problems and solutions in Washington,

structure and manage service delivery from the top down,

prescribe service delivery activities,

impose complex but often conflicting and wasteful regulations, and

measure program success on the basis of client contacts and other such activities rather than true results.

THE WHITE HOUSE

WASHINGTON  
March 7, 1995

A MEMORANDUM FOR BILL GALSTON  
BRUCE REED  
JOSE CERDA  
KUMIKI GIBSON  
THURGOOD MARSHALL JR.  
KAREN PITTMAN  
KEN APFEL  
BOB LITAN  
PAUL DIMOND  
SHERYLL CASHIN

FROM: GAYNOR McCOWAN *AS*  
SUBJECT: YOUTH DEVELOPMENT BLOCK GRANT  
CC: CAROL RASCO  
JEREMY BEN-AMI

Attached you will find an updated version of Senator Kassebaum's proposal for a Youth Development Block Grant. We will meet tomorrow (March 8) to discuss this proposal and to continue our conversation about a strategy for moving forward. This meeting - to be held in room 211 - will be from 3:15 - 4:00.

You will recall that at our last meeting, we agreed that Karen Pittman should meet with Senator Kassebaum's staff. Karen and Thurgood Marshall met with Kimberly Barnes O'Connor yesterday and will give us a report of that meeting. We also agreed that it would be a good idea to speak to someone from the U.S. Conference of Mayors. I have done that and will share that conversation with you.

The most recent version of the proposal does contain some changes. In particular, there are revisions to the governance structure as it relates to the composition of the councils. Also, some of the programs from DOJ that were included in the original list of repeals have been removed.

Following is a proposed agenda for the meeting tomorrow:

- I. UPDATE ON STATUS OF THE PROPOSAL
- II. SPECIFIC CONCERNS
- III. NEXT STEPS
  - Meeting with the agencies
  - Follow-up meetings on Capitol Hill

Please call me at 456 - 5575 if you have any questions.

2/15/95

**DRAFT**

104TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

IN THE SENATE OF THE UNITED STATES

Mrs. KASSEBAUM introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

**A BILL**

To establish a youth development grant program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the  
5 “Youth Development Community Block Grant Act of  
6 1995”.

7 (b) **TABLE OF CONTENTS.**—The table of contents is  
8 as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings.
- Sec. 3. Purposes.
- Sec. 4. Definitions.
- Sec. 5. Distribution of funds.
- Sec. 6. Community Youth Development Board.

**DRAFT**

- Sec. 7. Duties of the State.  
Sec. 8. Duties of the Assistant Secretary.  
Sec. 9. Repeals.  
Sec. 10. Conforming amendments.

1 **SEC. 2. FINDINGS.**

2 Congress finds the following:

3 (1) In an increasingly complex and competitive  
4 world economy, the human capital of the United  
5 States is its most important resource. Too many  
6 young people in the United States are reaching  
7 adulthood unprepared to be productive workers, ef-  
8 fective parents, or responsible citizens. ~~The United~~  
9 ~~States cannot remain strong unless the Nation ends~~  
10 ~~this tragic waste of human potential.~~

11 (2) Over the past decade, public concern related  
12 to young people has focused primarily on improving  
13 academic performance and combating youth prob-  
14 lems such as substance abuse and juvenile delin-  
15 quency.

16 (3) Young people who lack self-confidence, self-  
17 discipline, respect for others, and a sense of connec-  
18 tion to their families and communities, are unlikely  
19 to be successful in school, and far more likely to en-  
20 gage in high-risk behaviors.

21 (4) Parents have primary responsibility for the  
22 social, moral, emotional, physical, and cognitive de-  
23 velopment of their children. However, tremendous

1 social and demographic changes during the last 30  
2 years have had a significant effect on family life and  
3 youth development, creating the need for programs  
4 to strengthen families and help parents meet the so-  
5 cial, moral, emotional, physical, and cognitive needs  
6 of their children.

7 (5) The lack of supervision of youth by parents  
8 and the lack of meaningful activity after school for  
9 youth contributes to the spread of violent juvenile  
10 delinquency in the form of youth and gang violence,  
11 drug trafficking, dangerous and self-destructive be-  
12 havior, and lack of hope among youth in our Nation.

13 (6) The United States expects too much of its  
14 schools if the Nation asks the schools to meet single-  
15 handedly the needs described in paragraph (5) in ad-  
16 dition to accomplishing their basic educational mis-  
17 sion. Only a strong partnership among families,  
18 schools, local government, religious organizations,  
19 community-based youth-serving organizations, com-  
20 munity-based family-serving organizations, <sup>law enforcement ←</sup> small  
21 businesses, <sup>(including those who produce or sell products that may be abusi</sup> large industries, and labor can create a  
22 community environment that truly supports the  
23 youth of the Nation in reaching their highest poten-  
24 tial.

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1           (7) ~~Nonschool-based~~ youth development pro-  
 2 grams, including youth clubs, sports and recreation  
 3 programs, mentoring programs, and leadership de-  
 4 velopment and community service programs, make a  
 5 major contribution to helping youth develop the life  
 6 skills and ~~more~~ values that will prepare the youth  
 7 for the challenges of adolescence and the independ-  
 8 ence and responsibilities of adulthood.

9           (8) Participation in positive youth development  
 10 programs can lead to a reduction in high-risk behav-  
 11 iors, including school failure, teenage pregnancy, use  
 12 of alcohol and drugs, and juvenile delinquency. Many  
 13 youth who would greatly benefit from such programs  
 14 do not have access <sup>due to factors that include</sup> ~~to such programs~~ because of the <sup>lack of coordin</sup>  
 15 ~~and~~ inequitable distribution of existing resources.

16           (9) Community-based youth-serving organiza-  
 17 tions are an effective resource in developing and im-  
 18 plementing community youth development plans,  
 19 both because of the responsiveness of the organiza-  
 20 tions to local community values and concerns, and  
 21 the ability of the organizations to mobilize commu-  
 22 nity resources.

23           (10) Notwithstanding the efforts of community-  
 24 based youth-serving organizations, in most local  
 25 communities youth development efforts are so frag-

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1 mented that millions of youth nationwide go  
2 unserved, and no process exists through which key  
3 groups regularly come together to develop a com-  
4 prehensive approach to youth development. Without  
5 a mechanism for coordination, narrowly focused  
6 Federal programs are unable to meet the com-  
7 prehensive needs of the youth of the Nation.

8 (11) Narrowly targeted categorical programs  
9 have created a multitude of Federal funding streams  
10 which have become a barrier to effective program co-  
11 ordination and the provision of comprehensive serv-  
12 ices for children and youth.

13 (12) It is critical that the Federal Government  
14 adopt a comprehensive strategy in promoting the  
15 positive development of youth, and encourage and  
16 empower communities to develop and implement  
17 comprehensive youth development plans.

18 **SEC. 3. PURPOSES.**

19 It is the purpose of this Act to create a single, com-  
20 prehensive Federal strategy for community-based youth  
21 development services, and to support communities in de-  
22 signing community strategic plans for youth development  
23 that—

24 (1) support the primary role of the family in  
25 positive youth development;

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1 (2) give priority to prevention of youth prob-  
2 lems and crime through youth development;

3 (3) promote increased community coordination  
4 and collaboration in meeting the developmental  
5 needs of youth; and

6 (4) support <sup>the development + expansion of</sup> community-based youth develop-  
7 ment organizations ~~in expanding youth development~~  
8 ~~opportunities.~~ <sup>and services to ~~many~~ local needs.</sup>

promote  
community partnerships  
rich link  
with development  
forces with  
enforcement,  
educational  
forces, public  
sectoral resources  
and other  
elements of the  
community

9 SEC. 4. DEFINITIONS.

10 As used in this Act:

11 (1) ASSISTANT SECRETARY.—The term "Assist-  
12 ant Secretary" means the Assistant Secretary for  
13 Children and Families of the Department of Health  
14 and Human Services.

15 (2) COMMUNITY-BASED.—The term "commu-  
16 nity-based", used with respect to a youth develop-  
17 ment organization or a youth-serving organization,  
18 means such an organization that is representative of  
19 a community or a significant segment of a commu-  
20 nity and is engaged in providing services to the com-  
21 munity.

22 (3) COMMUNITY BOARD.—The term "Communi-  
23 ty Board" means a Community Youth Develop-  
24 ment Board established under section 6.

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1 (4) COUNTY.—The term “county” includes a  
2 political subdivision of a State.

3 (5) LOW INCOME FAMILY.—The term “low in-  
4 come family” means a family with an income below  
5 the poverty line.

6 (6) NATIONAL YOUTH DEVELOPMENT ORGANI-  
7 ZATION.—The term “national youth development or-  
8 ganization” means a private nonprofit organization  
9 whose purpose and activities are national in scope,  
10 and that, either directly or through its local affili-  
11 ates, provides youth development programs in at  
12 least 7 States.

13 (7) OUTCOME OBJECTIVE.—The term “outcome  
14 objective” means an objective that relates to the im-  
15 pact of a program or initiative, with respect to the  
16 participants in the program or initiative or the com-  
17 munity that the program or initiative serves,  
18 including—

19 (A) an objective relating to changes in the  
20 competencies described in paragraph (13)(A) of  
21 individual participants in the program or initia-  
22 tive;

23 (B) an objective relating to reducing high-  
24 risk behaviors, including school failure, teenage

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1 pregnancy, ~~use of alcohol~~ <sup>use of illegal</sup> use of alcohol, ~~and~~ drugs, and juve-  
 2 nile delinquency; and

3 (C) an objective relating to the incidence of  
 4 such behaviors among youth in such commu-  
 5 nity.

6 (8) POVERTY LINE.—The term "poverty line"  
 7 means the income official poverty line (as defined by  
 8 the Office of Management and Budget, and revised  
 9 annually in accordance with section 673(2) of the  
 10 Community Services Block Grant Act (42 U.S.C.  
 11 9902(2)) applicable to a family of the size involved.

12 (9) PROCESS OBJECTIVE.—The term "process  
 13 objective" means an objective that relates to the  
 14 manner in which a program or initiative is carried  
 15 out, including—

16 (A) an objective relating to the degree to  
 17 which the program or initiative is reaching its  
 18 intended target population;

19 (B) an objective relating to the degree to  
 20 which the program or initiative addresses  
 21 known risk factors for youth problem behaviors  
 22 and incorporates activities that inhibit the be-  
 23 haviors; *and that build on protective  
 factors for youth.*

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1 (C) an objective relating to the number,  
2 age, gender, and ethnicity of the youth involved  
3 in the program or initiative;

4 (D) an objective relating to the degree to  
5 which the services delivered are consistent with  
6 the intended program model; and

7 (E) an objective relating to the cost of de-  
8 livering services under the program or initiative.

9 (10) STATE.—The term “State” means each of  
10 the several States of the United States, the District  
11 of Columbia, the Commonwealth of Puerto Rico, the  
12 Commonwealth of the Northern Mariana Islands,  
13 American Samoa, Guam, and the United States Vir-  
14 gin Islands.

15 (11) YOUTH.—The term “youth” means an in-  
16 dividual who is not younger than age 6 and not  
17 older than age 18.

18 (12) YOUTH DEVELOPMENT ORGANIZATION.—  
19 The term “youth development organization” means  
20 a private nonprofit youth-serving organization with a  
21 major emphasis on providing youth development pro-  
22 grams.

23 (13) YOUTH DEVELOPMENT PROGRAM.—The  
24 term “youth development program” means a pro-  
25 gram that—

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1 (A) in order to enable youth to deal suc-  
2 cessfully with the challenges of adolescence and  
3 prepare the youth for the independence and re-  
4 sponsibilities of being parents, workers, and  
5 citizens, attempts to help the youth to  
6 develop—

7 (i) social competencies, such as work  
8 and family life skills, problem-solving  
9 skills, and communication skills;

10 (ii) moral competencies, such as per-  
11 sonal values and ethics, a sense of respon-  
12 sibility and citizenship (including participa-  
13 tion in civic life and community service);

14  
15 (iii) emotional competencies, such as a  
16 sense of personal identity, self-confidence,  
17 autonomy, and the ability to resist negative  
18 peer pressure;

19 (iv) physical competencies, such as  
20 physical conditioning and endurance, and  
21 an appreciation for and strategies to  
22 achieve lifelong physical health and fitness;  
23 and

24 (v) cognitive competencies, such as  
25 knowledge, reasoning ability, creativity,

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1 and a lifelong commitment to learning and  
2 achievement;

3 (B) conducts activities with a primarily  
4 nonacademic focus;

5 (C) employs primarily active and experien-  
6 tial learning methods; and

7 (D) promotes the competencies described  
8 in subparagraph (A) through group and one-to-  
9 one activities, which may include activities in  
10 youth clubs, sports and recreation, peer coun-  
11 seling and <sup>teaching</sup> tutoring, mentoring, arts, values  
12 education, leadership development, crime and  
13 delinquency prevention, <sup>youth employment as part of an education</sup> community service or <sup>program</sup>  
14 volunteerism, literacy, after school programs,  
15 career counseling, job skills training, life skills  
16 training, drug abuse prevention, alcohol edu-  
17 cation, parenting skills activities, camping, envi-  
18 ronmental education, ethnic or cultural enrich-  
19 ment, tutoring, and academic enrichment.

20 (14) YOUTH-SERVING ORGANIZATION.—The  
21 term "youth-serving organization" means an organi-  
22 zation with a primary focus on providing youth de-  
23 velopment, health and fitness, educational, child wel-  
24 fare, child protective, psycho-  
25 logical, parenting, vocational and training, teen

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1 pregnancy, rehabilitative, or residential services to  
2 youth.

3 **SEC. 5. DISTRIBUTION OF FUNDS.**

4 (a) **AUTHORIZATION OF APPROPRIATIONS.**—There  
5 are authorized to be appropriated to carry out this Act,  
6 \$2,000,000,000 for each of fiscal years 1996 through

7 1999. *[leg. counsel is working on lang. - Funds that otherwise would have  
been appropriated for programs repealed in section 9 of this  
act shall be transferred to the youth develop. block grant - up to  
the 2 billion authorized amt]*

8 (b) **RESERVATIONS.**—From the sums appropriated  
9 under subsection (a) for any fiscal year, the Assistant Sec-  
10 retary shall reserve—

11 (1) 95.5 percent of the sums for allotments to  
12 States and allocations to Community Boards, as de-  
13 scribed in subsections (c) and (d);

14 (2) 1.5 percent of the sums for grants to Native  
15 American organizations, as described in subsection  
16 (e); and

17 (3) 3 percent of the sums for activities by the  
18 Administration for Children and Families, as de-  
19 scribed in subsection (f).

20 (c) **DISTRIBUTION OF STATE ALLOTMENTS.**—

21 (1) **TOTAL DISTRIBUTION AMOUNT.**—From the  
22 sums reserved under subsection (b)(1) (referred to  
23 in this section as the "total distribution amount"),  
24 the Assistant Secretary shall make allotments under  
25 this subsection to States to—

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1 (A) assist Community Boards in carrying  
2 out the activities described in section 6 and  
3 subsection (d)(2)(B)(i); and

4 (B) carry out activities required to admin-  
5 ister the youth development programs carried  
6 out in the States.

7 (2) ALLOTMENT OF FUNDS TO STATES.—Sub-  
8 ject to paragraph (3), for each fiscal year in which  
9 funds are appropriated under subsection (a), the As-  
10 sistant Secretary shall allot to each State the sum  
11 (referred to in this section as the "State allotment")  
12 of—

13 (A) an amount that bears the same rela-  
14 tion to  $\frac{1}{3}$  of the total distribution amount as  
15 the number of youth in the State bears to the  
16 number of youth in all States;

17 (B) an amount that bears the same rela-  
18 tion to  $\frac{1}{3}$  of the total distribution amount as  
19 the number of youth from low income families  
20 in the State bears to the number of such youth  
21 in all States; and

22 (C) an amount from the remaining  $\frac{1}{3}$  of  
23 the total distribution amount, calculated in ac-  
24 cordance with a formula prescribed by the Sec-  
25 retary, that takes into account the extent to

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1 which violent juvenile crime has increased in  
2 the State since 1990, relative to the extent to  
3 which violent juvenile crime has increased in all  
4 States since 1990.

5 (3) MINIMUM STATE ALLOTMENT.—The Assist-  
6 ant Secretary shall allot to each State under this  
7 subsection an amount that is not less than  $\frac{1}{2}$  of 1  
8 percent of the total distribution amount.

9 (4) DISTRIBUTION OF FUNDS TO STATES.—To  
10 be eligible to receive such State allotment, the State  
11 shall prepare, and submit to the Assistant Secretary,  
12 an application at such time, in such manner, and  
13 containing such information, as the Assistant Sec-  
14 retary may reasonably require. Such application  
15 shall include, at a minimum, an assurance that the  
16 State is prepared to administer such amount in com-  
17 pliance with all the requirements of this Act, and, in  
18 the case of any application submitted after the first  
19 year in which the State receives funds under this  
20 Act, the State shall submit to the Assistant Sec-  
21 retary an annual program report and the results of  
22 an independent audit conducted by the State con-  
23 cerning the administration of such funds.

24 (d) DISTRIBUTION OF LOCAL ALLOCATIONS.—

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1 (1) RESERVATION AND ALLOCATION OF FUNDS  
2 TO COMMUNITY BOARDS.—

3 (A) RESERVATION.—A State may reserve  
4 not more than 5 percent of the State allotment  
5 to carry out activities required to administer  
6 the youth development programs carried out in  
7 the State.

8 (B) ALLOCATION OF FUNDS TO COMMU-  
9 NITY BOARDS.—

10 (i) IN GENERAL.—For each fiscal year  
11 for which a State receives a State allot-  
12 ment, the State shall, after making any  
13 reservation under subparagraph (A), allo-  
14 cate and distribute to each Community  
15 Board in the State an amount (referred to  
16 in this subsection as the "local allocation")  
17 representing an equitable allocation of the  
18 remainder of the State allotment.

19 (ii) CALCULATION.—The local alloca-  
20 tions shall be distributed among Commu-  
21 nity Boards representing counties within  
22 the State utilizing the Federal allotment  
23 formula established under subsection  
24 (c)(2), except that for purposes of the ap-  
25 plication of the formula—

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1 (I) the reference to the total dis-  
 2 tribution amount shall be deemed to  
 3 be a reference to the remainder of the  
 4 State allotment;

5 (II) the reference to a State shall  
 6 be deemed to be a reference to a  
 7 county; and

8 (III) the reference to all States  
 9 shall be deemed to be a reference to  
 10 all counties in the State.

11 (2) DISTRIBUTION OF FUNDS TO COMMUNITY  
 12 BOARDS.—

13 (A) INITIAL PLANNING FUNDS.—For the  
 14 first fiscal year for which Community Boards in  
 15 a State are eligible to receive funds under this  
 16 subsection, the State shall make available to  
 17 each eligible Community Board in the State, 5  
 18 percent of the local allocation of such Board, to  
 19 be used for <sup>up to</sup> ~~6-month~~ <sup>for the</sup> initial planning phase.  
 20 To be eligible to receive such amount, the Com-  
 21 munity Board shall submit to the State a letter  
 22 of intent to apply for funds under this sub-  
 23 section. Such letter of intent shall include a list  
 24 of the members of the Community Board, in-  
 25 cluding sufficient information about their orga-

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1           ~~nizational~~ affiliations to demonstrate compli-  
2           ance with the requirements of subsections (a)  
3           through (e) of section 6.

4           (B) DISTRIBUTION OF PROGRAM FUNDS.—

5           (i) IN GENERAL.—For each fiscal year  
6           for which a State receives a State allot-  
7           ment, the State shall distribute to each eli-  
8           gible Community Board in the State an  
9           amount equal to the remainder of the local  
10          allocation of such Board for the purpose of  
11          conducting community-based youth devel-  
12          opment programs, that—

13           (I) address the process objectives,  
14           and the outcome objectives, identified  
15           in the community strategic plan de-  
16           scribed in section 6(f)(1);

17           (II) incorporate components that  
18           promote competencies in youth;

19           (III) recognize the primary role  
20           of the family in positive youth devel-  
21           opment in order to strengthen fami-  
22           lies;

23           (IV) promote the involvement of  
24           youth (including program partici-  
25           pants), parents, and other community

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1 members in the planning and imple-  
2 mentation of the program;

3 (V) coordinate services with other  
4 youth and family services in the com-  
5 munity, and helping participants ac-  
6 cess the services;

7 (VI) expose youth to a variety of  
8 adult role models and mentors;

9 (VII) encourage youth leadership  
10 and civic involvement;

11 (VIII) seek to establish a long-  
12 term relationship with participating  
13 youth;

14 (IX) employ strong outreach ef-  
15 forts to low-income youth and their  
16 families;

17 (X) provide age-appropriate pro-  
18 grams;

19 (XI) provide programs that—

20 (aa) are open to all youth,  
21 regardless of such factors as  
22 race, color, religion, sex, national  
23 origin, disability, or social or eco-  
24 nomic background; or

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1 (bb) target a population on  
2 the basis of 1 or more of such  
3 factors, if such targeting is de-  
4 signed to meet the special needs  
5 of such population; and

6 (XII) use not more than 10 per-  
7 cent of the amount to provide  
8 preservice and inservice training and  
9 educational materials and services for  
10 program staff.

11 (ii) APPLICATION.—To be eligible to  
12 receive amounts referred to in clause (i),  
13 the Community Board shall prepare and  
14 submit to the State an application, at such  
15 time, in such manner, and containing such  
16 information as the State may reasonably  
17 require to assure compliance with this Act.  
18 Such application shall include, at a mini-  
19 mum, a community strategic plan de-  
20 scribed in section 6(f)(1), a description of  
21 the programs for which funding will be  
22 provided, information indicating the extent  
23 to which the programs achieve the pur-  
24 poses of this Act and the purpose described  
25 in clause (i), and a description of the proc-

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1           esses used to select members of the Com-  
2           munity Board.

3 (e) NATIVE AMERICAN ORGANIZATIONS.—

4           (1) IN GENERAL.—From the sums reserved  
5           under subsection (b)(2), the Assistant Secretary  
6           shall make grants to eligible Native American orga-  
7           nizations to assist the organizations in carrying out  
8           the activities described in section 6 and subsection  
9           (d)(2)(B)(i).

10           (2) APPLICATION.—To be eligible to receive a  
11           grant under paragraph (1), a Native American orga-  
12           nization shall submit an application to the Assistant  
13           Secretary at such time, in such manner, and con-  
14           taining such information as the Assistant Secretary  
15           may reasonably require to assure compliance with  
16           this Act, including any information that a Commu-  
17           nity Board is required to submit in an application  
18           described in subsection (d)(2)(B)(ii).

19           (3) APPLICATION OF PROVISIONS.—The provi-  
20           sions of section 6 shall apply to Native American or-  
21           ganizations receiving funds through grants made  
22           under this subsection. For purposes of the applica-  
23           tion of such provisions, references to a county shall  
24           be deemed to be references to the area served by the

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1 organization, and references to the State shall be  
2 deemed to be references to the Assistant Secretary.

3 (4) DEFINITION.—As used in this subsection:

4 (A) INDIAN TRIBE.—The term "Indian  
5 tribe" has the meaning given the term in sec-  
6 tion 4(e) of the Indian Self-Determination and  
7 Education Assistance Act (25 U.S.C. 450b(e)).

8 (B) NATIVE AMERICAN ORGANIZATION.—

9 The term "Native American organization" has the  
10 meaning given the term "tribal organization" in section 4(f) of the  
11 Indian Self-Determination and Education Assistance Act (25 USC  
12 established for the purpose of serving youth who are American Indian,  
Alaska native  
or Native  
Hawaiian.

13 (C) NATIVE HAWAIIAN ORGANIZATION.—  
14 The term "Native Hawaiian Organization" has  
15 the meaning given the term in section 4009(4)  
16 of the Augustus F. Hawkins-Robert T. Stafford  
17 Elementary and Secondary School Improvement  
18 Amendments of 1988 (20 U.S.C. 4909(4)).

19 (f) RESERVATION OF FUNDS FOR ADMINISTRATION  
20 FOR CHILDREN AND FAMILIES.—From the sums reserved  
21 under subsection (b)(3), the Administration for Children  
22 and Families shall carry out the activities required by this  
23 Act.

24 (g) AUTHORITY TO ASSIST COMMUNITY BOARDS IN  
25 NONPARTICIPATING STATES/REALLOTMENT OF STATE  
FUNDS.—

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1           (1) IN GENERAL.—For any fiscal year for  
2 which a State does not submit an application for an  
3 allotment under subsection (c), the Assistant Sec-  
4 retary may use the allotment of such State to make  
5 direct grants to eligible Community Boards in the  
6 nonparticipating State.

7           (2) APPLICATION.—To be eligible to receive a  
8 direct grant under paragraph (1), a Community  
9 Board shall submit an application to the Assistant  
10 Secretary at such time, in such manner, and con-  
11 taining such information as the Assistant Secretary  
12 may reasonably require to assure compliance with  
13 this Act, including any information that a Commu-  
14 nity Board is required to submit in an application  
15 described in subsection (d)(2)(B)(ii).

16           (3) APPLICATION OF PROVISIONS.—The provi-  
17 sions of section 6 shall apply to Community Boards  
18 receiving funds through grants made under this sub-  
19 section. For purposes of the application of such pro-  
20 visions, references to the State shall be deemed to be  
21 references to the Assistant Secretary.

22           (h) STATE REALLOTMENT.—For any fiscal year for  
23 which a State does not submit an application for an allot-  
24 ment under subsection (c), and the Assistant Secretary  
25 does not use the allotment as described in subsection (g),

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1 the Assistant Secretary shall make available the allotment  
2 of such State to such other States as the Assistant Sec-  
3 retary may determine to be appropriate.

4 (i) COUNTY REALLOCATION.—For any fiscal year for  
5 which a Community Board in a State does not submit an  
6 application for an allocation under subsection (d), the  
7 State shall make available the allocation of such county  
8 to such other counties in the State as the State may deter-  
9 mine to be appropriate.

10 (j) OBLIGATION AND EXPENDITURE OF FUNDS.—

11 (1) STATE OBLIGATION OF FUNDS.—Any State  
12 that receives an allotment from the Assistant Sec-  
13 retary under subsection (c) shall obligate the allot-  
14 ment not later than 1 year after the date of such re-  
15 ceipt or return the allotment to the Assistant Sec-  
16 retary for reallocation in accordance with subsection  
17 (h).

18 (2) COMMUNITY BOARD EXPENDITURE OF  
19 FUNDS.—Any Community Board that receives an al-  
20 location from a State under subsection (d) shall ex-  
21 pend the allocation not later than 3 years after the  
22 date of such receipt or return the allocation to the  
23 State for reallocation in accordance with subsection  
24 (i).

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1 **SEC. 6. COMMUNITY YOUTH DEVELOPMENT BOARD.**2 (a) **ESTABLISHMENT OF COMMUNITY BOARD.—**

3 (1) **IN GENERAL.**—In order for entities within  
4 a county to be eligible to receive assistance under  
5 this Act, the Chief Elected Officer of a county shall  
6 facilitate the establishment of a local entity, or des-  
7 ignate an existing local entity, that meets the re-  
8 quirements of this section, to serve as a Community  
9 Youth Development Board.

10 (2) **ESTABLISHMENT OF MULTICOUNTY COMMU-**  
11 **NITY BOARD.**—The Chief Executive Officers of 2 or  
12 more counties may agree to facilitate the establish-  
13 ment of a local entity, or designate an existing en-  
14 tity, that meets the requirements of this section, to  
15 serve as a multicounty Community Board. Such a  
16 multicounty Community Board shall carry out the  
17 duties described in subsections (f), (g), (i), and (j)  
18 with respect to the counties involved. If such a  
19 multicounty Community Board is established, all du-  
20 ties required by this section to be carried out by the  
21 Chief Executive Officer of a county shall be carried  
22 out jointly by the Chief Executive Officers of each  
23 participating county.

24 (b) **NUMBER OF MEMBERS ON THE COMMUNITY**  
25 **BOARD.**—The Chief Executive Officer of the county shall

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In general. —

The membership of the Community Board should reflect the interests in youth and youth development of various segments of the Community with consideration given to the inclusion of representatives of local youth development organizations, youth serving agencies, law enforcement, schools, local businesses, the religious community and participants in local youth development programs. At least one member of the Board shall have demonstrated expertise in the design and delivery of community based youth development services.

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1 determine the total number of members on the Community  
2 Board.

3 (c) COMPOSITION OF COMMUNITY BOARD.—

4 (1) IN GENERAL.—Of the total membership of  
5 a Community Board, one half plus 1 of the members  
6 shall be representatives of private nonprofit youth  
7 development organizations, including where feasible,  
8 a representative mix of nationally affiliated youth  
9 development organizations and non-affiliated youth  
10 development organizations.

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11 (2) SPECIAL RULE FOR LESS POPULATED  
12 COUNTIES.—In the case of a county with a popu-  
13 lation of 100,000 or less, if the Chief Executive Offi-  
14 cer of the county determines that, because of the ab-  
15 sence of private nonprofit youth development organi-  
16 zations, the county cannot establish a Community  
17 Board meeting the requirements of paragraph (1),  
18 representatives of community-based youth-serving  
19 organizations may be selected to serve on the Com-  
20 munity Board, and may participate on the Commu-  
21 nity Board, on the same basis as representatives of  
22 community-based youth development organizations.

23 (d) SELECTION OF COMMUNITY BOARD MEMBERS.—

24 (1) REPRESENTATIVES OF YOUTH DEVELOP-  
25 MENT ORGANIZATIONS.—Organizations described in

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1 subsection (c)(1) that provide services within the  
2 county shall select the members described in such  
3 subsection.

4 ~~(2) OTHER COMMUNITY REPRESENTATIVES~~

5 Members described in subsection (c)(1) shall be ap-  
6 pointed by the Chief Executive Officer of the county, <sup>jointly</sup> AND a  
7 <sup>representative of a local youth development organization</sup>  
8 In each feasible case, a member described in sub-  
9 section (c)(1) shall have involvement with, or an in-  
10 terest in, youth and youth services. If any political  
11 subdivision of a State is located totally or partially  
12 within the county, and the population of the subdivi-  
13 sion is more than 40 percent of the total population  
14 of the county, the Chief Executive Officer of the  
15 subdivision, <sup>and the youth development representative</sup> and the Chief Executive Officer shall  
jointly appoint such members.

16 (3) TERMS; OFFICERS; VACANCIES.—The Com-  
17 munity Board shall adopt, and shall include in the  
18 application described in section 5(d)(2)(B)(ii), by-  
19 laws that include provisions regarding the terms of  
20 office of members, the election of officers, and the  
21 selection of members to fill vacancies, of the Com-  
22 munity Board.

23 (4) CONFLICT OF INTEREST.—The bylaws of  
24 the Community Board shall contain a conflict of in-  
25 terest provision that requires any member of the

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1 Community Board who has a conflict of interest re-  
2 garding any matter before the Board to declare the  
3 conflict and refrain from voting on the matter.

4 (e) FISCAL AGENT.—

5 (1) APPOINTMENT OF FISCAL AGENT.—The  
6 Community Board shall appoint a fiscal agent for  
7 the Board.

8 (2) DUTIES.—The fiscal agent shall carry out  
9 such duties as the Community Board may determine  
10 to be appropriate.

11 (f) DUTIES OF COMMUNITY BOARD.—

12 (1) COMMUNITY STRATEGIC PLAN.—The Com-  
13 munity Board shall prepare and submit to the State,  
14 *to ensure compliance with this Act,*  
~~for approval~~, as part of the application described in  
15 section 5(d)(2)(B)(ii), a community strategic plan  
16 for youth development in the county involved,  
17 including—

18 (A) the results of a current (as of the date  
19 of the submission) assessment of community  
20 needs and resources;

21 (B) specific process objectives and outcome  
22 objectives for youth development programs; and

23 (C) measures of program effectiveness that  
24 shall be used to evaluate the progress of grant

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1 recipients in achieving the objectives described  
2 in subparagraph (B).

3 (2) MONITORING, EVALUATION, AND TECH-  
4 NICAL ASSISTANCE.—The Community Board shall  
5 be responsible for establishing monitoring and eval-  
6 uation procedures, consistent with such requirements  
7 as may be established by the Assistant Secretary, to  
8 assess the progress of grant recipients in achieving  
9 the process objectives and outcome objectives identi-  
10 fied in the community strategic plan. Community  
11 Boards shall also provide technical assistance to ap-  
12 plicants and grant recipients under subsection (g).

13 (3) APPEAL.—In the event that a State denies  
14 approval of the strategic plan of the Community  
15 Board described in paragraph (1), the Community  
16 Board may appeal the denial.

17 (g) GRANTS.—

18 (1) IN GENERAL.—The Community Board shall  
19 award grants in accordance with this subsection to  
20 pay for the Federal share of carrying out youth de-  
21 velopment programs addressing the process objec-  
22 tives, and the outcome objectives, established in the  
23 community strategic plan described in subsection  
24 (f)(1).

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1 (2) REQUEST FOR PROPOSALS.—The Commu-  
 2 nity Board shall issue a request for proposals, to  
 3 apply for a grant under paragraph (1). Such request  
 4 shall specify the process objectives and outcome ob-  
 5 jectives to be addressed by the <sup>applicant.</sup> ~~Community Board~~.

6 (3) ELIGIBLE APPLICANTS.—In awarding  
 7 grants under paragraph (1), the Community Board  
 8 shall take into account the extent to which the pro-  
 9 gram meets the objectives and goals of the commu-  
 10 nity strategic plan described in subsection (f)(1). In  
 11 the second and subsequent year in which grants are  
 12 awarded, the Community Board shall take into ac-  
 13 count the extent to which the programs receiving  
 14 funding <sup>were successful in</sup> meet the community process objectives and  
 15 outcome objectives for youth development programs.

16 (4) GRANT APPLICATIONS.—To be eligible to  
 17 receive a grant under this subsection, an entity shall  
 18 submit an application to the Community Board at  
 19 such time, in such manner, and containing such in-  
 20 formation as the Community Board reasonably may  
 21 require.

22 (5) FUNDING PERIOD.—The Community Board  
 23 may award a grant for a period of up to 3 years.  
 24 The Community Board may terminate the funding  
 25 made available through such grant during such pe-

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1 riod if the program fails to comply with the require-  
2 ments of this Act, or if insufficient Federal funds  
3 are appropriated under section 5(a) to permit the  
4 continuation of funding for the full grant period of  
5 all such grants awarded by the Community Board.

6 (6) RENEWALS OF GRANTS.—The Community  
7 Board may renew grants made under paragraph (1).  
8 After the initial grant period, in determining wheth-  
9 er to renew a grant to an entity to carry out activi-  
10 ties, the Community Board shall give substantial  
11 weight to the effectiveness of the activities in achiev-  
12 ing process objectives and outcome objectives speci-  
13 fied in the community strategic plan described in  
14 subsection (f)(1).

15 (7) FEDERAL SHARE REQUIREMENT.—

16 (A) FEDERAL SHARE.—The Federal share  
17 of the cost of carrying out a youth development  
18 program described in paragraph (1) shall be—

19 (i) 80 percent for the first year for  
20 which the program receives funding under  
21 this subsection;

22 (ii) 70 percent for the second such  
23 year;

24 (iii) 60 percent for the third such  
25 year; and

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1 (iv) 50 percent for the fourth such  
2 year and any subsequent year.

3 (B) NON-FEDERAL SHARE.—In providing  
4 for the remaining share of the cost of carrying  
5 out such a program, each recipient of assistance  
6 under this subsection—

7 (i) shall provide for such share  
8 through non-Federal sources;

9 (ii) may provide for such share  
10 through a payment in cash; and

11 (iii) may provide for not more than 50  
12 percent of such share through a payment  
13 in kind, fairly evaluated, including facili-  
14 ties, equipment, or services.

15 (8) CONTINUATION OF PROGRAMS.—The Com-  
16 munity Board may award under this subsection a  
17 grant for the continuation of any program operated  
18 prior to the date of enactment of this Act under any  
19 of the provisions of law referred to in section 9.

20 (h) ANNUAL REPORTS TO COMMUNITY BOARD.—To  
21 carry out a program, each grant recipient under sub-  
22 section (g) shall, not later than 45 days after the end of  
23 each fiscal year of the Community Board, prepare and  
24 submit to the Community Board an annual report on the  
25 program during the fiscal year, in such manner and con-

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1 taining such information as the Assistant Secretary may  
2 reasonably require to determine compliance with this Act.

3 (i) ANNUAL REPORT TO STATE.—Each Community  
4 Board shall, not later than 75 days after the end of each  
5 fiscal year of the Community Board, prepare and submit  
6 to the State an annual report in such manner and contain-  
7 ing such information as the Assistant Secretary may rea-  
8 sonably require to determine compliance with this Act.  
9 Such report shall contain, at a minimum, information on  
10 the programs and activities funded by the Community  
11 Board during the fiscal year under this section and the  
12 extent to which the programs achieved the process objec-  
13 tives and outcome objectives specified in the community  
14 strategic plan described in subsection (f)(1).

15 (j) PLANNING, ADMINISTRATION, COORDINATION,  
16 EVALUATION, AND FISCAL AGENT EXPENSES.—In addi-  
17 tion to any initial planning funds provided under section  
18 5(d)(2)(A), the Community Board may use up to 5 per-  
19 cent of the funds received under section 5(d)(2)(B) for  
20 planning, administration, coordination, and evaluation ex-  
21 penses, and expenses of the fiscal agent of the Community  
22 Board. A grant recipient under subsection (g) may use  
23 up to 10 percent of the funds received under the grant  
24 for planning, administration, and coordination, and may

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1 use up to an additional 5 percent of such funds for evalua-  
2 tion expenses.

3 **SEC. 7. DUTIES OF THE STATE.**

4 (a) **DESIGNATION OF STATE ENTITY.**—In order for  
5 entities within a State to be eligible to receive assistance  
6 under this Act, the Governor of the State shall establish  
7 an entity, or designate an existing entity, to administer  
8 and conduct the State activities described under this act.

9 (b) **YOUTH DEVELOPMENT INPUT.**—The Governor  
10 shall devise a mechanism to regularly receive input from *rationaly affliat*  
11 *and non-affiliated* youth development organizations to coordinate activities  
12 statewide and assess the effectiveness of programs funded  
13 under this Act.

14 (c) **REVIEW OF COMMUNITY YOUTH DEVELOPMENT**  
15 **PLANS.**—

16 (1) **IN GENERAL.**—Within 30 days of the sub-  
17 mission by a Community Board of an application  
18 under section 5(d)(2)(B)(ii), the State shall either  
19 approve the application and distribute to the Com-  
20 munity Board its local allocation under section 5, or  
21 notify the Community Board of the additional steps  
22 that the Community Board shall take to bring the  
23 plan into compliance with this Act.

24 (2) **MONITORING OPERATIONS OF COMMUNITY**  
25 **BOARDS.**—The State shall have primary responsibil-

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1       ity for ensuring that the Community Boards operate  
2       in compliance with this Act.

3               (3) TECHNICAL ASSISTANCE TO COMMUNITY  
4       BOARDS.—The State shall provide technical assist-  
5       ance related to the development and implementation  
6       of community strategic plans described in section  
7       6(f)(1) to Community Boards that are applicants  
8       for, or recipients of, local allocations under section  
9       5(d).

10       (d) ANNUAL REPORT AND AUDIT.—Each State shall,  
11       not later than 120 days after the end of each fiscal year  
12       of the State, prepare and submit to the Assistant Sec-  
13       retary an annual report, together with the findings of an  
14       independent audit conducted concerning the program, in  
15       such manner and containing such information as the As-  
16       sistant Secretary may reasonably require to determine  
17       compliance with this Act. Such report shall contain, at a  
18       minimum, information on the programs and activities  
19       funded in the State during the fiscal year under this Act,  
20       and the extent to which the Community Boards in the  
21       State achieved the process objectives and outcome objec-  
22       tives specified in the community strategic plan described  
23       in section 6(f)(1).

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1 SEC. 8. DUTIES OF THE ASSISTANT SECRETARY.

2 (a) INPUT FROM YOUTH DEVELOPMENT ORGANIZA-  
3 TIONS.—The Assistant Secretary shall establish and im-  
4 plement a mechanism to regularly receive advice and input  
5 from a representative mix of youth development organiza-  
6 tions to improve the effectiveness and increase coordina-  
7 tion of Federal youth development activities, including the  
8 administration of this Act and regulations issued under  
9 this Act.

10 (b) NATIONAL POLICY GOALS AND STRATEGIC  
11 PLANS.—

12 (1) NATIONAL POLICY GOALS.—After a review  
13 of annual reports and audit findings developed under  
14 section 7(d), and input from Community Boards and  
15 representatives of youth development organizations,  
16 the Assistant Secretary shall develop and issue na-  
17 tional policy goals that <sup>reflect</sup> ~~are based~~ on the process ob-  
18 jectives and outcome objectives specified in such  
19 plans.

20 (2) NATIONAL STRATEGIC PLAN FOR YOUTH  
21 DEVELOPMENT.—Based on the national policy goals,  
22 the Assistant Secretary shall develop a national stra-  
23 tegic plan for youth development, including specific  
24 process objectives and outcome objectives, designed  
25 to achieve the national policy goals.

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1 (c) MONITORING AND EVALUATION.—The Assistant  
2 Secretary shall develop and establish a system for mon-  
3 itoring and evaluating the effectiveness of activities funded  
4 under this Act.

5 (d) COORDINATION.—The Assistant Secretary shall  
6 consult with appropriate Federal agencies to ensure effec-  
7 tive coordination of programs funded under this Act with  
8 other Federal programs serving youth and families.

9 (e) REPORT.—Every 2 years, the Assistant Secretary  
10 shall submit to the President and the Congress a report  
11 describing the activities funded under this Act, and an as-  
12 sessment of the effectiveness of the activities in meeting  
13 the process objectives and outcome objectives described in  
14 subsection (b).

15 SEC. 9. REPEALS.

16 (a) VIOLENT CRIME CONTROL AND LAW ENFORCE-  
17 MENT ACT OF 1994.—The following provisions of law are  
18 repealed:

19 (1) Title III of the Violent Crime Control and  
20 Law Enforcement Act of 1994 (relating to crime  
21 prevention programs) (42 U.S.C. 13741 et seq.).

22 (2) Chapter 67 of title 31, United States Code  
23 (relating to the Local Partnership Act).

24 (3) The amendments made by subtitle O of title  
25 III of the Violent Crime Control and Law Enforce-

*(e) From the fed. allocation  
The Assistant Secretary  
may fund time  
limited, research  
based youth  
development  
demonstration  
programs designed  
to improve the  
knowledge base of  
the youth  
development and  
youth prevention  
fields.*

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1 ment Act of 1994 (relating to urban recreation and  
2 at-risk youth).

3 (4) Subsection (e) of section 3621 of title 18,  
4 United States Code (relating to substance abuse  
5 treatment in Federal prisons).

6 (5) Part S of title I of the Omnibus Crime Con-  
7 trol and Safe Streets Act of 1968 (42 U.S.C. 3796ff  
8 et seq.) (relating to residential substance abuse  
9 treatment for State prisoners).

10 (b) DEPARTMENT OF EDUCATION PROGRAMS.—The  
11 following provisions of law are repealed:

12 (1) Part D of title I of the Elementary and Sec-  
13 ondary Education Act of 1965 (relating to school  
14 dropout demonstration assistance) (as amended by  
15 Public Law 103-382).

16 (2) Title IV of the Elementary and Secondary  
17 Education Act of 1965 (relating to drug free schools  
18 and communities) (as amended by Public Law 103-  
19 382).

20 (c) OTHER PROGRAMS.—

21 (1) Part B of title II of the Job Training Part-  
22 nership Act (relating to summer youth employment  
23 and training programs) (29 U.S.C. 1630 et seq.).

24 (2) Section 517 of the Public Health Service  
25 Act (42 U.S.C. 290bb-23) (relating to grants for

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1 the prevention of alcohol and drug abuse among  
2 high-risk youth).

3 (3) Paragraph (3) of section 1707(b) of the  
4 Public Health Service Act (42 U.S.C. 300u-6(b)(3))  
5 (relating to community coalition demonstration  
6 projects to support health and human service needs  
7 for minority males).

8 (4) Part D of title II of the Juvenile Justice  
9 and Delinquency Prevention Act of 1974 (42 U.S.C.  
10 5667 et seq.) (relating to gang-free schools and com-  
11 munities).

12 (5) Part G of title II of the Juvenile Justice  
13 and Delinquency Prevention Act of 1974 (42 U.S.C.  
14 5667e et seq.) (relating to mentoring).

15 (6) Title V of the Juvenile Justice and Delin-  
16 quency Prevention Act of 1974 (42 U.S.C. 5781 et  
17 seq.) (relating to local delinquency programs).

18 (7) Section 408 of the Human Services Reau-  
19 thorization Act of 1986 (relating to demonstration  
20 partnership agreements) (42 U.S.C. 9910b).

21 (8) Section 682 of the Community Services  
22 Block Grant Act (relating to the National Youth  
23 Sports Program) (42 U.S.C. 9910c).

24 (9) Chapters 1 and 2 of subtitle B of title III  
25 of the Anti-Drug Abuse Act of 1988 (42 U.S.C.

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1 11801 et seq.) (relating to drug abuse prevention re-  
2 lating to youth gangs and runaway and homeless  
3 youth).

4 **SEC. 10. CONFORMING AMENDMENTS.**

5 (a) **SCHOOL DROPOUT DEMONSTRATIONS.**—The Ele-  
6 mentary and Secondary Education Act of 1965 (as  
7 amended by Public Law 103-382) is amended—

8 (1) in section 1002 (20 U.S.C. 6302)—

9 (A) by striking subsection (d);

10 (B) by redesignating subsection (g) as sub-  
11 section (d); and

12 (C) by inserting subsection (d) (as redesign-  
13 nated by subparagraph (B)) after subsection  
14 (c);

15 (2) in section 1003(a) (20 U.S.C. 6303(a))—

16 (A) in paragraph (1), by striking “sub-  
17 sections (a), (c), and (d), of section 1002” and  
18 inserting “subsections (a) and (c) of section  
19 1002”; and

20 (B) in paragraph (3), by striking “sub-  
21 sections (a), (c), and (d) of section 1002” and  
22 inserting “subsections (a) and (c) of section  
23 1002”;

24 (3) in section 1112(b)(4)(B) (20 U.S.C.  
25 6312(b)(4)(B)), by striking “neglected or delinquent

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1 youth and youth at risk of dropping out served  
2 under part D,";

3 (4) in section 1115(b)(2)(C) (20 U.S.C.  
4 6315(b)(2)(C))—

5 (A) by striking clause (i); and

6 (B) by striking "(C)" and all that follows  
7 through "A child" and inserting "(C) A child";

8 (5) in section 1122(c) (20 U.S.C. 6332(c))—

9 (A) in paragraph (1), by striking "and  
10 without regard to amounts available for delin-  
11 quent children under subpart 2 of part D";

12 (B) in paragraph (2), by striking "and  
13 without regard to amounts available for delin-  
14 quent children under subpart 2 of part D"; and

15 (C) in paragraph (3), by striking "and  
16 without regard to amounts available for delin-  
17 quent children under subpart 2 of part D";

18 (6) in section 1124(c)(1)(C) (20 U.S.C.  
19 6333(c)(1)(C)), by striking ", but not counted pur-  
20 suant to subpart 1 of part D for the purposes of a  
21 grant to a State agency";

22 (7) in subsections (a)(1) and (b) of section  
23 1502 (20 U.S.C. 6492(a)(1) and (b)), by striking  
24 "section 1002(g)(2)" and inserting "section  
25 1002(d)(2)";

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1 (8) in section 1503(a) (20 U.S.C. 6493(a)), by  
2 striking "section 1002(g)(2)" and inserting "section  
3 1002(d)(2)";

4 (9) in section 1603(c)(1) (20 U.S.C.  
5 6513(c)(1)), by striking "subsections (a), (c), and  
6 (d) of section 1002" and inserting "subsections (a)  
7 and (c) of section 1002";

8 (10) in section 14302(a)(2) (20 U.S.C.  
9 8852(a)(2))—

10 (A) by striking subparagraph (B); and

11 (B) by redesignating subparagraphs (C)  
12 through (F) as subparagraphs (B) through (E),  
13 respectively; and

14 (11) in section 14307(a)(1) (20 U.S.C.  
15 8857(a)(1))—

16 (A) by striking subparagraph (C); and

17 (B) by redesignating subparagraphs (D)  
18 through (G) as subparagraphs (C) through (F),  
19 respectively;

20 (b) DRUG FREE SCHOOLS AND COMMUNITIES.—

21 (1) The Elementary and Secondary Education  
22 Act of 1965 (as amended by Public Law 103-382)  
23 is amended—

24 (A) in section 2209(b)(1)(C) (20 U.S.C.  
25 6649(b)(1)(C))—

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1 (i) by striking clause (ii); and  
2 (ii) by redesignating clauses (iii)  
3 through (vii) as clauses (ii) through (vi),  
4 respectively;

5 (B) in section 14101(10) (20 U.S.C.  
6 8801(10))—

7 (i) in subparagraph (D), by adding  
8 “and” at the end;

9 (ii) by striking subparagraph (E); and  
10 (iii) by redesignating subparagraph  
11 (F) as subparagraph (E);

12 (C) in section 14201(a)(2) (20 U.S.C.  
13 8821(a)(2)), by striking “subparagraphs (C),  
14 (D), (E), and (F) of section 14101(10)” and  
15 inserting “subparagraphs (C), (D), and (E) of  
16 section 14101(10)”;

17 (D) in section 14307 (20 U.S.C. 8857)—

18 (i) in subsection (a)(1)—

19 (I) by striking subparagraph (D)  
20 (as redesignated by subsection  
21 (a)(11)); and

22 (II) by redesignating subpara-  
23 graphs (E) and (F) as subparagraphs  
24 (D) and (E), respectively; and

25 (ii) in subsection (b)(1)—

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1 (I) by striking subparagraph (C);

2 and

3 (II) by striking subparagraphs

4 (D) through (G) as subparagraphs

5 (C) through (F), respectively; and

6 (E) in section 14503(b)(1) (20 U.S.C.

7 8893(b)(1))—

8 (i) in subparagraph (C), by adding

9 “and” at the end;

10 (ii) in subparagraph (D), by striking

11 “; and” and inserting a period; and

12 (iii) by striking subparagraph (E).

13 (2) Subparagraph (A) of section 3521(d)(8) of

14 the Anti-Drug Abuse Act of 1988 (42 U.S.C.

15 11841(d)(8)(A)) is amended by striking “consistent

16 with the Drug-Free Schools and Communities Act of

17 1986”.

18 (c) JOB TRAINING PARTNERSHIP ACT.—The Job

19 Training Partnership Act is amended—

20 (1) in section 3(a) (29 U.S.C. 1502(a))—

21 (A) by striking paragraph (2); and

22 (B) by striking “(a)” and all that follows

23 through “There are” and inserting “(a) There

24 are”;

25 (2) in section 4 (29 U.S.C. 1503(37))—

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1 (A) in paragraph (37), by striking "and  
2 followup services authorized under section  
3 253(d)"; and

4 (B) in paragraph (39), by striking "and  
5 followup services authorized under section  
6 253(d)";

7 (3) in section 202(a)(1) (29 U.S.C.  
8 1602(a)(1)), by striking "section 3(a)(1)" and in-  
9 serting "section 3(a)";

10 (4) in subsections (a)(1) and (b)(2)(A) of sec-  
11 tion 202 (as amended by section 701(c) of the Job  
12 Training Reform Amendments of 1992 (Public Law  
13 102-367; 106 Stat. 1103), by striking "section  
14 3(a)(1)" and inserting "section 3(a)";

15 (5) in section 262(a)(1) (29 U.S.C.  
16 1642(a)(1)), by striking "section 3(a)(1)" and in-  
17 serting "section 3(a)";

18 (6) in subsections (a)(1) and (b)(2)(A) of sec-  
19 tion 262 (as amended by section 701(f) of the Job  
20 Training Reform Amendments of 1992 (Public Law  
21 102-367; 106 Stat. 1107), by striking "section  
22 3(a)(1)" and inserting "section 3(a)"; and

23 (7) in section 454(a) (29 U.S.C. 1734(a)), by  
24 striking ", B, and C" and inserting "and C".

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1 (d) NATIONAL YOUTH SPORTS PROGRAM.—Section  
2 13 of the National School Lunch Act (42 U.S.C. 1761)  
3 is amended—

4 (1) in subsection (a)(1), by striking “public or  
5 private nonprofit higher education institutions par-  
6 ticipating in the National Youth Sports Program,”;  
7 and

8 (2) in subsection (c)—

9 (A) by striking paragraph (2); and

10 (B) by striking “(c)” and all that follows  
11 through “Payments” and inserting “(c) Pay-  
12 ments”.

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