



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE OFFICE OF THE SECRETARY
WASHINGTON, DC 20410-0001

DETERMINED TO BE AN
ADMINISTRATIVE MARKING

INITIALS: ELR DATE: 12/24/15

~~CONFIDENTIAL~~

TO: Maria Echaveste, Terry Edmonds
FROM: Jacquie Lawing
DATE: January 14, 2000
RE: Suggested Homeownership Announcement for the State of the Union

I am writing to recommend that the following line be worked into the State of the Union address: "Today we announced the highest annual homeownership rate in American history."

The Census is putting out the annual homeownership rate at 10 a.m., January 27. (The date and time appear inflexible.) We expect the rate to be the highest annual homeownership rate in history.

Rates for 1999 per quarter were 66.7%, 66.6% and 67%. The fourth quarter will be announced the 27th, giving us the annual figure. It is expected to be below 67%, because the 4th quarter always goes down. However, even with the quarterly drop, the annual rate is sure to top the 1998 record of 66.3 (since all three quarters so far have exceeded that rate).

A HOUSING POLICY FOR THE 21st CENTURY.

Even as our nation enjoys unprecedented prosperity, it is actually becoming more and more difficult for low-income American families to afford a decent place to live. For decades national housing policy has shifted back and forth between production oriented programs that focus on expanding the supply of affordable housing, and income based initiatives that provide cash assistance that enables lower income families to afford decent rental housing. As we enter the 21st Century, what is clear is that both approaches are needed if America is to realize the goal of decent housing for all first established some 50 years ago.

As part of his FY2001 budget request, the President is proposing a series of bold initiatives that will expand affordable housing opportunities to hundreds of thousands of families left behind in the new economy. These initiatives build on recent efforts to reform and restore public trust in the nation's affordable housing programs. HUD's 2020 Reform Initiative has cracked down on programmatic abuses, while at the same time demonstrating that the vast majority (over 87 percent) of the nation's assisted rental housing is in good or excellent condition. Three years ago, historic legislation created the Mark-to-Market program, which preserves project-based Section 8 housing (where rents are above market) while bringing costs in line with the private market. In 1998, Public Housing Reform secured a bright future for this vital component of the affordable housing inventory, while legislation in 1999 addressed the loss of affordable housing from "opt-outs," which occur when long-term Section 8 contracts expire and private owners choose to leave the program. Now is the time to build on these victories with renewed efforts to expand the number of housing vouchers while at the same time renewing efforts to produce new affordable rental housing.

New Housing Vouchers: Housing vouchers are an integral part of the Administration's efforts to reform welfare, reward work, support working families, and provide affordable housing for low-income families. This year the President's budget includes 120,000 new housing vouchers at a cost of \$690 million. Of these, 32,000 will be targeted to families moving from welfare to work, 18,000 vouchers will help homeless individuals and families who would otherwise have the most difficult time securing permanent housing, and 10,000 will be devoted to the Community Renewal Housing Production Initiative (see below). In addition to the vouchers themselves, the budget request includes \$50 million to support innovative local programs to assist housing voucher recipients to break down economic, social, or racial barriers that limit their ability to take full advantage of housing vouchers in tight markets.

Community Renewal Housing Production Initiative: Housing vouchers are just one part of a balanced housing policy. Supply side initiatives must also be part of the mix. FHA mortgage insurance is key to these new supply side efforts. To spur the production of housing affordable to the lowest income Americans in neighborhoods that will provide strong job opportunities and other benefits, HUD

proposes a program that uses FHA mortgage insurance and links 10,000 new housing vouchers (included in the 120,000 total new vouchers described above) with the highly successful Low Income Housing Tax Credit (LIHTC) program. Funded at an initial cost of \$66 million dollars in FY2001, the program will encourage income mixing, by limiting the use of vouchers to no more than 25% of the units in any new LIHTC development. The program includes \$8 million for one-time incentive payments to developers who build units targeted to worst case housing needs, such as large families with children. The FY2001 budget also includes additional production initiatives, including an effort to use FHA mortgage insurance to promote mixed-used and mixed-income developments in urban redevelopment areas.

A Continuum of Care for the Nation's Homeless: Mayors, academicians and the President himself have long been saying that the Continuum of Care for addressing homelessness is a major innovation that works. This year, that was confirmed by Harvard University's John F. Kennedy School of Government and the Ford Foundation, when they awarded the Continuum the coveted "Innovations in Government" Award. It addresses the housing needs of the most vulnerable Americans – those making a transition from the streets back into homes and community life – and leverages many times the investment of Federal resources in private funds. It is responsible, over the past six years, for moving 400,000 formerly-homeless people to self-sufficiency. This year, the President will propose an all-time high of \$1.2 billion in funding for the Continuum of Care.

ELDERLY ASSISTED LIVING PROGRAM.

As the President has often emphasized, our nation will, over the next 50 years, undergo a demographic shift unlike anything seen in our history. As part of anticipating the "greying" of America, HUD last year increased its focus on serving older Americans by proposing the Housing Security Plan for Older Americans. The plan, now enacted into law as part of HUD's FY2000 budget, provides a full range of options – a "Continuum of Care" – to meet the changing needs of our Nation's elders. Components include efforts to 1) help elders stay in their own homes, 2) build more affordable elderly housing, 3) provide seniors the services they need, and 4) ensure access to assisted housing. The FY2001 budget continues to expand the range of housing options for seniors by including a new initiative that combines FHA mortgage insurance with annual operating subsidies to produce new assisted living facilities. The President has included \$50 million for this initiative in his budget request, and a total of \$779 million for the entire Elderly Continuum of Care.

FIGHTING CRIME.

Although violent crimes are down nationwide, the United States still loses too many innocent victims to shootings each and every day, with 600 lives lost each week in gun violence, and another 1,800 people injured. So, this year, HUD initiated a gun buy-back

program, pledging \$15 million to buy up to 300,000 guns now in circulation. And seeking an even more systemic way to address the issue of gun violence, HUD announced last month that it will join with the Administration and 29 cities and counties to negotiate with the gun manufacturing industry, in an effort to encourage the industry to more responsibly design, market and distribute its products. Looking to the coming year, the President has included \$30 million in his budget proposal for HUD's Anti-Gun Violence and Housing Safety Initiative, to provide a public education campaign about the misuse of firearms; technical assistance for local governments, public housing authorities, and non-profits on how to reduce gun-related violence; and state-of-the-art tracking and mapping systems to gather much-needed information on gun-related crimes, which could then be used for prevention activities.

NEW MARKETS.

A significant legacy that the President will leave with the Nation is his focus on New Markets – communities left behind in the nation's extraordinary prosperity. In the weeks and months that have followed the New Markets trips, HUD has been active in White House-led interagency efforts to concretely further the New Markets agenda. One of the major components of the New Markets initiative is the effort to stimulate large-scale private investment in areas with too little commercial activity, through three legislative initiatives, one of which, APIC (America's Private Investment Companies), received an appropriation in FY 2000. Working with Congress, we secured \$20 million in credit subsidy to leverage over \$540 million in private loans and \$270 million in private equity capital to create and expand large-scale businesses in rural and urban America. The president will propose continued investment in the APIC program and the Community Empowerment Fund in his FY2001 submission.

The faith-based sector represents a vast, largely untapped potential partner for Government in working to improve the lives of Americans. Although faith-based organizations represent the third-largest segment of non-profit groups (after health and education), only a small percentage of these organizations report partnering with the Government. Yet they have strong advantages as community building partners because of their immediate ties to people, their ability to muster community support, their history of commitment to "safety net" and other types of important programs, and their credibility in public dialogue. HUD created the Center for Community and faith-based partnerships and has received enormous interest from this community on partnering with government to strengthen our communities. This year, the President will include in his budget a proposal that HUD spend \$20 million to develop this important partnership resource.



Contributors
Jeff
Paul
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1. OK See
Jeff Paul TE
2. EDWARDS
Pres.

**THE DLC HAS MOVED - OUR NEW ADDRESS IS:
600 PENNSYLVANIA AVE., SE, WASHINGTON, DC, 20003**

FAX TRANSMITTAL SHEET

Pages (including cover): ~~10~~ 11

Phone: _____

Fax: 456-6703

To: NANCY HERNREICH

From: JENIFER CALAHAN FOR AL FROM

Comments: ATTACHED IS A MEMO FOR THE
PRESIDENT FROM AL FROM. PLEASE CALL
ME AT (202) 608-1205 IF YOU HAVE ANY
QUESTIONS.

**IF THERE ARE ANY PROBLEMS WITH THIS TRANSMISSION,
PLEASE CALL (202) 546-0007. THANK YOU.**

January 21, 2000

Memorandum to the President

From: Al From

Subject: State of the Union 2000

This memorandum will offer some brief thoughts about the framework and themes for your State of the Union address.

It won't focus on policy ideas. In the pre-State of the Union layout, you've done a great job – as you always do – of laying out a number of policy initiatives that will be included in the speech.

Rather, I will focus on the overall message of the speech – what I think you should try to achieve with the speech and the story I think you need to tell to achieve those purposes.

What You Should Try to Accomplish

I think this speech is about legacy and succession. The message should be one of continuity and change. In it, I think you should try to achieve three purposes:

- * to remind the American people of the meaning and the successes of your Presidency – in short, to define your legacy.

- * to lay out a plan for moving America forward at the beginning of the 21st century that offers change but builds on the progress we've already made by taking that progress to the next level.

- * to improve the Vice President's chance to succeed you.

The Legacy and the Plan

I think your legacy is quite straightforward: transformer of America for the information age and modernizer of progressive politics in the world. There are other venues to make the second point, but the State of the Union should tell the story about how on your watch America was transformed from a nation rooted in the industrial era and increasingly unable to cope with change to a nation that is leading the world into the 21st century and the information age. Just as Teddy Roosevelt helped lead America from an agricultural to industrial nation, you have guided America from a struggling industrial era nation to a vibrant, prosperous information age society.

You've already laid out the main elements of your plan. In your speech, you just need to put those elements in a thematic context. I think that context should be the following: building on the great prosperity we've already achieved, we now have to extend the American dream to those who've not yet realized it, who've not yet joined in the prosperity of the 1990s. I think all the ideas you've announced over the past few weeks fit into that context – your opportunity agenda, your expanded

EITC, your New Markets initiative, your education proposals, your health care plan, etc., even your determination to win approval for permanent normal trade relations with China.

I'd suggest that you accompany your call for NTR with China with a program to "expand the winners' circle" or "put a human face on the global economy." We've sent a package of proposals on that front to John Podesta. (I've attached a piece by Bob Litan in *Blueprint* which summarizes those proposals.) I'd also suggest that you emphasize that to extend the American dream to those who have not realized it, it is essential to keep this incredible economy flying high. That requires continued fiscal discipline (no big, crazy tax cuts), expanded trade (a critical reason for China NTR), and investment in education, training, R&D, and infrastructure.

Helping the Vice President

The best way to help the Vice President is to accomplish the first two purposes. From polling I have seen, including an in depth poll Mark did for the DLC last week, it is clear to me that the Vice President needs you big time. While everything can change, he runs weaker than he should among Democrats (largely because he runs worse than he should among New Economy Democrats), and he runs pathetically weak among independents, who are likely to be the critical swing in the election.

To give you a sense of how weak he runs among independents, when we ask a generic, would you prefer to vote for a Democrat or Republican for President, it comes out 38-36 Republican. When we match Gore with Bush, it comes out 58-31 Bush. By every measure, Gore does horribly among independents. On the other hand, you have a remarkable 69 percent performance approval rating among independents and 62 percent of independents want change that builds on the progress we've made, not change that takes us back to the policies of the past.

All that makes it clear to me that the best thing the Vice President has going for him is the Clinton-Gore record and that desire of voters for change that builds on that record, not change that goes back to the past.

The fundamentals – the condition of the county and the issues terrain that favors Democrats this year – will have to carry the Vice President once he secures the nomination. And you can help set the stage for that in your State of the Union by reminding voters of those conditions and defining the issues terrain.

The Storyline of the Speech

All State of the Union speeches are necessarily long, cumbersome, and detailed. But I think the storyline of this one should be continuity and change: we've made real progress; we still have some more to do; let's build on the progress we've made to do what we still have to do.

This speech should tell a story that people can take away from it. It is essentially this:

America today is on a roll. There's a reason for that. Seven years ago, we put America on a new course and we've all benefitted. We've made enormous progress. But we still haven't

accomplished everything we came to do. So now we have to finish the job by building on the progress we've already made. We need to continue to move forward, but to get to the next level we need to keep going in the same direction we have been. Things are going too well to risk a radical change of course.

Obviously, that is a basic message, but it's one that makes your point and serves the Vice President's interests well.

Fleshing Out the Storyline

Here are some thoughts about different ways you can underscore your legacy and flesh out that very basic message.

1. You could make the point that a decade ago as America was trying to transform from an industrial era to an information age nation, it was burdened by a big, profligate, unwieldy, and bureaucratic government clearly designed for the industrial era – in short by it's inability to end the era of big government. The federal deficit was out of control. Unemployment and inflation were high. Incomes were falling. Our welfare system discouraged work and destroyed families. For too many Americans, welfare was becoming a way of life, and the welfare roles were exploding. Teen age pregnancy, crime and violence were going up. The federal government was bigger than ever and still growing.

We came to Washington to change all that. We offered a third way. And that's exactly what we've done. We've balanced the federal budget. We ended welfare as we knew it and replaced it with a work system. We tackled crime and violence with commonsense ideas like community policing and sensible gun control. We launched a national campaign to reduce teen age pregnancy. And, we modernized and reinvented the federal government.

The results are obvious. We've enjoyed the longest period of sustained economic growth in our history. Our economy is the best it has been in our lifetimes. Employment is at an all-time high and unemployment at a three-decade low. Inflation is low and under control. Incomes and wages are rising and child poverty is falling. The welfare rolls have been cut nearly in half. The violent crime rate is at its lowest point in a quarter-century. The federal government hasn't been this small since the Kennedy administration.

Now the era of big government is over, but the era of big ideas and empowering, activist government is not. America is ready to tackle new challenges – and foremost among that is to extend the American dream to those who have not yet realized it, those who have not joined the rest of us in enjoying our historic prosperity.

2. Three issues – the deficit, crime, and welfare – dominated our national debate for nearly a quarter century. As a result of our remarkable progress, we resolved all three. The budget is in surplus; welfare is being replaced with a work system; and crime has come down for seven straight years. So now at the dawn of a new millennium, it is time to move on to new challenges.....

3. We've accomplished all that by modernizing our government and bringing it into the information age. We offered new and innovative ways to further America's most cherished values and highest ideals. We reconnected our country with its first principles and grandest traditions.

Opportunity for all, special privilege for none has been our country's first principle since the days of Andrew Jackson. We've become a land of opportunity again by restoring fiscal discipline to government and delivering sustained, non-inflationary economic growth.

We reunited our policies with the values most Americans share -- work, family, responsibility, individual liberty, faith, tolerance, and inclusion -- by passing welfare reform and the Medical and Family Leave Act, by expanding the earned income tax credit, and by reducing crime with bold ideas like community policing and sensible gun control.

We reconnected America with John Kennedy's civic ethic of mutual responsibility by creating AmeriCorps and by asking citizens to give something back to their country.

We restored our country's prestige in the world by promoting democratic and humanitarian values throughout the world and expanding trade to foster prosperity and upward mobility at home.

Finally, we have ended the era of big government by modernizing government, diminishing bureaucracy, and giving people the tools they need to solve their own problems in their own communities.

3. I'm probably the only one in America who cares, but I think you could do worse than reminding people of your campaign themes -- the New Covenant in 1992 and Building a Bridge to the 21st Century in 1996. Those themes were not just empty slogans. I recently watched your 1992 acceptance speech -- with the New Covenant as the theme -- and I was struck how we've really accomplished what we promised. There really is a New Covenant -- a new social contract -- in place today. And, clearly, we have built the bridge to the 21st century. America's success is evidence of that. Now we just need to usher all of America across it.

4. I also think at some point during the speech, you ought to label what you've done as rejecting the old arguments between the left and right and charting a third way.

5. Just one more thought. As you talk about extending the American dream or your opportunity agenda, you may want to think about language like "giving everyone a stake in America" or "democratizing capitalism." One of the great accomplishments of the 1990s was the enormous increase in the percentage of Americans with investments in the stock market. You might talk about needing to broaden that circle even more so that every American has the chance to have a stake in America's future. Your USA accounts are an important step in that direction.

Those are just some thematic thoughts. As always, I stand ready to help you in any way as you go through the final stages of putting the State of the Union together. Good luck.

Expanding the Winners' Circle:

by Robert E. Litan

THE SOLUTION

A GUIDE FOR INCREASING UPWARD MOBILITY

Economic policy, it is often said, is about expanding the size of the pie and ensuring that its slices are not handed out too unevenly. By this criterion, the American economy was highly successful in its "golden age" from after World War II until 1973. Incomes for Americans in all parts of the income distribution increased faster than 2 percent a year — the pie was growing smartly while the ever larger slices were handed out fairly evenly. Since then, the economic pie has grown far more slowly, at little more than 1 percent annually, while the slices have grown far more unequal, bigger for those at the top income levels and actually smaller for those at the bottom.

Robert E. Litan is Director of the Economic Studies Program and Cabot Family Chair in Economics at the Brookings Institution. During President Clinton's first term, he served as Deputy Assistant Attorney General and as Associate Director of the Office of Management and Budget.

But the pie metaphor doesn't distinguish who gets the slices of the pie — the young or the old, for example — but instead simply measures how slices are divided among those who happen to be in different parts of the income distribution at any given time. In the real world, however, the economy is constantly in flux, with people moving in and out of the workforce and up and down the income scale.

The dynamic nature of the economy suggests that an escalator is a more useful metaphor. The distance between the various steps measures how unequal society may be. But a defining ethic of America has long been that, no matter which step you first land on or how great the distance to the higher steps, you have a good shot at moving up if, as President Clinton has frequently said, "you work hard and play by the rules."

The ethic, of course, is part myth. Children of privileged parents get on the escalator at much higher places than do those from broken homes and rough neighborhoods. But Americans see enough success stories — the immigrants who come to this country with literally nothing and whose kids soon are excelling at school and getting good jobs — to remain committed to the ethic, as they should be.

As we enter the 21st century, policymakers' central challenge will be to keep the opportunities that undergird the ethic strong. The stable workplace of the golden age, when many could count on a job with one company throughout their working lives, has long since vanished. Americans know that they must rely on their own wits and drive to constantly upgrade their skills so that they can survive and prosper in today's high-tech, global economy. Otherwise, they may well fall down the economic escalator — taking a lower-paying job after months of traumatic unemployment — if they become victims of the next downsizing, re-engineering, or merger. America must find a way to help more people avoid this fate. If it does not, the gap in Americans' lifetime incomes will grow ever wider in the years ahead, as Daniel McMurrer and Isabel Sawhill warn in their excellent new book, *Getting Ahead*.

McMurrer and Sawhill point to the growing inequality in wages over the past 25 years (with the modest interruption since 1993 discussed shortly).

In the long run, equal opportunity on the economic escalator is best assured by improving K-12 education for all American children, a subject to be tackled in a future issue of *Blueprint*. In this article, I outline four ways to broaden opportunities for all those already in the workforce:

- run a "high pressure" economy;
- make on-the-job training more widely available;
- create the Leap Loan program for lifetime learning;
- create a system of wage insurance.

Run a "High Pressure" Economy

In the early 1970's the late Arthur Okun, who was chief economist during the latter years of the Johnson Administration and is widely regarded as one of the great economists of the post-war era, demonstrated the virtues of keeping the economy operating at or near "full employment" as a way of sustaining faith in the American ideal of equal opportunity. Okun found that a "high pressure" economy not only keeps the escalator moving at its "potential" rate of speed, but it also improves upward mobility — not just for new entrants who often come in on the bottom steps (in terms of pay level) and learn what it means to hold a job, but for many currently employed workers who find it easier to advance within their own companies.

What was true nearly 30 years ago is true today. According to the 1998 *Economic Report of the President*, after falling for over a decade, real earnings for households in the bottom quintile of the income distribution actually rose faster between 1993 and 1996 than in all other households (reversing a trend of the 1980's). Similarly, after remaining virtually flat from 1973 to 1993, median family earnings increased by 5 percent over the same period. A major reason for this welcome turnabout is that workers throughout the economy have been finding it easier to move up — thanks to

prudent fiscal rates to the extraordinary the current unemployment

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prudent fiscal policy that has brought down interest rates to their lowest levels in a generation and to extraordinary monetary policy that has allowed the current expansion to eat away at the nation's unemployment rate without igniting inflation.

A clear lesson is that the nation reaps great benefits when the economy is allowed to run flat-out. A fast-moving escalator not only takes millions of Americans along for the ride, but makes it easier for workers in the bottom of the income distribution to climb to higher steps on their own.

But policymakers should not rely solely on sound macroeconomic policy management to assure continued upward mobility. Society has an obligation to explore all reasonable microeconomic policies for making it easier for people to climb up the escalator, however rapidly it may be moving, or to climb back on with minimum wage erosion if they lose their jobs. One of the fundamental differences between the old economy and the New Economy is that fast-paced changes in technology require most workers in the New Economy to continually upgrade their skills. And yet, until very recently, the government has provided relatively little help once people leave the cocoon of their formal education.

At the Administration's suggestion, Congress recently enacted tax legislation that provides modest incentives for many Americans already in the workforce to upgrade their skills. Americans with earnings under \$100,000 can take a 20 percent tax credit on the first \$5,000 — and, after 2002, on the first \$10,000 — of expenses for post-high school education undertaken at any point in their lives. While this is a major step forward, the tax credit can only be taken if the individual is in school at least half-time and thus may be of limited use to many workers, who may not have the time to take that heavy a course-load given their current jobs. Moreover, the tax credit does not address a key problem facing many individuals in the workforce who want to attend school: providing *financing* to cover the tuition (which the availability of the tax credits may cause to increase somewhat).

The federal and state governments have paid more attention to the plight of displaced workers, providing them with unemployment insurance payments for 26 weeks or longer and offering a variety of training programs. Nonetheless, while unemployment insurance is important, it is too much "safety net" and not enough "trampoline." Neither the regular unemployment insurance program nor the extended version for workers displaced by trade (under the Trade Adjustment Assistance program) encourages workers to return quickly to work because workers continue to collect as long as they stay home (although they may be in a training program). Moreover, neither unemployment insurance nor trade adjustment assistance directly helps many workers who are forced to take a cut in pay when returning to work. This is perhaps the most severe long-term impact of unemployment: having to re-enter the economic escalator on a much lower step.

The hodgepodge of federal government training programs also has had its flaws. Some improvements are likely now that Congress has enacted the Workforce Investment Act (WIA) of 1998, after several years of prodding by the Administration. Among other things, the WIA consolidates multiple training programs, devolves responsibility and money for training to the states in "one-stop" offices for delivering counseling and training services to unemployed workers of all types, and encourages the states to give workers vouchers so that they can choose the training they believe best suits them. Still, the WIA will take time to have an effect, and even under the best of circumstances it should be viewed only as a good first step toward helping temporarily displaced workers.

While the government's current efforts deserve applause, the conditions of the New Economy require that we expand the winner's circle — or watch the gap between the well-to-do and the working class grow to unacceptable levels. Three ideas for expanding the circle follow.



Make On-The-Job Training More Widely Available

Most private sector companies have incentives to train their employees because that training will help workers be more productive and deliver better products. According to the American Society for Training and Development, American business spent \$55 billion on training in 1995.

But company-provided training primarily benefits a relatively small portion of the American workforce. For one thing, larger companies spend relatively more on training employees than do small and medium-size companies, which often do not have the resources or time to train their workers. Moreover, workers for these smaller companies tend to earn less and receive less generous benefits packages than do their counterparts at major corporations. Even within large companies, training is disproportionately provided to professionals and higher-salaried employees. And understandably, companies do not usually train workers for new careers, the option that for many people offers the best chance of moving up the escalator.

Robert Shapiro, former vice president of the Progressive Policy Institute and current Under Secretary of Commerce, has suggested an innovative way to encourage firms to spread around the training wealth more evenly. He notes that currently firms may count any training expenditures as a tax deduction — even those for junkets by top managers who attend a few courses in the morning at some resort but then frolic at the beach or on the links for the rest of each day. Accordingly, Shapiro suggests that much as the tax law now permits companies to deduct health care and pension costs only if they meet a “non-discrimination” test, firms should be able to deduct expenses for training only if it has been offered to a broad spectrum of the workforce.

Admittedly, writing workable, easy-to-apply non-discrimination rules is not simple. Current pension rules are a lawyers’ and accountants’ relief act. In addition, training expenses — some of which may consist of on-the-job instruction by full-time supervisors — are inherently more difficult to verify than health care and pension costs, which are almost always paid out to third parties. Nonetheless, the perfect should not be the enemy of the good. It should be possible to write a workable “safe harbor” such that firms could be deemed to satisfy the training non-discrimination test if, for example, they demonstrated that their training expenses constituted some portion (say 1 percent) of the salaries paid to the employees in the bottom 25 percent or half of their pay scale.

The non-discrimination test will not solve all problems with employer-provided training. Because training is like any other investment that firms consider making — it pays only if workers stay around long enough to apply the lessons they learn to help the firm make more money — companies may still be reluctant to help upgrade their workers’ skills. Nonetheless, because many workers do stay with their companies and so investing in their skills promises payoffs for firms, a non-discrimination test for tax deductibility of training expenses should at least help ensure that those at the bottom of the pay scale will not be left behind as companies design their training programs.

Create the LEAP Loan Program for Lifetime Learning

Changing the tax law to ensure that training is made more widely available within companies, however, is not likely to help most Americans who work for smaller companies or workers who want to develop skills for new careers. Nor, for reasons already given, will the new lifetime tax credit help many of these

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workers. Instead, these workers need *financing*, especially those in the bottom half of the income distribution who generally have very little liquid savings (outside of retirement accounts) to pay for further education.

The obvious solution to this problem is to provide LEAP (Lifelong Education Advancement Pursuit) loans, modeled on the program that has helped finance the educations of tens of millions of American college students, most of whom are still in the workplace. Through LEAP loans, people with household incomes below a certain threshold (such as the \$100,000 limit for the education tax credits) would be eligible for a certain amount of financing (such as \$40,000) over their lifetime. The loans would be provided at subsidized interest rates, carry long maturities, and defer repayment for a fixed period (say four years). Such a program need not be that expensive. If, say, two million workers borrowed an average of \$5,000 a year with an annual interest subsidy (counting the delayed payment benefit) of 10 percent, the government's total cost would be \$1 billion, or 1/6 of the annual cost of the recently enacted education tax credits. An added twist would be to base repayments on the borrower's income so that workers would not find themselves overburdened with loan payments if their incomes do not rise initially.

Create a Wage Insurance Program

The other component of any upward mobility program must be a better trampoline for those who temporarily fall off the escalator because of involuntary unemployment. The new idea here is to provide wage or earnings insurance to supplement — and, as a practical matter, partially supplant — unemployment insurance.

For many workers, the most significant loss they suffer when getting laid off is not the temporary loss of income while they look for a new job, but instead the immediate and often long-lasting erosion in their earnings when they do land new employment. Workers develop what economists call "firm-specific" capital in the jobs they currently hold: a set of skills

and relationships that often makes them more valuable to their existing employers than to their new ones, especially ones in a different industry. That loss of firm-specific capital is the reason many displaced workers have to return to the escalator on a lower step.

Wage or earnings insurance would help compensate workers for this painful adjustment, while providing strong incentives to returning to the escalator as quickly as possible. For example, under the version of the idea outlined in *Globaphobia* (a recent Brookings-PPI-Twentieth Century book I co-authored with Gary Burtless, Robert Lawrence and Robert Shapiro), displaced workers would be provided — for some period of time — a portion, say 50%, of their wage loss suffered in taking a new job. The total compensation would be capped at \$10,000 to ensure that upper income individuals were not disproportionately compensated. Payments would be made through the states, as with current unemployment insurance. To provide a concrete example: A worker who made \$40,000 at her old job who takes a new job paying \$30,000 would collect the equivalent of \$5,000 a year (50 percent of the \$10,000 income loss) until the eligibility period expired.

Of key importance: Workers would not begin collecting wage insurance payments until they found a new job, and would collect only for a set time period that would be counted from the time they were laid off (say, two years). This feature would provide a very strong incentive for workers to find new employment, even if it meant taking a pay cut, which can be viewed as either the loss of firm-specific capital or the amount the firm must reinvest in training the new employee — or both. Indeed, wage insurance can be seen as a subsidy for the kind of training that has proved to work the best: on-the-job rather than in a classroom, where job placement prospects always will be uncertain.

As a government program, wage insurance could take various forms. In its most limited version, it could be viewed as a supplement or even replacement for Trade Adjustment Assistance, aimed at workers displaced either by trade generally or by new trade agreements.

In that event, it is unlikely that the program would cost more than \$1 billion annually, and conceivably could cost much less.

The logic of wage insurance, however, argues for a more expansive application to the workforce. Trade, after all, is only one — and indeed a relatively minor — source of displacement. But a general program could be considerably more expensive. A variation of an economy-wide program would be to provide a refundable income tax credit to workers who suffer a loss in income exceeding some threshold percentage.

It might even be unnecessary to run wage insurance as a government program. Instead, government could work with private sector insurers to develop a product that these insurers could provide either directly to workers or through employers as a fringe benefit. Indeed, an increasing number of firms already are offering severance benefits as a fringe benefit to entice new workers, who understandably are worried that they could one day become the next victims of downsizings or mergers.

Private insurers can be expected to figure out how to structure insurance so as to minimize the familiar problems of "moral hazard" (insureds taking greater risks because of the insurance) and "adverse selection" (only the riskiest insureds signing up for the program). One possibility is to offer the insurance only for workers who have been with a firm for some minimum period of time (say, one year), to avoid churning.

There is one impediment that insurers would need some government help overcoming, however. Insurers now do not offer unemployment insurance primarily because of the risk that a large increase in the statewide or national unemployment rate could require them to compensate many of their insureds at one time. For similar reasons, insurers are reluctant to write insurance against large natural disasters, which can cause widespread damage to many insureds simultaneously.

The government can address this risk, however, by selling reinsurance to private insurers to cover their costs when the statewide or national unemployment rates exceeds a certain threshold. Indeed, Congress has been considering during the past year a similar system for reinsuring property-casualty insurers against large disaster-related risks.

Where Will The Money Come From?

An effective program for expanding the winners' circle in the New Economy need not be prohibitively expensive. Adding training non-discrimination provisions to the tax code probably wouldn't cost anything and, indeed, might gain the Treasury some revenues if it increased productivity. As already noted, a lifetime skills upgrading loan program could be structured to cost in the \$1 billion range. A carefully targeted wage insurance program might have a cost that is at least similar and, arguably, much less if run as a reinsurance program for private insurers (which, if properly priced, need not cost the government anything).

Whatever the modest costs, they should be kept in perspective. With new education tax incentives in place, the federal government now spends directly and through the tax system over \$13 billion annually assisting college students with their education. Counting the lifetime learning credit, the government spends only about \$8 billion on training all the rest of the workforce combined. A modest increment for those already working is a small price to pay to assist Americans to climb higher on the economic escalator.

It should be a matter of principle and pragmatism that all Americans get a chance to share in the opportunities presented by the changes that are shaping our world. If America is to succeed in the New Economy, then *Americans* must succeed — and the circle of opportunity must be expanded so that no one is left out. ♦

THE PRESIDENT HAS SEEN
1-24-00

Tony / Speechwriter
Think quite good
G. H. Hall
TR

Carolina's Place in the World:
Impetus for Change
Remarks to the UNC-CH Campaign Cabinet,
October 15, 1999
Ruel W. Tyson, Jr.
Director, The Institute for the Arts and
Humanities

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I am pleased to be here to offer some reflections on the theme: "Carolina's Place in the World: Impetus for Change."

You will agree I have been given plenty of scope; and fortunately for us all, a very limited time to employ my telescope and magnifying glass.

One of my beloved teachers once told me that when she is before a class of students, she feels, just over her left shoulder, a

small chorus of her own former teachers, some living, some dead. I feel that way as I speak to you. Included in the chorus I am listening to as I speak to you is Michael Hooker. It would be both folly and presumption for me to say I speak for him. He has already spoken, in word and deed, for himself, and thereby, bequeathed to us a demanding legacy that commands our respect and attention. However, there can be no doubt that my remarks today are deeply affected and deeply informed by my conversations with him; my reading of his words; and my sharing of his orientation toward "Carolina's Place in the World."

The Greeks had a word for a special
kind of time. This word does not refer to
clock or calendar time--that is what they
called chronos-- chronological time. The
word they used for special time was kairos--a
full time, a time pulsating with opportunity--
the time when we have an opening, to hit the
target.

"There are some nicks in time which
whosoever finds may promise to himself
success."

So quotes the Oxford English Dictionary
(1628)

We are in our nick of time! But these
openings are not permanent or stable. They
are fleeting and only available to those who

are agile, swift, and possessing the courage
to act against the ever ready excuses for
taking no action: tradition, nostalgia,
proven routines, comfort in current
competences which we may be loath to test
under novel conditions. I am convinced that
one of the most resistant obstacles to change
is the exercise of competence by
professionals, whatever their institutional
location. The exercise of proven competence
is pleasurable and rewarding. Thus careers
are made. Why take the risk to move into
unknown openings where our proven skills may
reveal us as us incompetent? I fear few
professionals, including not many faculty
members, would agree, at least in their
practice, with Hiroshi Mikitani, age 34, who

was quoted the other day in the New York Times(8-30-99): "One of the most important things for an entrepreneur is that you feel everything as a challenge and not as an obstacle."

Michael Hooker had the strong and passionate conviction that our University is in a time of kairos: we have an opening, an opportunity- to do what? To delete what is just ordinary; to make what is good, great; to make what is great, greater; to make the greater the greatest. We will not accomplish that challenge by carrying out business as usual.

Business as usual will not move us to the advantage this perishing occasion offers to us. Business as usual is a ticket to the museum of history and archives. And the cliche--"If it is not broke, don't fix it"-- is not insight but a blind defence against innovation. Such a counsel is fixed on the tried at the expense of the true.

These openings are not permanent; they are fleeting. Unlike chronological time, this special kind of time runs out.

One of the most difficult intellectual feats we must learn to perform, over and over, is to learn that in an era marked by structural change of the most profound order, the need for innovation is not to be followed by times

of stability and comforting repetition. No.

The times we live in require a constant
posture of innovation, a habit, not a skill
to be exercised between periods of stability.

You, the members of the Campaign Cabinet, are here to assure that we do not miss the opening; to reassure us that the road to success is lined with mistakes and failures; and to remind us that each such mis-step is an opportunity to learn how to negotiate the next milestone because the requisite changes, no matter how painful, have been made. And, to keep us from confusing the true with the tried. This is, I believe, is your opening to leadership and your mandates that must accompany it.

At the end of my remarks, I will offer an image for you to consider as you seize the occasion to take our lead.

"Carolina's Place in the World" That phrase, for some, perhaps, for many, is a very bad mis-placement. Why Carolina's place is. . . at Carolina!

Anyone standing under the great canopy of trees in McCorkle Place the other day while the Johnston Center was being dedicated can appreciate that sentiment and its power to identify us with the campus, with this place. Add to these inclinations the fact that we live in a region which once defined who you were by where you were, or where you

were from, your kin and place. Today that is
a novelist's fiction. I suggest to you that
the University which stays at home will
become a relic

To allow our imaginations to be
captured by the magic of the Chapel Hill
bubble, in which so much brilliance, so much
sentiment is invested, would be to blind us
to the opening we have— would be to deny us a
recognition of the opening presented to us.

What is Carolina's Place in the World?
The quiet irony in that question is that it
cannot be answered by naming places.

Our world is being transformed by two
powerful and pervasive interactions -what I
referred to earlier as deep structural

transformations: globalizing economies, on
the one hand, and the virtualization of
reality, on the other.

I am saying that computer technology is
the connection--pun intended-- between global
economies and a decisive shift in our
understanding of reality. With that shift
goes a revision of how we practice knowledge,
discover it, teach it, distribute it.

This is already a most dis-locating
experience. Revision of practices we are
highly competent in performing is very
painful. Like learning to walk all over
again. What do I mean by that?

To tell you what I mean requires me to dig a little deeper into the consequences of information technology and point out some dimensions which have been obscured by our need to get wired and to get equipped--and by our love affair with gadgets-- And by our misunderstanding of what the tools of knowledge do to the practitioners of knowledge.

We have, I believe, assumed we can slip these new machines into existing organizational structures and routines; existing methods of research; and proven pedagogies without serious changes in our relationship to the practice of knowledge.

A long time ago, Marshall McLuhan reminded us: We make our tools and our tools make us.

As many have pointed out, I happen to have in mind Peter Drucker, with the current information revolution we have entered the fourth such transformation, not just of the tools of communication but of a corresponding change in the way we understand reality. When our relations with reality change, many other changes are set in motion, many of which we do not understand and cannot foresee. The first such transformation was the invention of writing, 5-6,000 years ago; the second was the invention of books; and the third was the invention of the movable type and engraving (1450-1455). The fourth is the digital revolution we have only known for short

decade. Another and shorter version of these decisive transformations is to say we undergone major shifts from oral to scriptural-textual, and now to digital. It is not the change of the means of production which drives history but the change in the means of communication. (see Peter Drucker, Forbes Magazine, [or Forbes ASAP] 8-24-98)

These changes will require us to redefine how we do our work--in its three major sectors of teaching, research, and public service.

I cannot, of course, go into the necessary detail here, so allow me to make contrast between how we organize knowledge currently and how we are beginning to

organize knowledge, in many cases without fully realizing what we are doing.

Notice the terms we use currently-- positions, fields, disciplines--all terms depend on border guards to protect self-contained and sovereign fields. It is within these fields that both faculty members and students can achieve a degree of mastery through scholarship and learning. The very notion of scholarship tends to take as a given exclusions and limits through which any field of knowledge is constituted as a self-contained location. However, in a virtualizing era, these exclusions which define fields and positions are less and less effective.

I do not believe it is mere accident that the vocabulary so accessible to us now as a result of the computerization of information is one that stresses dynamic relation, rather than static fields, space rather than place. We are, in short, moving from metaphors of place and location to metaphors of space, to relations and connectivity, from containment fields to sites linked into and by networks.

It is no accident that the earlier conception of knowledge, as fields and disciplines, is highly compatible with an institutional structure that looks like a pyramid. I just used a term that is very, very different from a pyramid. It is network. Try finding the top or the bottom or the

center of a network! Try using
sequential(narrative)logic on it!

You must disregard this little opaque
excursion. My intention is to suggest that as
our ways of knowing and communicating change,
so will the shape and patterns of our
institutions. They already are. We have safe
names for some of these changes like, inter-
disciplinary. Such clusters (dare I say
networks?) lack fundamental legitimacy since
they cannot be easily ranked. Rankings, I
might add, is another version of the pyramid.
Or take the common notion of inside and
outside as locaters of institutional
boundaries. What sense does this way of
thinking make in Carolina's space in the
world?

Carolina's space in the world, you will note the change from place to space, depends on many things to see us creatively through the opening we now have. I will only mention a few of many.

First, we cannot take advantage of the new world environment we are entering with the majority of our funding tied up in permanent commitments, primarily people.

Just as the large retirement cohort forthcoming, as the Provost mentioned, will present severe market pressures for the best faculty nationally, so will that same retirement exodus free up funds for more flexible, less long term commitments. In the new economy, the competitive advantage goes to the nimble and malleable, the

flexible and quick. Speed and agility trump
permanent commitments which will run into a
future we know little about, perpetuating
patterns and work of the tried but
progressively less true. Currently, we have
minuscule funds for venture capital, or for
experimental ventures, for challenging the
innovative potential of our faculty. If we
can have endowment for permanence, why cannot
we have endowments for shorter term
experiments to test new ways of teaching,
research, and service in an era of virtual
reality. For example, as far as I know, there
is no group on our campus giving concerted
attention to the longer term consequences of
information technology, how it is shaping our
ways of knowing the world; its political and

social implications; and its ethical implications.

Second, recognize that innovation happens more on the fringe and less in the center of organizations. Cultivate work on the fringe which may or may not, at a later time, be connected to the center of the institution or spun off. Test this proposal: "Because skill guilds constrain and defend an organization, it is often far easier to start a new organization than to change a successful old one." (Kevin Kelly, New Rules for the New Economy). This proposition has been well studied by Clayton M. Christensen of the Harvard Business School in The Innovator's Dilemma: When new technologies cause great firms to fail. While

it may offend many, I think this University is a great firm— Indeed, it is a species of the genus corporation, at least as the medievals understood it.

Third, again, because of the demographic shifts within the faculty through retirement and a large cohort of new hires, we have an opening to nurture and train a new generation of leaders from within our own ranks. We have finally learned that a Ph.D. does not a teacher make; now we need to recognize that a Ph.D. does not a leader make. A few leaders may be born but most are engendered by organizations that seek to be good stewards of their own future.

Finally, what of the humanities? Who speaks for them? The University's schools

which service the professions; the departments and schools that produce science and technology all have an assured base of support and a strong likelihood of sustaining themselves because of their direct linkages to global economies.

Michael Hooker worried about the humanities. He saw a great role for them, in part in grappling with the ethical problems scientific advancement is creating in such mind-numbing rapidity and complexity. And he saw the key role the humanities play in a liberal arts undergraduate education. He said, "The best way to equip people to live a productive and meaningful life is to give them an education in the liberal arts. These disciplines teach people to think

analytically, critically, creatively, to make judgments in environments of ambiguity and uncertainty and limited information."

But then he added--this is from a talk he gave at The Institute for the Arts and Humanities Autumn Saturday in 1998--

"The humanities are at risk from the digital age. The risk is, he said, that the rest of the world will shift focus away from the humanities and toward practical skills. He worried that the Jeffersonian ideal of enabling people to become better citizens and public policy decision makers and to grapple with the moral ambiguities of the revolutions in science and technology would not attract the support, not to speak of value recognition. It follows from this that he

foresaw what is already the case, the widening gap in support and incentives between the sciences and those professions which directly supply the economic needs of world societies.

Carolina's space in the world most assuredly needs Carolina's place, this place, to be where the humanities and undergraduate liberal arts education are both users and critics of the new world of virtual reality, the consequence of the digital revolution. However, this does not excuse the humanities from venturing forth into the worlds of virtual reality on behalf of these very same values and programs. But they will be different.

I said earlier that I would end my remarks by proposing an image first to you, the Cabinet, and then to the rest of us, as we enter the Campaign. It is in a quotation from the late English philosopher Michael Oakeshott, in his book, The Voice of Liberal Learning, and it provides an image of the leadership we need:

┌ Not the cry, but the rising of the wild
duck impels the flock to follow him in
flight. └

With your rising, we are ready to follow you in flight toward our common, unknown futures.

Thank you for your attention.

THE PRESIDENT HAS SEEN
1-24-00

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**SPEECH BY JOHN HENDRICKS:
"TRANSFORMING THE INFORMATION AGE INTO
A NEW AGE OF ENLIGHTENMENT"
THE ROYAL TELEVISION SOCIETY
LONDON, ENGLAND
APRIL 20, 1999**

Thank you, Tony Hall for that gracious introduction. I also want to thank chairman Michael Bunce and all the members of the Society for affording me an opportunity to address this distinguished gathering of television professionals. As you all know, in the United States, we have our own colloquial version of the English language. To us the word, "royal" is synonymous with a baseball team in Kansas City. We also use it to indicate a state of quintessential dominance, as in "Lennox Lewis administered a 'royal' beating to Evander Holyfield" -- even though they called it a draw.

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But here, we know the term "royal" has a deeper

meaning. And when you were anointed a “royal society” in 1966, it was a moment of high distinction. As the world’s oldest and most respected television society, you have been on the cutting edge of innovation and excellence. And for that, the world owes you a tremendous debt of gratitude.

Tonight, I want to share my thoughts and excitement about the vast potential of television and mass media at the dawn of the 21st century. In particular, I want to elaborate on my belief that we have, not only the potential, but the obligation to transform this extraordinary Information Age into a true new Age of Enlightenment.

In thinking about that high purpose, it is at once humbling and inspiring to stand on the birth ground of the original Age of Enlightenment -- marked by pioneering

surveyed the powers of our own minds, we shall not be inclined either to sit still . . . in despair of knowing anything; nor on the other side, question everything, and disclaim all knowledge, because some things are not to be understood. It is of great use to the sailor to know the length of his line, though he cannot with it fathom all the depths of the ocean.”

I believe we can draw a parallel to our times. Like many of the ideas in the first Age of Enlightenment, the emerging technologies of the 21st century – in cable, digital TV, the Internet (and the convergence of all these and more) -- have been and, in some circles, still are looked upon with deep skepticism. But, in the first Age of Enlightenment, recognizing that the pursuit of knowledge was among the supreme goals of humankind did, indeed, eventually enable the world to break free from primitive,

limiting and dogmatic beliefs.

Those same values will help us take another quantum leap in human potential and understanding in our times. Today, the media are on the cusp of undreamed of capabilities. But, we in the media have a special responsibility not to waste this potential or to let it be applied in harmful ways. To do that – to borrow from Locke – we must know the length of our line, meaning: First, we must understand, as well as we can, what this potential actually is; and, second, we must consider how much our application of this new power will, in fact, determine its value.

Let me put the breakthroughs we are now witnessing in context. We are on the brink of the third great revolution in television. The first, led by visionaries like

Campbell Swinton and John Baird, gave us the wonderful invention of television around 1940. But for many decades, the consumers of this service had very limited control over viewing options. To be somewhat anachronistic, it was broadcasters, not consumers who held the remote control.

The second great revolution in television occurred around 1975 with the introduction of satellite-delivered cable television. This spawned networks like Discovery Channel, CNN and HBO. And “remote control” was indeed taken out of the exclusive hands of television executives, giving more viewing choices to an increasing number of homes.

Now, we are entering the third great revolution: The pending mass conversion to digital delivery and high-definition television. It is putting even more power

and control in the hands of the viewing public.

This revolution is being sparked by exciting new breakthroughs in digital technology. The practical key to this for the cable industry is bandwidth technology. High-speed modems are now becoming 10,000 times faster than anything we have ever known. Cable, however, is not the only means advancing at breathtaking speeds. Just last month, Hughes Space and Communications Company announced it is investing in a two-way data satellite network called "Spaceway." Plans are to begin operating in the United States by 2002 – with service throughout the world, including the United Kingdom, close behind.

The result of all this technology is much greater choice – hundreds of choices on television and, eventually,

thousands of choices in a converged version of the television box and the computer box. Indeed, we are headed very quickly towards a world of access on demand – in television, audio and all forms of information flow.

In some ways, these breakthroughs remind us of a much older media format, that of text itself. After all, one of the greatest values of the printing press and the books it produces is to put content in the hands of many people, whenever they require it. Part of the human condition is to experience curiosities of the moment. But even given the great opportunities of that older communications revolution, most people cannot always run down to the bookstore whenever they are hit with a particular curiosity. Now, we can imagine much greater command over the information we need to satisfy our curiosity -- whenever we want it. We are, indeed, creating new portals of

knowledge.

Thus, in the worlds of entertainment and information, even relatively new innovations such as “All news, all the time” are being overtaken by “all sports news or all business news, all the time.” At Discovery, we have created digital channels which draw on our libraries to satisfy specialized viewing appetites, including “all science” – with the consumer, again, in control.

The future is about more than choice alone. We have the power to create an entirely new experience, what I call “telepresence.” This is, simply, the ability to use your television or computer to go anywhere in the world and to immerse yourself in that spot. Discovery uses an exciting new technology called Omniview (®), which is a 360-degree, all-directional photographic operation. This techno-

so revolutionary that the company that invented it, IPIX, cannot produce a brochure to show what it looks like.

We use it on Discovery dot com to take viewers to our "Picture of the Day." Today, for instance, a young girl in London could take a full 360 degree visit to [checking on the picture site for day of speech] by clicking on our Web page. And that is only the beginning of the applications we might imagine.

This is all awe-inspiring. But the greatest potential of all is for this technological revolution to lead to a content revolution. What excites us at Discovery more than technology is the potential it holds for expanding human knowledge and understanding.

Indeed, I believe it is crucial for all of us here to keep one fact in mind: We are in the content business, not

simply the business of one technology or the other.

In fact, I probably would not be standing here tonight if the big three U.S. television networks – CBS, NBC and ABC -- had not miscalculated in the late 1970s. They defined themselves as broadcast technology companies, rather than content providers. That mistake allowed Discovery and other cable networks to carve out opportunities that truly became the wave of the future. Today, at Discovery, we go to great lengths to remind our employees that we are not in the cable, or even the television business alone -- we are a content enterprise. That thinking has taken us beyond the television, around the globe and into virtually every arena of knowledge – from books and stores to schools and the Internet.

It is important to focus on content, rather than simply technology, because it underscores a crucial reality:

There is nothing inevitable to ensure that the great potential of this moment will be realized or used wisely or even for the common good. More choice is not necessarily better choice. More information does not necessarily make us better informed. We must avoid the fate of being able to see much more, yet know much less.

As we are seeing, there is the potential for nagging annoyances on the Internet, like the unwanted advertising clutter we call "spam." And there is also the very real danger for gross misuses of this technology -- from hackers, virus spreaders, and people bent on spreading misinformation and even violence and terror. We have a responsibility as leaders in this field, to make sure we use this power the right way and towards the highest purposes.

There are no magic potions to ensure we will do this. But it will help if we are guided by a set of eight principles aimed at using this pivotal moment in communications history to usher in a new Age of Enlightenment. I do not intend this list to be exhaustive. But it is a set of ideas and ideals that can help us enlighten while avoiding the negative pitfalls before us.

The first principle is an unshakable commitment to quality. We must never sacrifice the creation of the highest quality content to the pursuit of the largest audience. Though many forces will pull us away, we must never stop striving to create programming and products that elevate as well as entertain. At Discovery our goal is to tap into the mass audience in its curious or learning mood – and to satisfy that mood in a positive way. We have learned a great deal about this from our many

high-quality partners here in the United Kingdom.

That is one of the reasons we have been so proud of our one-year-old joint venture with the BBC. We are thrilled – as we know you will be – by the remarkable feat of “Walking With Dinosaurs,” the first documentary to come out of our venture. When people see it next year, it will have the power to raise to an unprecedented level the on-going effort to both educate and entertain. We can hardly wait.

The second principle is always to remember the fundamental value of storytelling. Storytelling is the basic way our species passes on our most important precepts from one generation to another. And, just as suspenseful stories kept our ancestors riveted around campfires, today they are the magnet that attracts families to their television sets. We should keep that in mind as we try to order vast new flows of data – using good stories

that pass on values as well as information. It was, after all, not any of the accomplished technical geniuses of the last 1,000 years, but a master storyteller named William Shakespeare, who was chosen the Man of the Millennium in a recent BBC “Today” poll.

The third principle is to think globally and to act locally. The new technologies give us the chance to span the world and tie it together in ways never before imagined.

The goal is not to export one culture in an effort to dominate and denigrate others. It is to showcase a mosaic of influences – to venerate the best of many cultures in hopes of forming a truly global culture.

I am pleased that this is what Discovery strives to do in 145 countries and 23 languages throughout the world – with programming that draws on many of those cultures to satisfy the curiosity of our viewers everywhere.

Fourth, we should strive to enhance a spirit of community. The Internet and the formats that will arise from it offer humanity one of our greatest tools to date for satisfying our desire to connect with fellow human beings who share our interests. In many ways our children are pioneering this potential. Through their natural curiosity, they are stretching the boundaries of the possible, showing how to create new ways to – in the words of E.M. Forster – “only connect.” When I think about how my children use their “buddy lists” to chat endlessly with their friends, no matter where they are, I remember growing up in Huntsville, Ala., with party-lines – which made keeping secrets in our little community very hard. These new means of communicating are providing the new town squares or local pubs of the global village. We must find ways to increase their use – even as we try not to give up

on the older version of the pub.

Fifth, we must focus on empowerment. We must not simply give people more information. We must give them news they can use ... tools to help them make the most of their lives, to make wise business or lifestyle choices and even to improve their health. We are now launching a new venture called "Discovery Health Media." Our goal is to be the world's most useful and authoritative source of information via television and the Internet about medical and health topics. We intend to help millions of people around the world live better lives.

Following on that, the sixth principle is to use the new media to expand educational opportunity. That means not simply making sure our children have access to the Internet. We must also ensure that their teachers are

trained to use the technology, that their parents have access to it for their own lifelong learning, and that we have the content necessary to teach them. This year, I am co-chair of a group in America called the CEO Forum on Education and Technology. It includes the top corporate officers of some of our most influential Information Age companies. We recently issued a report that showed we are making great progress in bringing computers and the Internet into classrooms. But we also showed that, by 1997, only three percent of America's schools were maximizing educational technology. That is why, this next year, our group will focus on how to improve the content our schools have available.

As we work to improve that situation, we must also make sure that the digital revolution does not create a new digital divide between the haves and have nots.

This moment is too important to allow its power to reside only in the hands of the fortunate few. I am particularly proud that we have formed the Discovery Channel African Educational Initiative to bring video technology and educational programming to poor parts of Southern Africa. This year, it will become the Discovery Channel Global Education Fund, as we open sites in Latin America.

Seventh, we should use these breakthroughs to give people a better balance between work and family. We can help people tailor their time and their lives, so that they can be both more productive workers and stronger family members. And, in doing that, I actually believe we will help to ensure that all of this information is absorbed better by healthier and happier children, whose parents are not torn by the demands of work.

All of these principles are important. But given the fast-pace of our world, none is more important than this last one: We must never be blinded by the arrogance of the moment into believing that we know all the guiding principles or have all the answers. We must remain open, inquisitive and always ready to surprise ourselves with innovation. Nothing is certain except that the frontier ahead of us will be constantly shifting. Or, to borrow again from John Locke, even if we know the length of our line, we will barely be able to fathom all the depths of the ocean that lies ahead.

In closing, I encourage you to develop your own guiding principles for this exciting new age.

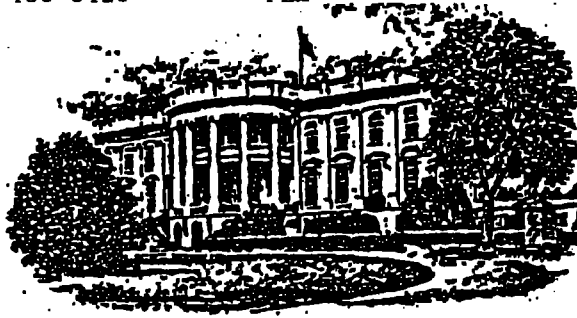
The important thing to remember is that if we embrace our immense responsibility, then I believe we can use television and the new media to bring about a new Age of

Enlightenment. I leave you with a simple but profound statement from a former member of America's Federal Communications Commission named Nicholas Johnson.

He said, "All television is educational television.

The only question is what it is teaching." The answer we give to that question will help shape, for better or worse, the world of the 21st century.

Thank you again for this honor, and goodnight.



THE WHITE HOUSE
WASHINGTON

FACSIMILE / MEMO FROM: Renée Sagiv
OFFICE OF PRESIDENTIAL LETTERS AND MESSAGES
OLD EXECUTIVE OFFICE BUILDING, ROOM 93

VOICE: (202) 456-5519 FAX: (202) 456-5426

NUMBER OF PAGES (INCLUDING COVER): 3

DATE: 1/24

TO: Joshua Gottheimer

VOICE: _____

FAX: 62505

☐ FOR YOUR ACTION

☒ INCOMING LETTER(S) FROM: Eliz. Birch
RE: SOTU

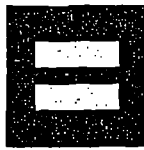
☐ FOR YOUR REVIEW / APPROVAL

☐ PER MY E-MAIL OR VOICE-MAIL MESSAGE TO YOU

☐ PER YOUR REQUEST

ADDITIONAL COMMENTS:

F41 - We have responded to this letter w/ a POTUS response that says "I have shared your suggestions regarding my SOTU address with members of my staff." I know it's late to be doing so, but I thought I'd pass the letter along.
Thanks
- Renée



HUMAN
RIGHTS
CAMPAIGN

507647

January 18, 2000

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

Dear Mr. President,

As you prepare to deliver the first State of the Union address of the new millennium and the last of your Presidency, you and the country have an enormous amount about which to be proud. Never has there been such prosperity and peace, both at home and around the world. While there are clearly still problems and challenges to be addressed, you and all of us as Americans have much about which to be proud and optimistic.

As lesbian and gay Americans and our friends, family and supporters, we also have much to celebrate about the last seven years. Your leadership as President on issues affecting the lesbian, gay and bisexual community has been unprecedented and I want you to know it is deeply appreciated. While the progress has not been easy and we have all faced setbacks and disappointments along the way, it has been undeniable, and I believe in many ways irreversible.

Having said that, as we enter the final year of your Presidency, there are still critically important parts of our mutual agenda that remain unfinished. The Employment Non-Discrimination Act (ENDA) and the Hate Crimes Prevention Act (HCPA) are two vitally important pieces of legislation that continue to languish in Congress. The AIDS epidemic rages on, despite the strong commitment from your Administration and significant advances in medical treatment of the disease. I would ask that, in your upcoming State of the Union, you address each of these issues in some detail.

As you know, the issue of workplace fairness for lesbian, gay and bisexual Americans is highly popular with the public. Over 80 percent of the public support equal job opportunity, regardless of sexual orientation, and almost 60 percent specifically support ENDA. Your mention of ENDA in various speeches and particularly last year's State of the Union is deeply appreciated. However, the American public does not share our sense of urgency to pass ENDA because 85 percent of Americans already believe it is illegal to fire someone because of their sexual orientation. I would ask that you not only mention ENDA, but take just a moment to say that there is no federal law prohibiting job discrimination on the basis of sexual orientation. As a result, in 39 states it is legal to fire someone regardless of their job performance and that is why we must pass the Employment Non-Discrimination Act to prohibit job discrimination on the basis of sexual orientation. Getting this message out to the public is an essential ingredient to successfully overcoming the obstructions of the Republican leadership in Congress. No one is better situated to deliver that message than you.

WORKING FOR LESBIAN AND GAY EQUAL RIGHTS.

919 18th Street NW, Suite 800 Washington, D.C. 20006
phone (202) 628 4160 fax (202) 347 5323 e-mail hrc@hrc.org

JAN 21 2000



U.S. DEPARTMENT OF TRANSPORTATION
STATE OF THE UNION INITIATIVES
JANUARY 2000

cc: Terry Edmonds
Tom Friedman
Jeff Smith

(cc.)

TE: Stooly
LW - 5/1/00

I. TECHNOLOGY INITIATIVES

The Department of Transportation (DOT) is engaged in a number of initiatives of national significance which are part of the President's challenge "to make further breakthroughs in science and technology" to improve the quality of life for all Americans ensuring that no one is left behind.

A. Global Positioning Systems (GPS)

Global Positioning Systems will be the basis for revolutionary new services and products in the new millennium. These worldwide, all weather, satellite-based positioning, navigation, and timing systems will provide new services across the economy from agriculture, banking, and telecommunications to safety-of-life services for aviators and mariners. They will be the bases for expanded international air navigation and air traffic control systems, making them safer and more efficient. GPS will also enable more efficient bus and truck fleet management, more timely and accurate traffic information to prevent or reduce traffic congestion, and safer, more cost efficient, and reliable operations of the nation's rail industry. To realize the full potential of GPS based services to meet rapidly evolving needs, the Vice President announced on January 25, 1999 a GPS modernization initiative for both military and civilian uses. In the next decade, two new civilian signals will be added to future GPS satellites. As a result, US productivity and the global economy will greatly benefit as our national infrastructures are improved through the use of satellite navigation, positioning, and timing services so that we can more effectively meet our nation's critical logistics needs. DOT's investments in GPS and its augmentations are planned for a level of \$139 million in FY 2001.

B. Marine Transportation System/Coast Guard Deepwater program

Over 95% percent of America's import and export goods travel to and from our nation by ship. This level of trade is expected to at least double over the two next two decades. Last year, working with the both public and private stakeholders in this industry, the Clinton-Gore Administration sent to the Congress a comprehensive evaluation of the Marine Transportation System as well as an agreed upon strategy for making the U.S. Marine Transportation System the world's most technologically advanced, safe, secure, efficient, accessible, globally competitive, dynamic, and environmentally responsible system for moving goods and people.

A related component is the Coast Guard's deepwater initiative that will develop and build new capabilities to deal with threats to ocean fisheries, the smuggling of drugs and illegal immigrants across the oceans, and search and rescue operations on the high seas. These deepwater capabilities will require revolutionary technologies to construct and operate a new integrated system of vessels, aircraft and sensors; new training regimens to create the workforce to operate this fleet; and a 21st century organization to manage it. The FY 2001 budget proposes \$42.3 million for the deepwater initiative.

C. Modernizing Air traffic system

From the age of the Wright Brothers to the exploration of the solar system and beyond in the 21st century, our nation has pioneered the frontiers of flight. But new challenges for a safer and more efficient commercial aviation system confront us. We have begun to modernize our air traffic control system and have made safety in the skies our top priority. But we must do more to meet the challenge of ensuring the safe and efficient movement of over one billion passengers annually -- a projected 51 % increase over last year's levels by the year 2010. The experience of making air traffic systems Y2K compliant is spurring us on to finish the modernization of traffic control systems around major airports, to fully implement the concepts of "free flight" for long-range trips, and to develop a new generation of aircraft to serve regional and private uses. The Administration has a comprehensive management strategy and legislative proposal designed to meet this challenge and is proposing \$2.5 billion in modernization funding in the FY2001 budget, an increase of 22 percent over FY2000.

D. High-speed Rail Service

As we enter the 21st century, Amtrak will inaugurate the first-ever high-speed rail service on the Northeast Corridor from Boston to Washington, D.C. Reaching speeds of up to 150 miles per hour, these trains will improve travel time (three hours from New York to Boston, less than two and one half hours from New York to Washington), reduce both surface and air space congestion in that corridor, and offer travelers more choices for transportation. The Administration will request nearly \$500 million in new resources in the FY2001 budget to extend this concept to other high-speed rail corridors around the country. Working with the states, we have identified at least eight such corridors.

E. Intelligent vehicles/Advanced Vehicle Technologies Programs (AVP)

As we move into a new century, we will improve the safety of cars and trucks through technologies that will alert drivers to potential collisions before they happen, that deploy advanced air bags to protect all occupants regardless of age, size, or gender, and that detect faulty mechanical systems before they fail. Intelligent transportation systems that integrate in-car technologies and outside traffic control and information technologies will be deployed in the nation's 75 largest urban areas by 2006. The FY2001 budget includes \$338 million for these systems and their deployment, a 60 percent increase over FY2000.

Building on the success of the Partnership for a New Generation of Vehicles (PNGV) for more fuel efficient, low polluting cars, DOT is strongly supporting the Advanced Vehicle Technologies Program (AVP). AVP is another collaboration between the federal government and over 500 companies, universities, laboratories and state and local governments that will combine innovative technologies and program management practices to produce new vehicles, components and infrastructure for medium- and heavy-duty transportation needs. The Department of Transportation, which leads the AVP, is requesting \$20 million in FY 2001. The goals of the AVP are to: reduce vehicle emissions beyond the 2004 standards; improve vehicle fuel efficiency by 50 percent; enhance global competitiveness of U.S. advanced vehicle industry; and increase public acceptance of advanced transportation technology.

II. PROTECTING THE ENVIRONMENT

Transportation is often viewed as part of the problem with respect to the quality of our air and water. The administration has taken strong actions to change that perception and to emphasize environmental compatibility and sustainability in the construction and operation of transportation facilities and systems.

A. Combating Climate Change

Transportation accounts for more than a quarter of the Nation's greenhouse gases associated with growing trends in global climate change. The Department has established a Center for Climate Change and Environmental Forecasting, which will formulate a research agenda, and identify and evaluate strategies and technologies that can enable the transportation sector to reduce their emissions in a way that will safeguard economic growth, protect the environment, promote social equity and create livable communities.

B. Reducing Aviation Noise

Through the use of innovative technology and land use planning, we have reduced the number of Americans who are exposed to adverse noise levels from aircraft operations by a factor of 10 over the past 25 years. We are continuing our commitment to improve the noise environment by working with the international community to adopt more stringent aircraft noise-emission standards, improve noise compatibility within airport environs, and ensure that our wilderness and park systems include areas protected from man-made noise. The FY2001 budget includes \$231 million for these efforts.

III. ENHANCING SAFETY

While recent transportation safety trends have been positive, in terms of reduced deaths, injuries, and economic costs, "now is not the time to rest, but a time to build".

A. Fostering Safer Skies

Due to the efforts of this administration, our aviation system is the safest in the world. Over the last two years, there has been only one fatal crash involving a U.S. commercial carrier. We must build on this record by providing funds to improve and maintain a modern air traffic control system, which is the fundamental basis for the continued safety of this system. We must also continue to pursue vigorously efforts to enhance aviation safety. The FY2001 budget proposes \$1.1 billion for FAA's aviation safety efforts, a eight percent increase over FY2000.

Our Safer Skies Initiative is designed to significantly reduce the fatal aircraft crash rate for commercial aviation by implementing a set of data-driven safety initiatives. These data identified our highest priority accident categories as Controlled Flight into Terrain, Approach and Landing, Runway Incursion, and Uncontained Engine Failure. In addition, we have developed a strong partnership, the Aviation Safety Action Program (ASAP), which brings airline management and labor together with the federal government. For the first time, we will have a structured, yet voluntary, effort to identify systemic safety concerns and to correct them before a catastrophic event occurs.

B. .08 National Drunk Driving Standard

Deaths and injuries from drunk driving continue to be a national public health concern. Almost 16,000 Americans - friends and family members - lost their lives in alcohol-related traffic crashes last year. Every two minutes an American is injured in an alcohol-related crash -- more than 305,000 individuals a year. Thousands more are affected by these needless tragedies. While the level of alcohol-related fatalities is now the lowest it has been since we started keeping these grim statistics, we must do more.

We should reduce the American standard for driving drunk to .08 percent blood alcohol content. The lives of our children and neighbors are at stake. If we don't act, next year more lives will end tragically. The FY 2001 budget proposes \$11 million to combat alcohol-impaired driving, nearly a 40 percent increase over FY2000.

C. Children's Health and Safety

The Department's motor vehicle and traffic safety related programs have a strong role in protecting and saving the lives of our children. These efforts include:

- Child Safety Seat Use (Newborns to 40 lbs)
- Booster Seat use (children 40-80 lbs.)
- Bicycle Helmet use, and
- Pedestrian Safety Programs.

For example, in 1996, we established a national goal of reducing child fatalities (0-4) 15% by 2000 and 25% by 2005. Since then, we have achieved a dramatic increase in restraint use among children of all ages, which helped reduce child (0-4) fatalities in vehicle crashes by 11% between 1996 and 1998. Despite this impressive progress, there is still much work to be done toward protecting our child passengers.

Pedestrian injury remains the second leading cause of unintentional injury-related death among children ages 5 to 14. Although pedestrian injuries are not as common as motor vehicle occupant injuries, a disproportionate number of the injuries sustained by child pedestrians are severe. Public education and awareness programs are helping to further reduce the number of these tragedies.

Bicycles remain associated with more childhood injuries than any other consumer product except the automobile. Children ages 5 to 14 (27.7 million) account for approximately 30 percent of all bicycle-related deaths and more than 60 percent of all bicycle-related injuries. Head injury is the leading cause of death in bicycle crashes and is the most important determinant of bicycle-related death and permanent disability. The single most effective safety device available to reduce head injury and death from bicycle crashes is a helmet. Unfortunately, national estimates report that bicycle helmet use among child bicyclists ranges from 15 to 25 percent. Helmet usage is lowest (for all ages) among children ages 11 to 14 (11 percent). Bicycle education programs and mandatory bicycle helmet legislation are effective.

In the FY2001 budget, our investment in these programs will grow to nearly \$100 million, a 26 percent increase over FY2000.

D. Reducing deaths and injuries on our roadways

The rate of deaths and injuries from commercial vehicle crashes has stabilized relative to the increase in traffic volume (at 2.8 fatalities per hundred million miles traveled); but the absolute numbers of deaths and injuries must be reduced (from around 5300 deaths per year for the last four years). The Federal Motor Carrier Safety Administration (FMCSA) is a new safety-focused organization with a commitment to reduce deaths from these crashes by 50% by the end of the decade. To reach this goal, we will deploy new technologies for collision avoidance and to monitor driver fatigue, we will create new partnerships with labor and management to promote safe practices, and we will modernize the regulatory environment for commercial vehicles to emphasize prevention of unsafe practices in addition to enforcement. As a first step in that modernization, we are revolutionizing the way we do business through an e-commerce approach to commercial vehicle owners, receiving applications from motor carriers electronically as well as collecting fees and fines in the same manner. Our FY 2001 investment in motor carrier safety is \$279 million, a 54 percent increase over FY 2000.

IV. LIVABILITY INITIATIVES

Continuing our economic growth and international competitiveness, improving our standard of living in communities across the nation, and preserving our fragile environment, require new options and new approaches to transportation.

A. Flexible funding for state and local initiatives

Over the past year, many of our nation's communities and states have focused on smart growth initiatives. Maryland Governor Glendening's Smart Growth strategy for state investment, and Governor Roy Barnes' creation of the Georgia Regional Transportation Authority (GRTA) are but two examples of innovation in this area. Michigan's Governor Engler and Arizona's Governor Hull have also advanced legislative proposals in this area. The Vice President's Livability Initiative, building on the successful passage of ISTEA in 1991 and TEA21 in 1998, is designed to help support these efforts, and we are proud of the early results.

Since the start of this administration, over \$14 billion has been "used" by the states to enhance community transportation in non-traditional ways. These funds have been used to expand transit options, to build bikeways, trails, and pedestrian access routes, and to rehabilitate community transportation facilities, e.g. center city train stations. In our FY2001 budget, an additional \$2.3 billion is proposed for these purposes – and states may increase this commitment by flexing additional funds.

With overall transit funding guarantees of nearly \$36 billion through FY2003, almost \$1 billion is available annually for investment in transit new starts. These major construction projects are at an all-time high with new systems or improvements underway or planned in over 50 urban areas around the nation. The Transportation and Community System Preservation (TCSP) pilot has helped 35 communities begin to plan and implement transportation strategies that support community preservation and enhancement and even more communities will benefit this year. For example: Tool Town in downtown Dayton, Ohio, will establish a precision metalworking park on

underutilized industrial property. TCSP funds will be used to develop a schematic campus master plan, including an implementation schedule and funding strategies. Also, in northern New Jersey, TCSP funds will be used to prepare modern intermodal freight infrastructure to support brownfield economic redevelopment. The FY 2001 budget proposes increasing this program to \$50 million annually. Our national focus supports region-wide planning processes that link transportation, safety concerns, land use development, environmental quality, and economic development.

Finally, DOT held regional forums in ten metropolitan areas to highlight these issues over the past four months. We are committed to continuing partnerships with such communities to identify strategies and best practices that use the transportation planning process to support community development goals and help preserve green space, ease traffic congestion and employ "smart growth" strategies. By working together, we can design transportation strategies that create healthy communities and healthy economies and that will allow all Americans to enjoy greater prosperity and a better quality of life.

B. Millennium Trails

Millennium Trails is a national initiative led by the White House Millennium Council, USDOT, the Rails-to-Trails Conservancy and other partners. The goal of the program is to create, enhance and celebrate more than 2,000 trails as part of our nation's legacy for the new millennium. In 1999, the First Lady and Transportation Secretary Slater designated 16 National Millennium Trails and 50 Millennium Legacy Trails. This year, on the first Saturday in June, more than 2,000 Community Millennium Trails will join together to celebrate National Trails Day as we move towards the goal of a national network of trails that connect America's culture, heritage and communities.

C. The Needs of An Aging America

Highlighting an issue with enormous economic and social impact, the Department of Transportation is focused on ensuring that the Nation's transportation system can accommodate the 50% growth in older adult users between now and 2020 -- a system that is safe, accessible, integrated, efficient, and offers flexibility of choices. Drawing on a series of seminars on the special needs of older persons, with transportation professionals, planners, social service and medical providers, and the findings of 22 focus group sessions with older persons and their lay care-givers, DOT is developing a *National Agenda for the Transportation Needs of an Aging Society*. This agenda will guide our efforts to improve safety for older drivers, as well as to provide better transportation options for those who cannot or no longer choose to drive, so that their mobility and sense of independence will be maintained. The FY2001 budget proposes approximately \$11 million for new aging America programs.



New York University
A private university in the public service

Faculty of Arts and Science
Department of Psychology
Doctoral Program in Clinical Psychology

6 Washington Place, Suite 468
New York, NY 10003-6634
Telephone: (212) 998-7979
FAX: (212) 995-4292

Susan M. Andersen
Professor of Psychology
(Social Psychology and Clinical Psychology)
Tel: (212) 998-7799
e-mail: andersen@psych.nyu.edu

Oops: 2nd try with promised
attachments.

1/17/00

To: Melanne Verveer

FAX:

8 pages total.

From: Susan Andersen

(2 page letter;
3 pages attachments;
1 cover page)

RE: The Gate of the Union

Dear Melanne - I'm sorry for the delay
lately and I'm sure you know how deeply
gratifying and moving I have found
recent events to be. I am eternally
grateful to you.

From the bottom of my heart, Susan

→ Another set of thoughts enclosed



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Department of Psychology
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6 Washington Place, Suite 468
New York, NY 10003-6634
Telephone: (212) 998-7979
FAX: (212) 995-4292

Susan M. Anderson
Professor of Psychology
(Social Psychology and Clinical Psychology)
Tel: (212) 998-7799
e-mail: anderson@psych.nyu.edu
January 16, 2000

Ms. Melanne Vervoer
Chief of Staff to the First Lady
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20050

Dear Melanne:

Following up on recent letters, regarding the State of the Union --

• It was heartening and impressive to hear the President speak in recent speeches of his New Markets Initiative, being explicit about it, and proposing an expansion, doubling the size of the initiative. At the DLC, and at Jesse Jackson's Wall Street conference, both speeches were magnificent. And the First Lady's speech at the latter conference was drop-dead perfect. I could not be more pleased. The State of the Union will sing with these themes. The Opportunity Divide and its three components -- Capital, Educational, Digital -- is comprehensive and readily understandable. I also think that the President's recognition that the Opportunity Divide is not only about skin color, but also, more broadly, it's about economically disadvantaged communities (as Hugh Price of the Urban League, for example, has long held, along with others), is fair and decent and excellent. We all hope to ensure that young people, and people of all ages, have the opportunity to take part in the American dream.

• I would note also, with some urgency, that the language in the President's tribute to the Martin Luther King Day, Jr., holiday, which is on the web -- the lead in to the dedication -- is so deeply moving and spiritually gratifying to hear, it would be a shame to leave it tucked away in this prior moment of announcing the holiday (and in this small document on the web). It belongs in the State of the Union. I enclose the text from the web now so you can easily see what I mean.

• The fact that we are a nation of immigrants and have been so increasingly since the turn of the last century is worth emphasizing still more, as the President recently has done. Our nation has provided hope and a new haven and a new home for peoples from all around the world -- who have come here to be free and also to be responsible, take initiative, and share in our American dream. We are proud of our history, and our present. And we will be proud of our future, for our continuing American democracy, the tapestry of color and culture and language that is America, and our solemn pledge to one another to work to make the best of our own lives and to make a difference in our worlds, our communities, to give a little something back, leave something behind.

• I think the President's exhortation about work and the dignity of work, when talking about community empowerment, is excellent. In addition, youth deserve to be able to believe that in America, if they take the President's advice -- do what you love -- which they/we all so want to be

able to do, that they will get help in helping themselves. If it's about needing to be retrained in continuing education, or higher education more broadly, based on hard work and responsibility, until one can become increasingly self-sufficient financially and personally while living in and working in one's community or communities, then government can have some role in providing opportunity.

• In our nation, taking the "long look ahead" now *is* our imperative, and these *are* good words. I suspect one of our greatest challenges, as individuals and as a nation, will be in how we respond to having more freedom *and* more responsibility.

• Enclosed is also a letter from Harris Wofford addressed to Friends in National Service (dated December, I received last week). It describes National Service in a way that is excellent, compelling, and specific, and these are terms that really must appear in some form in the State of the Union to make the case for National Service in a bipartisan manner, citing examples. I would assume that the decentralization of AmeriCorps and the integrative vision that inspires it and administers it is worth touting as a living example of a new way of thinking, although I know this is always a sensitive question. I'm sure you have the Wofford letter, but I also enclose it for your convenience.

• The President's words on Pine Ridge at the Wall Street conference were deeply touching and powerful and valuable for the nation, healing. I hope these words are part of the State of Union. On this same topic, though perhaps tangentially, there is a book review in today's Sunday Times -- in the *New York Times Book Review* -- about Pine Ridge that is very interesting. I haven't seen the book, but the review is fascinating and may be useful for those involved in new markets at Pine Ridge -- in terms of sites at and near Pine Ridge where attention is needed. Specifically there is a nearby town that it appears should be included, as it is the closest place to buy *alcohol*, and apparently hellish, and so a place *just outside* the reservation that needs help too, in the sense of having something more to offer as a town than *this*. The review is too awkwardly sized to be faxed. So I'll send it snail mail. This matter I assume is too detailed and possibly inflammatory for the State of the Union, but it's of enormous importance and likely interest to those directly concerned with (or on the ground at) Pine Ridge. I think the President's recent words on this, as they are, are fabulous, as I've said.

• The Bobby Kennedy quote on work at the end of the DLC speech is great. It could also be followed by a statement like, "We all deserve the opportunity to engage in *meaningful work* and to earn a living wage, and more so. That is what hard work and hard choices and responsibility in America should be all about." It is not just work, but meaningful work, to which people in our country aspire, so explicitly encouraging work at all levels, welfare to work, unskilled to more skilled, less precise or sophisticated to more precise and sophisticated, unfulfilling to more fulfilling, and so on, is crucially important -- in speaking to everyone. Giving people the tools to expand their own capacities in their lives so as to be able to lead more meaningful lives, in the context of having economic opportunity and freedom, if they exercise responsibility, is a role that government can play. We know it works, and so we've got to expand it. This is worth emphasizing. (In his own exhortation and in his life, of course, Bobby Kennedy also meant to evoke in his words "service" to humanity in some way, as well -- to do good through one's work or through unpaid service -- even though he clearly resonated with the basic dignity of work of any kind, and this alone is important.)

Hope these thoughts are of some use. And hope you're well.

All the best to you, as ever,





January 14, 2000

MARTIN LUTHER KING, JR., FEDERAL HOLIDAY, 2000

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

January 14, 2000

MARTIN LUTHER KING, JR., FEDERAL HOLIDAY, 2000

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

Just this month, thousands of Americans gathered at the Lincoln Memorial to welcome a new year, a new century, and a new millennium. There -- where 37 years ago Martin Luther King, Jr., so eloquently voiced his dream for America's future -- we pledged not only to keep Dr. King's dream alive, but also to bring it to reality in the 21st century.

We are living in a time of unprecedented peace and prosperity for our Nation, where the struggles of the valiant and visionary men and women who came before us have borne fruit with the guarantee of civil rights at home and the triumph of freedom in nations across the globe. But we cannot afford to become complacent. As Dr. King so wisely observed, "We have learned to fly the air like birds and swim the sea like fish, but we have not learned the simple art of living together as brothers. Our abundance has brought us neither peace of mind nor serenity of spirit."

We must seize this rare moment in our Nation's history to build a society in which we accept our differences and honor our common humanity. We must unite against the forces of hatred, fear, and ignorance that seek to divide us. We must use our economic success and our technological prowess to widen the circle of opportunity, to eliminate poverty, and to give all our children the education, values, and encouragement they need to reach their full potential.

Each year since 1994, when I signed into law the King Holiday and Service Act, Americans have marked this observance by devoting the day to service projects in their communities. By renovating schools, cleaning up neighborhoods, tutoring children, donating blood, organizing food drives, or reaching out in some other way to those in need, our citizens can work together to make this a day on, not a day off, and to make their own contributions to Dr. King's legacy of service.

Martin Luther King, Jr., was not content to rest on past successes or to compromise his convictions. If he were with us now to mark his 71st birthday, he would exhort us not to grow weary in doing good but to reach out to one another in the spirit of service and forge a future in which all Americans are proud of our diversity and united in our reverence for freedom, justice, and equality.

NOW, THEREFORE, I, WILLIAM J. CLINTON, President of the United States of America, by virtue of the authority vested in me by the Constitution and laws of the United States, do hereby proclaim Monday, January 17, 2000, as the Martin Luther King, Jr., Federal Holiday. I call upon all Americans to observe this occasion with appropriate programs, ceremonies, and activities in honor of Dr. King's life and achievements and in response to his call to service.

IN WITNESS WHEREOF, I have hereunto set my hand this fourteenth day of January, in the year of our Lord two thousand, and of the Independence of the United States of America the two hundred and twenty-fourth.

WILLIAM J. CLINTON

#

[Back to summary page](#)

iv

To comment on this service, send feedback to the [Web Development Team](#)

CORPORATION
FOR NATIONAL
★ SERVICE

December 1999

Dear Friends in National Service,

I'm delighted to write to you this holiday season with good news – a record of accomplishment of which we can all be proud (highlighted in the enclosed Report) and strong prospects for the next decade of citizen service in America. Thank you for all the hard work that made these achievements possible.

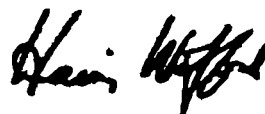
There are two points I want to make at this turn of the century. First, national service – as a partnership of the civic sector, the corporate sector and government at all levels – is built on the principles of devolution and collaboration that are now at the center of a quickly emerging national consensus. Practically all the Presidential candidates are calling for a devolution of resources and responsibility to states, communities, and the non-profit sector, including the great educational, faith-based, and civic organizations. National service is the living example of just such a new way of getting things done. That's one reason it is so important that we have succeeded and that we continue to succeed in making national service work. And that's why bipartisan and non-partisan support of our programs is so strong and growing – why we're not just going to survive, we're going to thrive.

Second, we've made tremendous progress in getting the systems in place to meet the extraordinary challenges of administering, monitoring and accounting for this large decentralized system through which we support thousands of grantees and service sponsors. As we succeed in establishing the infrastructure for National Service that Congress intended, we are demonstrating that this new form of public-private, federal, state and local cooperation works.

In January alone, we have two special opportunities. First, I urge each of you to organize or participate in service activities to celebrate the Martin Luther King Holiday on Monday, January 17 as "a day on, not a day off." And second, I look forward to being with many of you January 24-27 in New Mexico at the *ACCESS: Opening the Doors to Service* national conference to build collaboration between the disability community and all the streams of service.

We've come far – and we've got far to go. As we approach the new year and new century, let's remember the urgency with which Martin Luther King, Jr. sought to fulfill the Promise of America for all. More than thirty years after his death that work is still not finished, but in all our programs – and in the campaign for America's Promise in which we are participating – we are doing our part to overcome the big obstacles that remain.

With warmest wishes,



Harris Wofford
Chief Executive Officer



January 15, 2000

Memorandum

To: Terry Edmonds
Mickey Ibarra
Gene Sperling

From: Ann Lewis

Re: SOTU

Jeff, Paul
outside ~~event~~ outreach
new T.

I have attached a letter describing Mayor Daley's EITC outreach initiative. We may want to consider referencing this in the State of the Union Address.

Mayor Daley's Earned Income Tax Credit Outreach Initiative

Fact Sheet

The Federal Earned Income Tax Credit (EITC) provides moderate and lower-income working families and individuals with tax relief and an incentive to work. The EITC can provide a cash refund even to families whose incomes are low enough that they do not owe any Federal taxes.

As of 1999, the EITC can provide as much as \$3,816 per year to working families with incomes up to \$30,580. The average refund in 1998 was about \$1,500. In addition, if you were eligible for EITC but did not receive it in past years, you may claim up to three years retroactively. 1999 qualifying income levels include:

\$30,580 with more than one qualifying child

\$26,928 with one qualifying child

\$10,200 with no qualifying children

(A Qualifying Child includes a natural, adopted, grand-, step- or eligible foster child, children under age 19 or under age 24 if a full-time student, or children any age, if permanently/totally disabled.)

Eligible workers often aren't getting the credit—either because they haven't heard about it, don't know they're eligible or don't know how to apply.

EITC refunds are often used as asset building opportunities. Reported uses for EITC benefits range from payment of bills, especially rent and utility bills, to begin checking accounts, begin or supplement savings accounts, or use for specific social mobility purposes according to a survey by the Center for Law and Human Services.

In Illinois, an estimated 250,000 families failed to claim some \$300 million in tax credits. More than \$100 million could potentially be returned to Chicago residents and back into our economy¹.

The City of Chicago—in partnership with the Chicagoland Chamber of Commerce, the Chicago Partnership for Economic Development, and the Civic Committee, The John D. and Catherine T. MacArthur Foundation, The Steans Family Foundation, The Woods Fund of Chicago, the Tax Counseling Project and The Tax Assistance Program-It Adds Up®—is launching a city-wide outreach campaign to educate workers about the Earned Income Tax Credit to help more people take advantage of this credit.

By working with business leaders and community organizations as partners to help their employees obtain this money, the City's campaign will increase the region's economic development and to help make work pay.

Join other Chicago area companies and organizations that are working to help lower-wage employees get this important federal tax benefit.

¹ As estimated by the Tax Counseling Project, 1999



City of Chicago
Richard M. Daley, Mayor

Office of the Mayor

Judith A. Gold
Chief of Policy

City Hall, Room 509
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4310
(312) 744-2324 (FAX)
<http://www.jgold@ci.chi.il.us>

January 13, 2000

VIA FAX

Ms. Ann Lewis
Counselor to the President
Ground Floor - West Wing
The White House
Washington, D.C. 20502

Dear Ann,

It was great to talk with you this afternoon. The following outlines Mayor Daley's outreach initiative about the federal Earned Income Tax Credit (EITC). This may be relevant as you craft the State of the Union Address.

Last year in Illinois, an estimated 250,000 families failed to claim some \$300 million owed to them under the EITC. More than \$100 million that could have been returned to Chicago residents and back into our economy was left on the table. (And that is just for one year - the credit may be claimed retroactively for three years.)

Faced with these facts, Mayor Daley decided to launch a city-wide outreach campaign to educate working families about the credit and encourage them to apply. As a result, the City of Chicago created a partnership that includes the business and foundation community (the Chicagoland Chamber of Commerce, the Chicago Partnership for Economic Development, and The Civic Committee; the John D. and Catherine T. MacArthur Foundation, the Steans Family Foundation, the Woods Fund of Chicago) and not-for-profit tax preparers. This is the only city-driven effort in the country to get the word out about the EITC. We are drawing upon the resources and networks of the City's business leaders and grass-roots community organizations to ensure that as many eligible families as possible get the word - and get the credit. The outreach initiative will use television, radio, print media, direct mail - even grocery bags - to bring information about the EITC to the Chicago audience. In addition, we will be studying the barriers to filing, in an effort to better understand the ways in which they can be overcome. (A Fact Sheet about the program is attached.)

Our message is simple: we want to reward work, and make work pay. Our citizens earned this money, and they should keep it. The Mayor's effort could be mirrored across the country, and bring much-needed, hard-earned dollars back to hardworking families nationwide.

I hope this information about our EITC Outreach Initiative is useful. If you have any questions, or if I can be of help in any way, please let me know.

All the best for a great year!

Sincerely,

Judy Gold
Chief of Policy





U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

FAX COVER SHEET

(C) → TE
Cabinet

From the office of Jacquie M. Lawing

Phone: 202/708-0270

Fax: 202/708-4087

DATE: 1/12/00

PAGES INCLUDING COVER: 6

TO: Terry Edmonds / Josh Gottheimer

PHONE #: _____

FAX #: 456-2505

COMMENTS:

Good morning. Please see both
attached memos. The themes in the
longer memo are very important to us.
I would appreciate your careful
attention to these themes.

Jacquie



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE OFFICE OF THE SECRETARY
WASHINGTON, DC 20410-0001

DETERMINED TO BE AN
ADMINISTRATIVE MARKING
INITIALS: RLR DATE: 12/24/15

~~CONFIDENTIAL~~

TO: Maria Echaveste, Terry Edmonds
FROM: Jacquie Lawing
DATE: January 14, 2000
RE: Suggested Homeownership Announcement for the State of the Union

I am writing to recommend that the following line be worked into the State of the Union address: "Today we announced the highest annual homeownership rate in American history."

The Census is putting out the annual homeownership rate at 10 a.m., January 27. (The date and time appear inflexible.) We expect the rate to be the highest annual homeownership rate in history.

Rates for 1999 per quarter were 66.7%, 66.6% and 67%. The fourth quarter will be announced the 27th, giving us the annual figure. It is expected to be below 67%, because the 4th quarter always goes down. However, even with the quarterly drop, the annual rate is sure to top the 1998 record of 66.3 (since all three quarters so far have exceeded that rate).

HUD'S PROPOSED CONTRIBUTIONS TO THE STATE OF THE UNION ADDRESS

The end of this extraordinary American century presents us with two stories about our Nation's communities. On one hand, most people and places are economically the strongest they have been in more than a generation, with wealth up, crime down, jobs expanding, and hope blossoming. On the other, for those people and places left behind, the record-breaking economic success is not yet bringing the jobs, affordable housing, safe streets, and good schools that every neighborhood deserves. At this prosperous moment, we must invest in places left behind, to tap new markets and renew hope.

HUD, the agency charged with partnering with our nation's communities, is now "back in business." While once riddled with mismanagement and incompetence, HUD's management overhaul has received bi-partisan praise and has made great progress. Most noteworthy, in 1999 the agency received its first clean financial audit. HUD is positioned now to take its progress to the next level – leading the full-fledged effort to national community revitalization.

In this year's State of the Union address, President Clinton could speak to America about the stories of both types of communities. For example, while we often hear about the phenomenal success of Wall Street, the fact is that owning a home is still the number one way in which most families accumulate wealth. And homeownership is at an all-time high now, having reached 67%.

But too many Americans watch the great American success story as if it were someone else's dream. For those who want to work and are still jobless, for those not yet on the ladder to homeownership, we need investments in affordable housing, community safety programs, and private-sector-led job creation in what the President referred to last year as "our greatest untapped markets"—the economically distressed areas in urban and rural America. We will request 120,000 new housing vouchers to help the Nation's struggling renter families. Of these new vouchers, 10,000 will be devoted to a new initiative, the Community Renewal Housing Production Initiative, which will put HUD back into the housing construction business. And we will continue our efforts to help homeless people achieve independent living through the award-winning Continuum of Care program.

We will ask Congress to complete the Housing Security Plan for Elderly Americans—building on last year's progress by expanding FHA tools to finance assisted living facilities to serve the most vulnerable, frail elderly. Because no one can be well-housed without feeling secure in their homes, we will propose a Gun Violence Reduction Initiative to combat the scourge of crime-related and accidental gun deaths in cities nationwide. Finally, comprehensive community revitalization will require tapping into all sectors of the economy, including accessing the substantive energies and expertise of the Nation's non-profit and faith-based organizations.

A HOUSING POLICY FOR THE 21st CENTURY.

Even as our nation enjoys unprecedented prosperity, it is actually becoming more and more difficult for low-income American families to afford a decent place to live. For decades national housing policy has shifted back and forth between production oriented programs that focus on expanding the supply of affordable housing, and income based initiatives that provide cash assistance that enables lower income families to afford decent rental housing. As we enter the 21st Century, what is clear is that both approaches are needed if America is to realize the goal of decent housing for all first established some 50 years ago.

As part of his FY2001 budget request, the President is proposing a series of bold initiatives that will expand affordable housing opportunities to hundreds of thousands of families left behind in the new economy. These initiatives build on recent efforts to reform and restore public trust in the nation's affordable housing programs. HUD's 2020 Reform Initiative has cracked down on programmatic abuses, while at the same time demonstrating that the vast majority (over 87 percent) of the nation's assisted rental housing is in good or excellent condition. Three years ago, historic legislation created the Mark-to-Market program, which preserves project-based Section 8 housing (where rents are above market) while bringing costs in line with the private market. In 1998, Public Housing Reform secured a bright future for this vital component of the affordable housing inventory, while legislation in 1999 addressed the loss of affordable housing from "opt-outs," which occur when long-term Section 8 contracts expire and private owners choose to leave the program. Now is the time to build on these victories with renewed efforts to expand the number of housing vouchers while at the same time renewing efforts to produce new affordable rental housing.

New Housing Vouchers: Housing vouchers are an integral part of the Administration's efforts to reform welfare, reward work, support working families, and provide affordable housing for low-income families. This year the President's budget includes 120,000 new housing vouchers at a cost of \$690 million. Of these, 32,000 will be targeted to families moving from welfare to work, 18,000 vouchers will help homeless individuals and families who would otherwise have the most difficult time securing permanent housing, and 10,000 will be devoted to the Community Renewal Housing Production Initiative (see below). In addition to the vouchers themselves, the budget request includes \$50 million to support innovative local programs to assist housing voucher recipients to break down economic, social, or racial barriers that limit their ability to take full advantage of housing vouchers in tight markets.

Community Renewal Housing Production Initiative: Housing vouchers are just one part of a balanced housing policy. Supply side initiatives must also be part of the mix. FHA mortgage insurance is key to these new supply side efforts. To spur the production of housing affordable to the lowest income Americans in neighborhoods that will provide strong job opportunities and other benefits, HUD

proposes a program that uses FHA mortgage insurance and links 10,000 new housing vouchers (included in the 120,000 total new vouchers described above) with the highly successful Low Income Housing Tax Credit (LIHTC) program. Funded at an initial cost of \$66 million dollars in FY2001, the program will encourage income mixing, by limiting the use of vouchers to no more than 25% of the units in any new LIHTC development. The program includes \$8 million for one-time incentive payments to developers who build units targeted to worst case housing needs, such as large families with children. The FY2001 budget also includes additional production initiatives, including an effort to use FHA mortgage insurance to promote mixed-used and mixed-income developments in urban redevelopment areas.

A Continuum of Care for the Nation's Homeless: Mayors, academicians and the President himself have long been saying that the Continuum of Care for addressing homelessness is a major innovation that works. This year, that was confirmed by Harvard University's John F. Kennedy School of Government and the Ford Foundation, when they awarded the Continuum the coveted "Innovations in Government" Award. It addresses the housing needs of the most vulnerable Americans – those making a transition from the streets back into homes and community life – and leverages many times the investment of Federal resources in private funds. It is responsible, over the past six years, for moving 400,000 formerly-homeless people to self-sufficiency. This year, the President will propose an all-time high of \$1.2 billion in funding for the Continuum of Care.

ELDERLY ASSISTED LIVING PROGRAM.

As the President has often emphasized, our nation will, over the next 50 years, undergo a demographic shift unlike anything seen in our history. As part of anticipating the "greying" of America, HUD last year increased its focus on serving older Americans by proposing the Housing Security Plan for Older Americans. The plan, now enacted into law as part of HUD's FY2000 budget, provides a full range of options – a "Continuum of Care" – to meet the changing needs of our Nation's elders. Components include efforts to 1) help elders stay in their own homes, 2) build more affordable elderly housing, 3) provide seniors the services they need, and 4) ensure access to assisted housing. The FY2001 budget continues to expand the range of housing options for seniors by including a new initiative that combines FHA mortgage insurance with annual operating subsidies to produce new assisted living facilities. The President has included \$50 million for this initiative in his budget request, and a total of \$779 million for the entire Elderly Continuum of Care.

FIGHTING CRIME.

Although violent crimes are down nationwide, the United States still loses too many innocent victims to shootings each and every day, with 600 lives lost each week in gun violence, and another 1,800 people injured. So, this year, HUD initiated a gun buy-back

program, pledging \$15 million to buy up to 300,000 guns now in circulation. And seeking an even more systemic way to address the issue of gun violence, HUD announced last month that it will join with the Administration and 29 cities and counties to negotiate with the gun manufacturing industry, in an effort to encourage the industry to more responsibly design, market and distribute its products. Looking to the coming year, the President has included \$30 million in his budget proposal for HUD's Anti-Gun Violence and Housing Safety Initiative, to provide a public education campaign about the misuse of firearms; technical assistance for local governments, public housing authorities, and non-profits on how to reduce gun-related violence; and state-of-the-art tracking and mapping systems to gather much-needed information on gun-related crimes, which could then be used for prevention activities.

NEW MARKETS.

A significant legacy that the President will leave with the Nation is his focus on New Markets – communities left behind in the nation's extraordinary prosperity. In the weeks and months that have followed the New Markets trips, HUD has been active in White House-led interagency efforts to concretely further the New Markets agenda. One of the major components of the New Markets initiative is the effort to stimulate large-scale private investment in areas with too little commercial activity, through three legislative initiatives, one of which, APIC (America's Private Investment Companies), received an appropriation in FY 2000. Working with Congress, we secured \$20 million in credit subsidy to leverage over \$540 million in private loans and \$270 million in private equity capital to create and expand large-scale businesses in rural and urban America. The president will propose continued investment in the APIC program and the Community Empowerment Fund in his FY2001 submission.

The faith-based sector represents a vast, largely untapped potential partner for Government in working to improve the lives of Americans. Although faith-based organizations represent the third-largest segment of non-profit groups (after health and education), only a small percentage of these organizations report partnering with the Government. Yet they have strong advantages as community building partners because of their immediate ties to people, their ability to muster community support, their history of commitment to "safety net" and other types of important programs, and their credibility in public dialogue. HUD created the Center for Community and faith-based partnerships and has received enormous interest from this community on partnering with government to strengthen our communities. This year, the President will include in his budget a proposal that HUD spend \$20 million to develop this important partnership resource.

Janet Reno

①

Safer

SOTU

Crime - lowest since 70s.

Safest big nation in world -

there was a time in America - 50s

Crime fighting must be bipartisan

research - Guns - in comprehensive way -

training & certified - weapons -
enforcement & prevention

92-96 - Toronto - 100 homicides - Jan

Chicago - 3000

- domestic violence
- drugs - comprehensive effort
- (meth) data bases - Community - PSAs -
treatment - Citizens Coalitions - re-entry -
Mayors & Police Chiefs -
mediation - dispute resolution -
N.C. - Grant - Teaching Colleges -
Conflict resolution
resolve conflicts by listening -
"let us start in this house tonight."
Community dispute resolution
- This nation can become less violent -
making courts work right -
Juvenile - Child neglect & abuse -

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"let us start in this house tonight."
Community dispute initiatives

This nation can become less violent -

Making courts work right -
Juvenile - Child neglect & abuse -
Healthy Children / safe schools - EPA / HUD - lead
poisoning - Comprehensive approach -
International Crime - if we are not prepared to
react globally - Cybercrime - no safe place to hide

Cybercrime - legislation - cyberstalking -

Crimes on the Internet -

* Creation of a Cyber Corps - (ROTC)
Setting best people into govt - public service

racial profiling
Zero tolerance

Govt wants to be a partner to industry -

All in this together - users - govt - law enforcement - ensure privacy - but ensure not in hands of stalker, terrorist, etc.

- Anti-Trust - (Microsoft) not much -

Carol Browner - clean water -

civil rights -

most officers do extraordinary work -
pushing programs that teach officers
how to build trust - rather than break it
down -

How do we make nation safe -

Community policing - confidence

20 million - tremendous effort to police
First Lady's boy officers

Getting best people into Govt - public service

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How do we make nation safe -

Community policing - confidence

20 million - tremendous effort to police
First Lady's boy officers

policing has made tremendous do
renew. - get tough -

Brady Bill - long journey - can't declare victory

Challenge - never again that silent

better foundations & better futures

technology - DVA - challenge industry -

Smart Gun - only fits one hand 3 years

Share - state & local partnerships -

Pay tribute to Devin & Lehey -

Call on people in this house -

Repat sheriff stands w/ Dem AG -
addresses issue of crime -

Conflicts -

Boerj & 2 officers -

Community police officer & Kid - Liz -

"Wind at our backs" - momentum
forward

Re-entry -

Drug testing -

"Re-entry" & Public safety

Unfinished ~~but~~ business

1. Guns.

2. Hate crimes

3. Youth violence council / healthy children -

Safe schools & bright futures

Citizens - desperately need money - local
protection - hate crimes

102 → SW

DEPARTMENT OF LABOR / STATE OF THE UNION MATERIAL

I. OPPORTUNITY GAPS AND UNTAPPED MARKETS

THE YOUTH OPPORTUNITY MOVEMENT: The American economy has created twenty million new jobs in the past seven years yet our national prosperity has not reached everyone. We don't have a worker shortage, we have a skills shortage, and we must continue to increase access to the schooling and skills needed for success in today's competitive global economy.

Last year I began the **New Markets Initiative** to expand opportunity to targeted areas that today's economy has not yet reached. As part of the New Markets Initiative, the Department of Labor has launched its **Youth Opportunity Movement**. This important initiative has as its centerpiece the investment of \$1.25 billion over five years in academic and skills training -- and jobs -- for nearly three million young people in targeted areas, both urban and rural, where youth unemployment reaches as high as thirty percent.

The Youth Opportunity Movement has made a strong start with grants in eleven communities across America, and soon we will announce additional, larger grants to more than twenty-five other communities. My new budget calls for a fifty percent increase in this massive effort to bring hope and opportunity to millions of young people -- it is **an investment in the workers of tomorrow**.

LIFT: We also propose to invest \$250 million under the Workforce Investment Act for the Low Income Family Transition (**LIFT**) program that will help **low-wage workers** prepare for quality jobs with improved wages and benefits. This initiative will include work support and skill training for low-income fathers and persons with disabilities.

DISABILITIES: We must continue to break down the barriers that keep potential workers out of the workforce. Last month we substantially expanded our nation's pool of skilled workers when -- in a ceremony with Congressional leaders at the Franklin Delano Roosevelt Memorial -- I signed legislation that will enable millions of **people with disabilities** to take jobs without fear of losing their Medicaid and Medicare coverage.

The bipartisan Jeffords-Kennedy bill was the biggest step forward for people with disabilities since the Americans With Disabilities Act almost a decade ago, and it also **modernizes the employment services system** for people with disabilities. I thank Secretary of Labor Herman for her leadership in chairing the President's Task Force on the Employment of Adults with Disabilities.

YOUTH OFFENDERS: I recently established a Cabinet-level Youth Violence Task Force to address the problem of youth crime. Today, I am proposing funds for the Departments of Justice and Labor to join forces to provide job training, drug counseling and other services to **young offenders** who need a second chance.

SAFE SCHOOLS: In another initiative targeted at young people, the Departments of Labor, Education, Justice and Health and Human Services will work together on the **Safe Schools/Healthy Students initiative**. Their combined resources will strengthen the connections between schools, out-of-school youth programs and work-based learning programs to **prevent violent behavior** among young people.

II. PUTTING A HUMAN FACE ON GLOBALIZATION

INTERNATIONAL LABOR STANDARDS: The United States has for many years sought to raise **international labor standards** as part of an open trading system. Last year I spoke of the need to put a human face on the global economy. We took an important step toward that goal when the International Labor Organization adopted, the Senate ratified and I signed the international convention **outlawing the worst forms of child labor**.

Now we must build on this progress and I am asking for additional funds to turn this treaty into reality for tens of millions of children around the world. My new budget also includes funds to help developing countries implement **core labor standards**, construct a social safety net, and support health education and HIV/AIDS prevention in the workplace, and it provides for the monitoring of **world labor and environmental standards** by the Department of Labor and the Environmental Protection Agency.

We must rededicate ourselves to achieving a new consensus on expanding trade and to assuring that the international trade rules are **consistent with American values**.

Frank R. Lautenberg - Senator - Child Labor Convention
+ Berlin

UNIVERSAL REEMPLOYMENT: Today, the average person changes jobs eight to ten times. Moreover, as our economy grows and changes, millions of people are displaced from their jobs and must learn new skills. To help these workers, we have tripled our investments in **services for dislocated workers**. Aided by the landmark Workforce Investment Act, we have streamlined and consolidated our nation's job training system. More than 1800 One-Stop Career Centers now provide a critical infrastructure, helping employers fill vacancies and offering workers Internet access, job placement and other services.

By 2004 we expect to achieve our goal of **lifetime training opportunities** for all workers, by having in place a system of **universal reemployment** that offers assistance to every dislocated worker who needs help in finding a good job.

To help upgrade current employee skills and prevent layoffs, particularly in **manufacturing industries**, I will include resources in my budget for states and communities to support on-the-job training and to strengthen partnerships with companies that provide training, particularly for skills demanded by the new technologies.

TRADE ADJUSTMENT ASSISTANCE: We propose to consolidate, reform and extend the Trade Adjustment Assistance (TAA) and NAFTA-Transitional Adjustment Assistance **programs for workers who lose their jobs due to trade policies**. Our proposal would expand eligibility for TAA benefits to cover workers who lose jobs when production shifts abroad, would raise the cap on training expenses, and would guarantee funds for unexpected cost increases.

III. LIVING OUR VALUES AT HOME

WORK AND FAMILY: We must continue to build stronger families and communities by helping Americans **balance the competing demands of work and family**. The Department of Labor recently proposed new rules that make it possible for states to allow workers who have earned unemployment insurance coverage to collect **unemployment payments** while they're on leave during the first year after the birth or adoption of a child. To assist other working families, I again ask Congress to expand the **Family and Medical Leave Act** to cover ten million more Americans who work for smaller companies.

MINIMUM WAGE: People who work hard and play by the rules deserve a living wage. We can help millions of Americans in low-paying jobs -- and their families -- live better lives by **raising the minimum wage** a dollar an hour over the next two years.

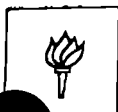
EQUAL PAY: Let's also make sure that women and men receive equal pay for equal work by continuing the strong enforcement of **equal pay laws**.

PENSION RIGHTS: The reward for a lifetime of hard work should be a quality retirement, but today only half the men and women in the American workforce have an employer-provided pension. Tonight I propose **expanding pension coverage** to reach millions of Americans who are left out. We will do so through tax incentives, by simplifying the pension rules, and by helping employers learn about their options. There is no better time than now to invest in the private pension system.

Those Americans who do have pensions expect us to help protect their rights. Those experiencing conversions to cash balance pension plans deserve to know their benefits are secure. The fact is that many people who have pensions don't know what their benefits are or what their retirement needs will be. Employers should give workers the **clear, comprehensive statements** they need to plan for a secure retirement. The federal government provides this information and employers should do the same.

THE PATIENTS' BILL OF RIGHTS: Our health care system is the greatest in the world, and we must work together to assure that it remains efficient and cost-effective -- and to assure that cutting costs doesn't mean cutting quality. The House has passed a bipartisan **Patients' Bill of Rights** that is strong, comprehensive and enforceable. I urge the Senate to pass that same bill this year. Send it to me and I will sign it.

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New York University
A private university in the public service

Faculty of Arts and Science
Department of Psychology
Doctoral Program in Clinical Psychology

6 Washington Place, Suite 468
New York, NY 10003-6634
Telephone: (212) 998-7979
FAX: (212) 995-4018

Susan M. Andersen
Professor of Psychology
(Social Psychology and Clinical Psychology)
Tel: (212) 998-7799
e-mail: anderson@psych.nyu.edu

January 4, 2000

To: Melanne Verveer

FAX: 4 pages total

FROM: Susan Andersen

I hope you received the fedex box set to be delivered to you this morning.

Enclosed is a follow-up on that.

Happy New Millennium to you, Susan



New York University
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Faculty of Arts and Science
Department of Psychology
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6 Washington Place, Suite 468
New York, NY 10003-6634
Telephone: (212) 998-7979
FAX: (212) 995-4292

Sum M. Andersen
Professor of Psychology
(Social Psychology and Clinical Psychology)
Tel: (212) 998-7799
e-mail: andersen@psych.nyu.edu
January 4, 2000

Ms. Melanne Verveer
Chief of Staff to the First Lady
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20050

Dear Melanne:

Following up on my letter, sent to you in a fedex box yesterday, for receipt this morning, and in light of the upcoming State of the Union, I respectfully send along some additional thoughts on freedom, the economy, and the New Markets Initiative.

As we seek to build a better society, we take to heart messages the modern age delivers -- the staggering power of human freedom and ingenuity. When people have hope and opportunity, and are allowed to reach toward their own aspirations, they have a remarkable ability to shape their own destinies, to choose how they wish to live, to vote with their feet, economically, and in so many other ways. This is modernity. And it is our great responsibility -- to make sure all people in all communities are provided with these tools to make the most of their own lives.

This is why the time has come to turn our attention to the seemingly intractable problem of poverty in our country, and also abroad, to the growing gap between rich and poor. We now know how to develop new markets that build on local strengths and needs. We now know more than ever before about how to spur individual motivation and initiative. We now know how to make wise investments.

This is the legacy of the new economy, a legacy that carries with it great moral responsibility.

The key to economic empowerment always comes in seeding and developing people's individual capacity, their capacity to help themselves, based on any and all skills they currently have. This is not simply "providing for needs," although we must do that in crisis. It is extending the safety net in such a way that we equip people with the skills they need to get ahead. This is true at the high end of the economy and at all other levels as well.

The most innovative achievements of the Clinton/Gore administration all reflect this profound shift in political philosophy -- that success comes in seeding individual capacity. This is the Third Way thinking the President has worked so hard to cultivate and promote. Reciprocity, at least at some level of analysis, is what best solves social problems. As people give something in return,

they develop their own competencies and initiative, and their own human potential. This is now the consensus insight in community development worldwide.

This also requires of us the capacity to look each other in the eye, face to face, or through our computers or phones or faxes, to find common ground, our common humanity, together. We must listen, even though we are different, rise above suspicion, hatred, vengeance, and despair, if we can, and work tirelessly on behalf of inclusion — for all who have a stake in decisions and also for simple civility, even if sometime noisy — as we work to fashion solutions.

This is democracy. And it democracy that wins in the 20th century.

In the 21st century, we accept that we have cultural and other differences, and we must pledge to find ways to work together, along with our differences, to uphold each other's basic human dignity, to forge a path forward together, emphasizing mutual rights and responsibilities. In doing this, we will create caring communities amid our diversity, and form new levels of shared understanding, shared narratives of the reality in which we now live and would like to live in the future — both as local communities and as a nation.

There is always a tension between liberty and responsibility at the heart of democracy. We must celebrate it, and work with it, in all its forms. It is our life blood. It gives us the freedom -- our ability to dream, to imagine what is possible and to turn our visions into reality. And it also gives us a shared destiny, the ability to look out for the common good, to feel for one another, to respect each other's dignity and rights. Our constraint is also our gift — our responsibility to one another. We must stand for what is humane and must stand for social justice. Our reciprocal gift is that nearly anything is possible in America if we can but dream it. This is America. It is also modernity.

Part of freedom, of course, is the freedom to reconcile, to forgive, and move to a new level of discourse, as we define, together, our ever evolving narrative. This is the basis of peacemaking and all negotiation between opposing sides. What we seek to become as a people in the next century, what we wish to achieve — as a nation, as communities, as families, as individuals — will depend on our skills as peacemakers. The onus will be on us to choose to use our liberty wisely, in each of our lives, not to throw out what we've accomplished, to cherish it, and to ever strive toward our aspirations, while working as well to build bridges across the divides in our society, to unhardens our hearts. We can work to be open-hearted with one another, while we are also pragmatic, making steady progress, keeping feet to the ground, eyes on the stars, living up to our moral responsibilities.

And with all this freedom and responsibility, as Americans, we have the ultimate privilege to continue to grow and develop as human beings throughout our lives in myriad ways, to develop more sides of ourselves, to gain more knowledge, to reinvent our careers, at the differing stages of life, to take on new challenges, to develop spiritually, and to achieve our dreams. Never has human kind seen such freedom and opportunity. Never have we had such responsibility.

And we hope, for each one of us, that our personal growth curves are not simply about growth for growth's sake, but that they reflect growth toward goodness, depth, wisdom, a slow, steady evolution toward our better natures. One thing we know is that this involves generativity, leaving something behind. So too does it involve a recognition of our interdependence with one another, with all peoples and all countries, and with the whole of biodiversity on the planet and in the universe. This is among our great responsibilities that comes with freedom.

Bringing these tensions down to earth: Doris Kearns Goodwin said recently that FDR, so known for regulating capitalism and free markets, in fact saved capitalism by regulating it. And this delicate balance goes on, finely tuned, and ever being refined. How is this related to the new economy? Regulation is contentious as a term. But regulation of some kind is necessary for the common good; capitalism alone is amoral, as we know. We provide the human face for this new economy, as is so often said. How will we foster shared understandings of the common good in communities in the coming century? How will we foster personal responsibility while we continue to maximize our freedoms? What role will we accord to incentives for valued societal outcomes?

Lessons can be found about community development in the President's New Markets Initiative, deriving from the accomplishments of community development banks and empowerment zones. People need to hear specific details about how these models have been used and now can be used more extensively to develop new markets and to promote empowerment of people in disadvantaged communities, including people of color, from all backgrounds and language groups, and generally people in poverty, in rural areas and urban areas, to encourage entrepreneurs, business activities, to provide people with the tools to pull themselves out of poverty in a way that is profitable and creates jobs. The comments the President made while signing the Welfare Bill in 1996 are a beginning and need elaboration based on the poverty tours and his more recent thinking.

It is important to describe exactly how this approach to spurring growth and job creation works in a locality and how it can be extended around the country -- since it's an idea that works. Scaling it up so it touches more disadvantaged areas that have lost jobs over recent years, by opening new markets, is a pragmatic approach to poverty, growing the kinds of private-public partnerships and seeding individual responsibility and entrepreneurship that we know makes communities work. The consensus insight that social programs work best when they tap and promote individual initiative, and when people take responsibility for themselves. This is what needs to be communicated. And we must support efforts to tap and grow people's motivation and their belief that America is on their side, that they are welcome, are respected, are part of this grand continuing experiment called America, and that too can make it here. We can all make something of meaning and significance of our own lives if we are given the opportunity and work doggedly at it.

Just some thoughts for you, Melanne, which I hope you may find useful in some way. Thanks for your patience with me. At least I know these are matters to which you and all there are deeply committed.

Hope all's well with you personally.

Warmly,





New York University
A private university in the public service

Faculty of Arts and Science
Department of Psychology
Doctoral Program in Clinical Psychology

6 Washington Place, Suite 468
New York, NY 10003-6634
Telephone: (212) 998-7979
FAX: (212) 995-4292

Susan M. Andersen
Professor of Psychology
(Social Psychology and Clinical Psychology)
Tel: (212) 998-7799
e-mail: anderson@psych.nyu.edu
New Private FAX: (212) 982-1441

January 5, 2000

FAX: 6 pages total

To: Melanne Verveer

Jan
FM

From: Susan Andersen

Hi Melanne -

Enclosed is a bit more regarding
the State of the Union, and I apologize
in advance that it's so long. Hopefully,
not too hard to skim through and
familiar territory for us.

Cheers, Susan



New York University
A private university in the public service

Faculty of Arts and Science
 Department of Psychology
 Doctoral Program in Clinical Psychology

6 Washington Place, Suite 468
 New York, NY 10003-6634
 Telephone: (212) 998-7979
 FAX: (212) 995-4292

Sam M. Andersen
Professor of Psychology
(Social Psychology and Clinical Psychology)
 Tel: (212) 998-7799
 e-mail: andersen@psych.nyu.edu
 January 5, 2000

Ms. Melanne Verveer
Chief of Staff to the First Lady
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20050

Dear Melanne:

Following up on the two letters I just sent you, I also want to echo my letter from October and say again that the pressing challenge of the 21st century will be computer literacy. As I mentioned in another letter a few days later, Henry Louis Gates, Jr., in his Op-Ed for the *New York Times*, named computer and internet literacy as *the* civil rights issue for African-Americans in the 21st century (as the poll tax was in the 20th). This is a powerful argument for a national initiative to promote computer literacy among all young people -- so as to equip all Americans to use their full capacities in the coming century. Of course, I was delighted to hear the President announce last month that he will work to promote giving every child the same chance by closing the Digital Divide.

If the President mentions his Race Relations Initiative in the State of the Union, the opportunities in citizen service addressing racial and economic inequalities, highlighted in '97 and '98 in the *Washington Post* and the *New York Times*, can be directly applied to closing the Digital Divide.

Given all that remains to be done in wiring poor communities and every school and library to the internet, this problem is of obvious relevance for the country. It is a great challenge and a great opportunity, and may be the first great challenge of the 21st century.

A national campaign for computer literacy requires two things: (1) Access to computers in all communities, schools, and libraries that are also wired to the internet; and (2) Coaching for kids and adults in learning to use them so they can become continual learners in this arena that will increasingly define modern life. As I mentioned in October, once schools and libraries have the hardware and software and are connected to the internet, then what? People need to learn to use these tools and can have fun teaching each other -- in hands-on learning -- directed toward promoting computer literacy for all. This can be done in schools and in community-based organizations, and through all kinds of service. More access, more practice, more skills.

Happily, the President's new national priority to close the Digital Divide by improving on-line opportunities for minorities and the disadvantaged shows his commitment. I wonder exactly what the initiative will consist of. It would be worthwhile to be explicit. The Power Up America partnership between AOL and Gateway (and other corporations and nonprofits), announced last

month by the Corporation for National Service and General Powell's America's Promise, provides an excellent model for first steps -- in making computers and internet connections available. More needs to be done and said. How will this be extended to other communities? And how will youth and adults in impoverished communities learn to use these technologies?

What we need beyond a huge initiative to scale-up in access to hardware, software, and connections to the internet, is a well-organized, systematic strategy for empowering youth -- and adults -- in computer literacy through a high-tech tutoring initiative would promote the outcome of empowering all Americans to become computer literate.

And members of AmeriCorps -- the wonderful young men and women in America's own domestic peace corps -- can lead this computer literacy effort. As the Governors of States all over the country will tell you, the debate is finally over about the value and utility of service and AmeriCorps for getting things done. All that these young men and women have accomplished in so many widely divergent areas of need in our country is something to behold. They have so much to be proud of, and they have really given us something to be proud of -- their contribution right here at home in service to their country.

With the unwavering backing, initiative, and inspiration of Senator Ted Kennedy, and with Senators and Representatives from both sides of the aisles, we have been able to expand AmeriCorps, which we began in 1993, so that we have now enrolled over 100,000 young people in AmeriCorps. They receive a subsistence stipend and a grant toward college tuition -- for their service to their country.

And we hope Americans at home know by now that there is a close collaboration between AmeriCorps, our domestic peace corps, and all kinds of diverse nonprofit organizations, schools, and community groups all around the country -- in every State of the Union. AmeriCorps is quite intentionally a close collaboration of federal, state, and local government with civil society to serve the common good. AmeriCorps fruitfully collaborates as well with General Powell's organization, America's Promise, and also President Bush's organization, The Points of Light Foundation. AmeriCorps is becoming a part of the American landscape because it works, and we must thank the young men and women who have served their country so ably right here at home.

And the policy of AmeriCorps is decentralization -- local control, local initiative, local accomplishment. They are working in your town and your city doing good things for America building up our local resources -- our human resources -- in our communities where we live.

Our faith now that we can conquer the Digital Divide in our country is also possible because the legacy of the 1990s in America is service -- people caring more about making a difference in the lives of others in their own and in nearby communities, in cleaning up their environments, and in rising to the occasion, responding to Andrew Shue's exhortation, "just do something" -- both in volunteerism and in their careers. Of course, community service has a long history in America that Tocqueville wrote so eloquently about in *Democracy in America* many years ago. And it now extends, at the end of the 20th century and beginning of the 21st, the inspiring, riveting calls to service by John F. Kennedy, Martin Luther King, Jr., and Robert F. Kennedy.

At this time in our history, to marshal the energy of youth to take charge of their lives and of

making sure that they and those around them are equipped to be full participants in the information age, would be a grand contribution. Promoting computer literacy should therefore be our mission. Within the level of expertise of each person as computer tutor or coach, he or she can help others to become a little more fluent, at ease, and capable in using a computer and the internet, so they too exclaim, "I can do it!" And they can live and work in the information age.

Tutors or coaches in our initiative to close the Digital Divide can be members of the community engaged in voluntary service, employees of nonprofits and schools, and AmeriCorps members. They can also be youth of all ages, such as 9th graders with 4th graders, or even 6th graders with their grandparents. This can take place in schools, community centers, and libraries.

As you know, Melanne, I have worked in whatever ways I could for a number of years to shore up AmeriCorps, by shoring up *the infrastructure for national service in Service Learning*. Service Learning is an excellent example of community service -- done by kids in K-12 education, within or beyond their schools, and by young people in higher education as well, or simply in community-based organizations. Service learning engages youth in meaningful service -- while learning relevant knowledge and having regular opportunities for personal reflection. Now is the time to extend service learning into the information age and computer literacy. The need for technology tutors makes service learning pressingly important for young people so that they may learn the skills they need for participating in the 21st century.

Obviously, high-tech tutoring within service learning in K-12 education can also exponentially increase the specific competencies kids have in using computers and getting on the internet, while also enhancing their sense of belonging, and personal and social responsibility. Engaging youth in service learning through their schools can be an exciting, experiential way to teach and learn, and in this case can promote interest and competence in activities that will gain kids entry into the new economy. As other forms of service learning, it can also break down barriers between kids, across racial, ethnic, gender, and clique-based divides, and promote the kind of sense of community that can potentially protect against antisocial behavior and violence, as kids work toward shared goals.

Promoting citizenship education through service learning is also an important educational initiative and of value in its own right, as I know you agree. It complements school improvement and reform efforts (such as wiring every classroom for the internet, hiring more teachers, reducing class size, voluntary national testing, and so on). In my view, the idea of citizenship and character education (including building a sense of community) through service learning goes still further by urging schools to aspire to their dual aims -- academic achievement and citizenship education.

Although service learning is not a panacea, it usually does give youth the opportunity to work together, fostering mutual respect and enhancing a sense of community, caring, and inclusion that may indirectly help deter antisocial behavior. And we have reliable evidence that it promotes reconciliation and collaboration across lines of difference. These matters are obviously of tremendous contemporary importance to the nation.

And, of course, in our increasing focus on high technology in our society, it is ever the real human connections in all of this that we also must work to facilitate and not to diminish. This is something the First Lady has emphasized that is worth repeating. We must not lose sight of our

humanity and our responsibility to each other -- to the human connections we need so much -- as we train our focus on increasing our technological expertise.

The Vice President has also, quite obviously, has had longstanding interest in these areas, and spearheaded technology literacy through a White House initiative, though it was not given much press coverage and I don't know what happened to it or what it consisted of.

As noted, computer literacy and high-tech expertise promotes the aim of helping kids gain entry into the new economy. It empowers youth for the 21st century, especially in schools that are still struggling to connect every classroom to the internet. The initiative to close the Digital Divide can thus fit in nicely with the President's New Markets Initiative, which extends the Administration's commitment to the empowerment-zone concept and to community-development banks, expanding what we know works to a broader array of areas around the country that have yet to benefit from the economic boom. Of course, because New Markets Initiative builds on community-development banks, it also speaks quite directly to the fair-banking-practices recommendation by the advisory board of his Race Relations Initiative. It would be great to hear more about the details of how the scaling up of the Power Up Initiative will happen and when, about how similar ventures can be created, all around the country in urban, rural, and suburban areas, to create new markets, and about how private-public partnerships work in creating successful endeavors of this kind.

This is only one thing that can be done in the spirit of creating new markets, but it is an important direction. It may also inspire people to get involved and engage in service, as it can have such practical results, and can easily create an important shared endeavor in communities, with people working together with each other to solve their community's problems. It can also attract young males into service in this arena because it is seen as masculine and it is attractive to young guys. Computers are often still seen as boy's toys, even though girls and women are of necessity, at least, increasingly computer literate. This time the stereotype has advantages. Nearly three quarters of AmeriCorps members are female, and this is not as it should be. It is inconsistent with societal needs, and of course, the value of computer literacy is gender-less, as girls and women are well aware. Indeed, high-technology tutors and coaches are needed in all communities.

Working to address computer literacy can perhaps also be a vehicle for addressing illiteracy, more broadly -- among those kids who can't read. More work needs to be done to explore the feasibility of this. Obviously, there are many ways to be of service beyond computer literacy -- such as in tutoring reading, as in America Reads; providing personal support and friendship in peer mentoring; peer mediation and conflict resolution; and more community-directed service related to homelessness, community improvement, food banks, the environment, and so on. These are all important. But it will be exciting to kids to have the opportunity to coach others for computer literacy -- from whatever level of expertise they have -- to pass their knowledge along.

On a still broader level, if the President is willing to speak more personally and directly to youth about service and public service, let me offer the following: As I've said, and as you know, young people, are volunteering more time in service to their communities than ever before, since these things have been measured, as the Peter Hart and the UCLA HERI study shows, and yet their interest in politics and political participation, the goings-on in Washington, and often in their own State governments is at an all time low. As the President has said, and as we all know, he

believes in and cares deeply about public service. He's been in public service all his life, and he will do whatever he can in the coming year, and over many years to come, to help re-ignite the interest of youth in the workings of government, in partnership with the nonprofit and private sectors — their interest in a life of public service.

Americans, young and old, must not allow themselves to forget that we live in the longest lasting, most successful democracy on earth. Our government, our opportunities, what we have built together, is unsurpassed in history, and we welcome the talent and creativity of our young people to teach us what they know. We need them to step forward, to be heard, and to participate — not only in the workings of their own communities, which is so important, but also in local, state, and national governance, which is public service. It is a noble calling, a way to contribute, and a way to make a difference. For all its drawbacks, and scary moments, he's here to tell us, it is well worth it. And he is grateful to have had the opportunity to work for the American people, and would do it again in a heartbeat.

Well, Melanne, my apologies that this is so unbearably long.

Once again, I thank you for your patience, and can only hope these words may be of some value.

Warmly, As Ever,



cc: Shirley Sagawa

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October 31, 1999, Sunday, Late Edition - Final

SECTION: Section 4; Page 15; Column 2; Editorial Desk**LENGTH:** 1006 words**HEADLINE:** One Internet, Two Nations**BYLINE:** By **Henry Louis Gates Jr.**; **Henry Louis Gates Jr.**, chairman of the Afro-American Studies Department at Harvard University, is co-editor of *Encarta Africana*.**DATeline:** CAMBRIDGE, Mass.**BODY:**

After the Stono Rebellion of 1739 in South Carolina the largest uprising of slaves in the colonies before the American Revolution -- legislators there responded by banishing two forms of communication among the slaves: the mastery of reading and writing, and the mastery of "talking drums," both of which had been crucial to the capacity to rebel.

For the next century and a half, access to literacy became for the slaves a hallmark of their humanity and an instrument of liberation, spiritual as well as physical. The relation between freedom and literacy became the compelling theme of the slave narratives, the great body of printed books that ex-slaves generated to assert their common humanity with white Americans and to indict the system that had oppressed them.

In the years since the abolition of slavery, the possession of literacy has been a cardinal value of the African-American tradition. It is no accident that the first great victory in the legal battle over segregation was fought on the grounds of education -- of equal access to literacy.

Today, blacks are failing to gain access to the new tools of literacy: the digital "knowledge economy." And while the dilemma that our ancestors confronted was imposed by others, this cybersegregation is, to a large degree, self-imposed.

The Government's latest attempt to understand why low-income African-Americans and Hispanics are slower to embrace the Internet and the personal **computer** than whites -- the Commerce Department study "Falling Through the Net" -- suggests that income alone can't be blamed for the so-called digital divide. For example, among families earning \$15,000 to \$35,000 annually, more than 33 percent of whites own **computers**, compared with only 19 percent of African-Americans -- a gap that has widened 64 percent over the past five years despite declining **computer** prices.

The implications go far beyond on-line trading and chat rooms. Net promoters are concerned that the digital divide threatens to become a 21st century poll tax that, in effect, disenfranchises a third of

the nation. Our children, especially, need access not only to the vast resources that technology offers for education, but also to the rich cultural contexts that define their place in the world.

Today we stand at the brink of becoming two societies, one largely white and plugged in and the other black and unplugged.

One of the most tragic aspects of slavery was the way it destroyed social connections. In a process that the sociologist Orlando Patterson calls "social death," slavery sought to sever blacks from their history and culture, from family ties and a sense of community. And, of course, de jure segregation after the Civil War was intended to disconnect blacks from equal economic opportunity, from the network of social contacts that enable upward mobility and, indeed, from the broader world of ideas.

Despite the dramatic growth of the black middle class since affirmative action programs were started in the late 60's, new forms of disconnectedness have afflicted black America. Middle-class professionals often feel socially and culturally isolated from their white peers at work and in the neighborhood and from their black peers left behind in the underclass. The children of the black underclass, in turn, often lack middle-class role models to help them connect to a history of achievement and develop their analytical skills.

It would be a sad irony if the most diverse and decentralized electronic medium yet invented should fail to achieve ethnic diversity among its users. And yet the Commerce Department study suggests that the solution will require more than cheap PC's. It will involve content.

Until recently, the African-American presence on the Internet was minimal, reflecting the chicken-and-egg nature of Internet economics. Few investors have been willing to finance sites appealing to a PC-scarce community. Few African-Americans have been compelled to sign on to a medium that offers little to interest them. And educators interested in diversity have repeatedly raised concerns about the lack of minority-oriented educational software.

Consider the birth of the recording industry in the 1920's. Blacks began to respond to this new medium only when mainstream companies like Columbia Records introduced so-called race records, blues and jazz discs aimed at a nascent African-American market. Blacks who would never have dreamed of spending hard-earned funds for a record by Rudy Vallee or Kate Smith would stand in lines several blocks long to purchase the new Bessie Smith or Duke Ellington hit.

New content made the new medium attractive. And the growth of Web sites dedicated to the interests and needs of black Americans can play the same role for the Internet that race records did for the music industry.

But even making sites that will appeal to a black audience can only go so far. The causes of poverty are both structural and behavioral. And it is the behavioral aspect of this cybersegregation that blacks themselves are best able to address. Drawing on corporate and foundation support, we can transform the legion of churches, mosques and community centers in our inner cities into after-school centers that focus on redressing the digital divide and teaching black history. We can draw on the many examples of black achievement in structured classes to re-establish a sense of social connection.

The Internet is the 21st century's talking drum, the very kind of grass-roots communication tool that has been such a powerful source of education and culture for our people since slavery. But this talking drum we have not yet learned to play. Unless we master the new information technology to build and deepen the forms of social connection that a tragic history has eroded, African-Americans will face a form of cybersegregation in the next century as devastating to our aspirations as Jim Crow segregation was to those of our ancestors. But this time, the fault will be our own.

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THE SECRETARY OF EDUCATION
WASHINGTON

1-5-2000

Dear Mr. President -

This is a new report by 2
credible groups which can be very
helpful in preparation of your State
of the Union Address -

It is a great source showing
the progress we've made during your
years as President. Thanks from our Budget
Dick

Do You Know...

THE
GOOD NEWS
ABOUT
AMERICAN
EDUCATION?

cc: Terry?
YES
[initials]

CENTER ON EDUCATION POLICY
and
AMERICAN YOUTH POLICY FORUM

Center on Education Policy

The Center on Education Policy is the national independent advocate for public education and for more effective public schools. The Center works to help Americans better understand the role of public education in a democracy and the need to improve the academic quality of public schools. We do not represent any special interests. Instead, we help citizens make sense of the conflicting opinions and perceptions about public education and create conditions that will lead to better public schools.

Working at the national, state and local levels, the Center achieves its mission by producing publications, writing articles, convening meetings, making presentations and, upon request, providing expert advice. The Center also works jointly with many other education, business, state and civic organizations.

Based in Washington, D.C., and founded in January 1995, the Center receives nearly all of its funding from charitable foundations. To learn more about our work, please visit our web site: www.ctredpol.org.

American Youth Policy Forum

The American Youth Policy Forum is a nonpartisan professional development organization providing learning opportunities for policymakers and practitioners working on youth issues at the local, state and national levels. AYPF's goal is to provide participants with information, insights and networks on issues related to the development of healthy and successful young people, productive workers and participating citizens in a democratic society, including: schooling, transition to careers and career development, training and preparation for employment, postsecondary education, national and community service and related forms of youth development.

Since 1993, AYPF has conducted an average of 40 events each year for over 2,000 participants, including lunchtime meetings and out-of-town field trips and foreign study missions with a thematic focus. Forum participants include Congressional staff, officials of various federal agencies, state and local government officials, policymakers from national non-profit and advocacy associations and members of the media who report on youth issues. AYPF also publishes, for the benefit of policymakers, practitioners and scholars, a wide variety of inexpensive and brief policy reports and background materials on youth issues. These may be consulted on our web site: www.aypf.org.

Credits

This publication was researched and written by Nancy Kober, a freelance writer and consultant to the Center on Education Policy, and Diane Stark Rentner, the Center's associate director. They received assistance and advice from Jack Jennings, the Center's director, and from Samuel Halperin, Betsy Brand, Glenda Partee and Donna Walker James of the American Youth Policy Forum. Cutting Edge Graphics of Washington, D.C., designed the publication.

The Center on Education Policy and the American Youth Policy Forum thank our respective funders who support this report and the other activities of our two organizations.

Do You Know...
THE
GOOD NEWS
ABOUT
**AMERICAN
EDUCATION?**

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By featuring objectively good news in this brief report, we hope to restore public confidence that school reform *can* make a difference and to encourage everyone to keep working to make public schools better for *all* students.

DATA USED IN THIS REPORT

This report includes a variety of statistics showing positive trends in education. These statistics are grouped into five broad categories:

- **School Participation and Curriculum.** Trends in school dropout rates, student course-taking patterns, and participation of students with disabilities.
- **Student Achievement.** Trends in student performance on the National Assessment of Educational Progress, various college entrance exams and other nationwide measures.
- **Educational Climate.** Data on school safety and crime and other environmental factors that affect student learning.
- **Teachers.** Statistics on the qualifications and experience of K-12 teachers.
- **Higher Education.** Trends in postsecondary enrollment and completion of degrees.

The higher education data and a few of the K-12 indicators include data for students in both public and private institutions. Since 89% of K-12 students and 76% of postsecondary students attend public institutions, these indicators still reflect improvements in public education.

To the extent possible, we have compared baseline data from the early 1980s with the most recent year available. The specific years vary depending on which data are available for a particular indicator. In some cases, we also include data earlier than the 1980s to show longer-term trends. For several indicators, reliable data on trends over time are not available, but we include current data showing positive aspects of public education.

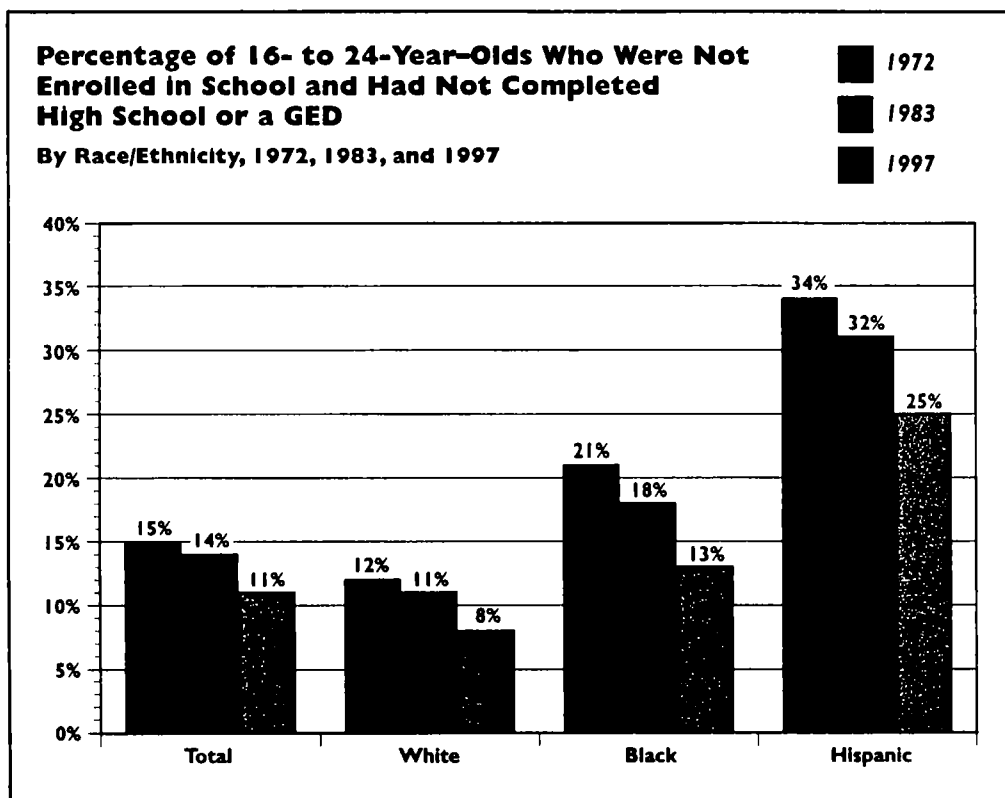
We chose the early 1980s as our primary baseline because that's when school reform became a major national issue. Since then, educational improvement has remained a high priority at the local, state and national levels, although the specific strategies have changed as the school reform movement has matured. Most recently, nearly all states have adopted standards to define what students should know and be able to do by the time they finish high school, along with new state tests to measure student progress. Most of these standards-based reforms are too new to have influenced the trends discussed in this report, but their effects on student learning should soon begin to appear.

Do You Know?

FEWER STUDENTS ARE DROPPING OUT OF SCHOOL

THE FACTS

Two-thirds of citizens surveyed mistakenly believe that high school dropout rates are going up and are higher than they were 25 years ago (1997 *Phi Delta Kappa-Gallup Poll*). In fact, dropout rates are lower today than they were in the 1970s and 1980s. Especially noteworthy is the sharp decline in the dropout rate of black youth.



Note: This chart shows the "status dropout rate," the percentage of the U.S. population ages 16–24 who were not enrolled in school, had not completed high school, and did not possess a general education development (GED) certificate.

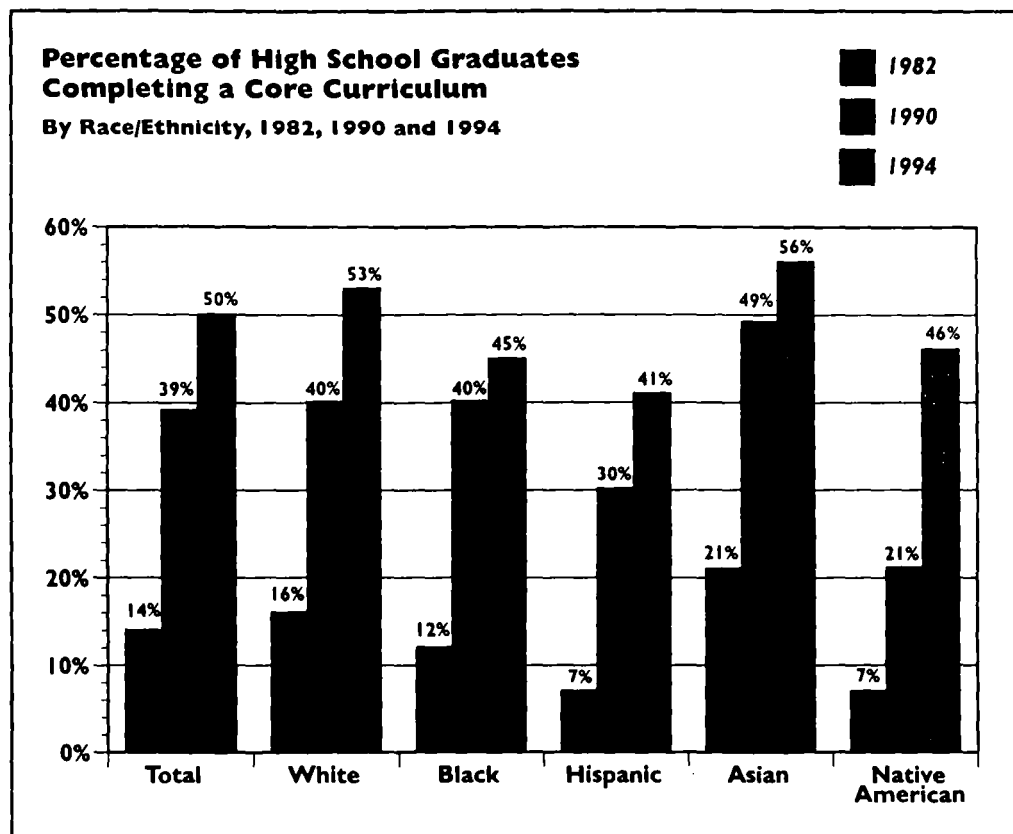
Source: U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 1998*, Table 105.

Do You Know?

HIGH SCHOOL STUDENTS ARE TAKING MORE CHALLENGING COURSES

THE FACTS

The education reforms of the 1980s focused on raising the coursework requirements for high school students. As a result, more students today are taking tougher courses than their predecessors did in the early 1980s. The percentage of students completing a core academic curriculum that includes 4 years of English and 3 years each of social studies, science and mathematics more than *tripled* between 1982 and 1994, with large increases across all racial and ethnic groups.



Note: The "core curriculum" consists of 4 years of English and 3 years each of social studies, science and mathematics.

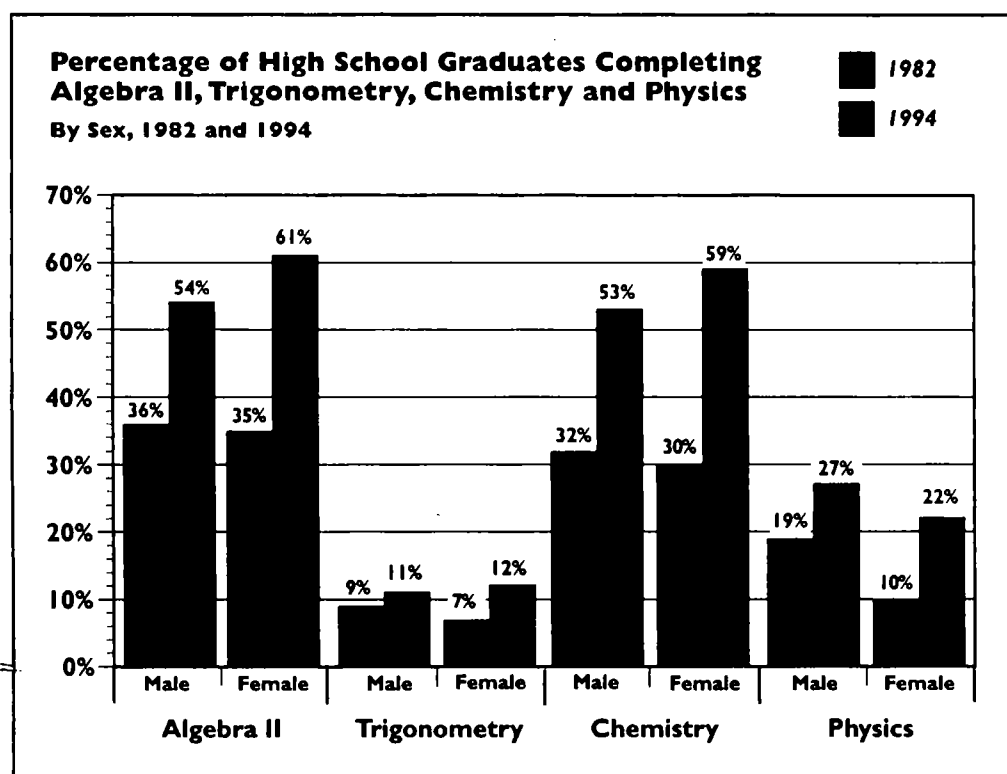
Source: U.S. Department of Education, National Center for Education Statistics, *The 1994 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1994, 1990, 1987, and 1982 High School Graduates Revised, 1998.*

Do You Know?

MORE GIRLS ARE TAKING HIGH-LEVEL MATHEMATICS AND SCIENCE COURSES

THE FACTS

The gender gap in mathematics and science that had limited educational and career opportunities for girls and women is disappearing. The percentage of girls taking rigorous high school mathematics and science courses, such as algebra II, trigonometry, chemistry and physics, has gone up significantly since 1982. For example, 59% of the girls who graduated in 1994 had completed a chemistry course, compared with only 30% of the girls in the class of 1982. In fact, gender patterns have reversed for some courses, with girls enrolled at higher rates than boys in courses like algebra II and chemistry. Boys still had slightly higher rates of enrollment in physics and calculus in 1994.



Source: U.S. Department of Education, National Center for Education Statistics, *The 1994 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1994, 1990, 1987, and 1982 High School Graduates Revised, 1998.*

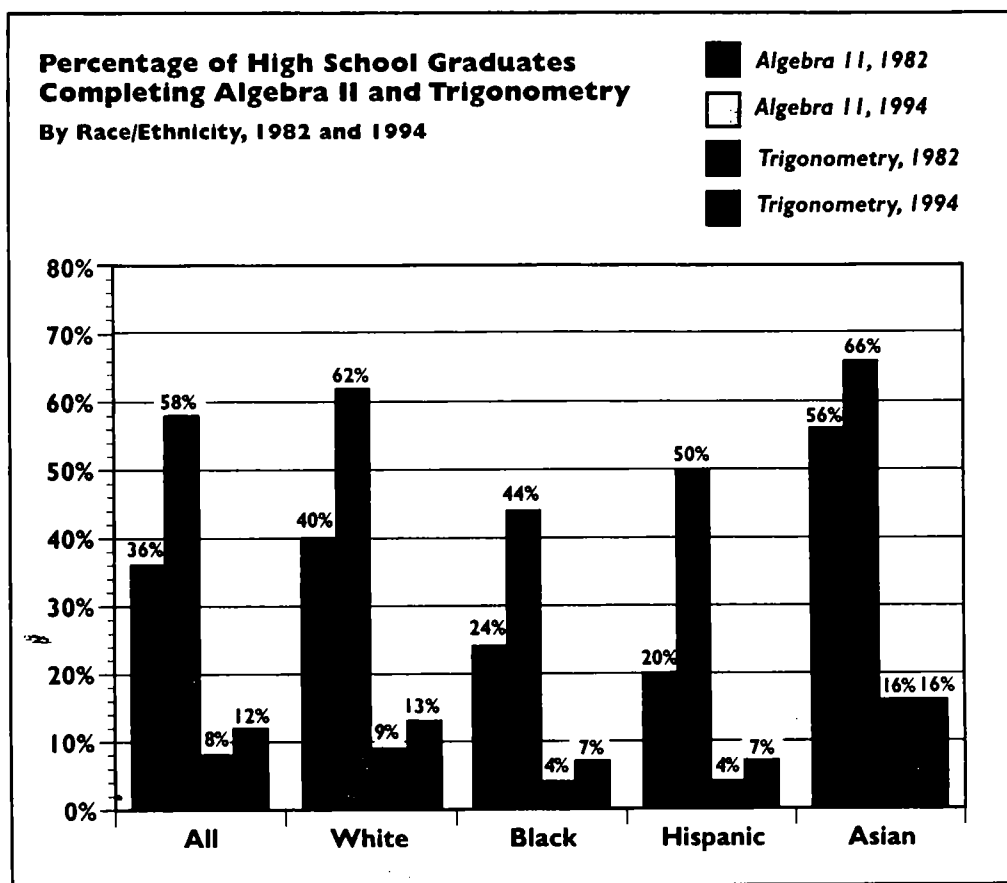
Do You Know?

HIGH SCHOOL STUDENTS ARE TAKING TOUGHER MATHEMATICS AND SCIENCE COURSES

THE FACTS

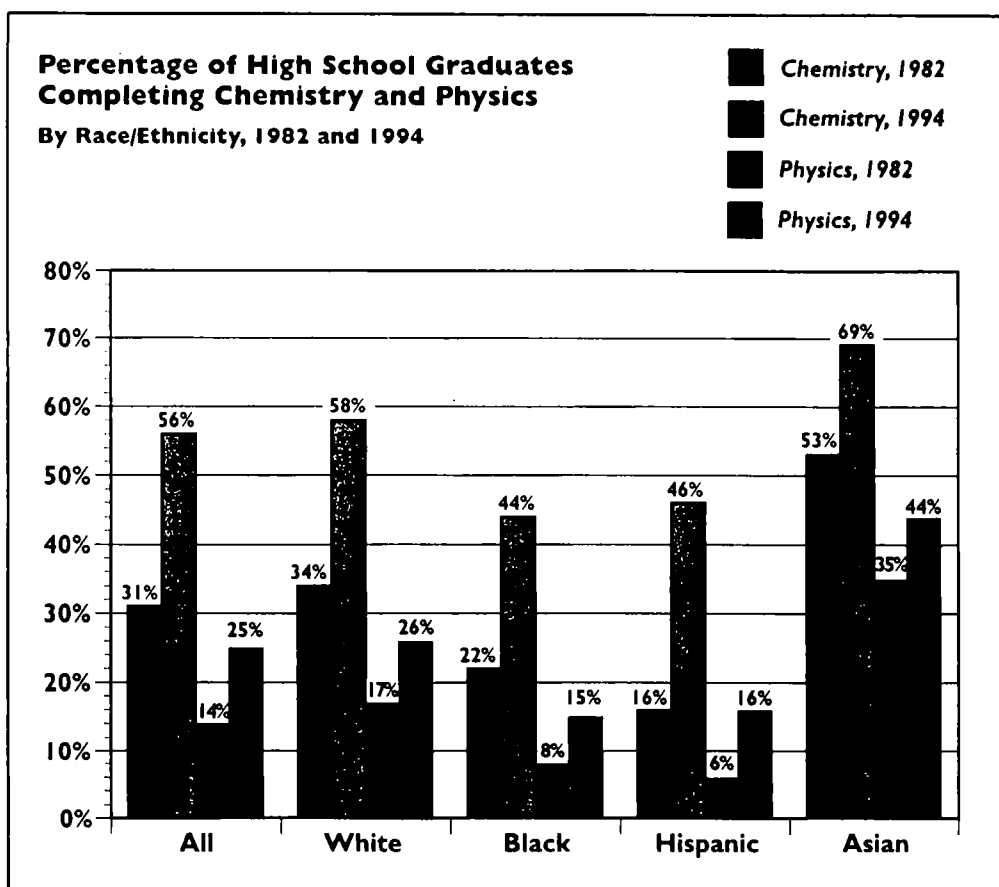
Recent education reforms emphasize the need for students to take more rigorous mathematics and science courses. Since 1982, the percentages of students taking higher-level courses, such as algebra II, trigonometry, chemistry and physics, have gone up significantly. (Enrollments have also gone up for other courses not shown here, from algebra I to calculus, and from biology to astronomy.)

These increases in higher-level course-taking occurred across all racial and ethnic groups. Especially impressive is the growth in the numbers of black and Hispanic students taking courses like algebra II and chemistry.



Note: These percentages do not include students who took these courses before they entered high school.

Source: U.S. Department of Education, National Center for Education Statistics, *The 1994 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1994, 1990, 1987, and 1982 High School Graduates Revised, 1998.*



Note: These percentages do not include students who took these courses before they entered high school.

Source: U.S. Department of Education, National Center for Education Statistics, *The 1994 High School Transcript Study Tabulations: Comparative Data on Credits Earned and Demographics for 1994, 1990, 1987, and 1982 High School Graduates Revised*, 1998.

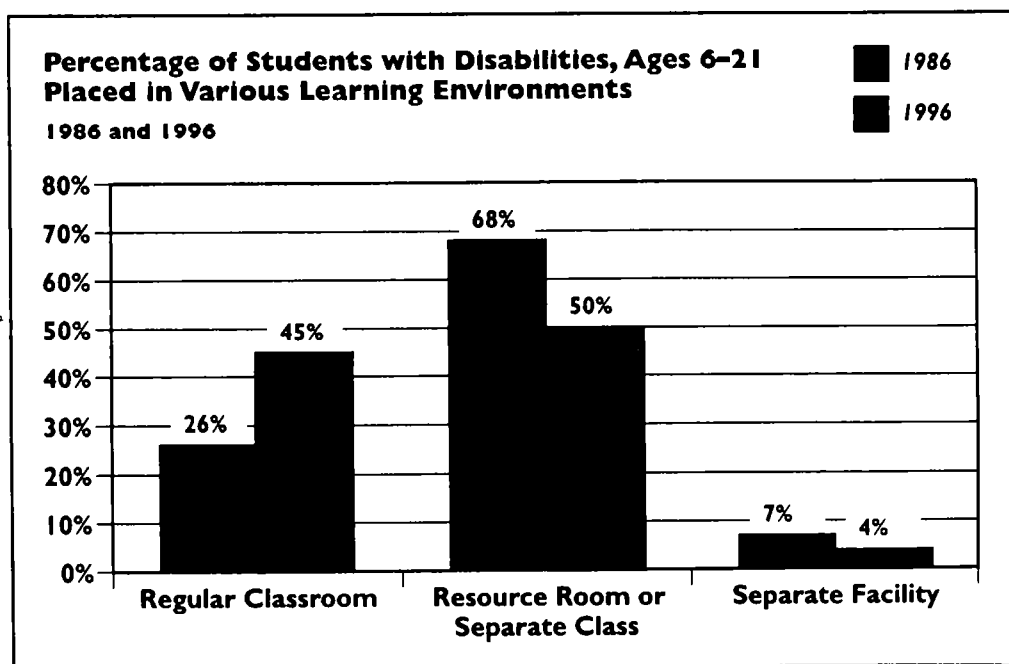
Do You Know?

MORE STUDENTS WITH DISABILITIES ARE BEING EDUCATED IN REGULAR CLASSROOMS

THE FACTS

The federal Individuals with Disabilities Education Act requires children with disabilities to be educated in the “least restrictive environment” and encourages them to be educated in general classroom settings, with appropriate services and supports. When students with disabilities are educated alongside other children in regular classrooms, they have increased opportunities to study the same curriculum as their peers, meet higher performance expectations, and learn the knowledge and skills necessary for independent adult life. This approach also helps children without disabilities avoid damaging stereotypes and understand how much people have in common.

Between 1986 and 1996, the percentage of children with disabilities who were educated in regular classrooms increased from 26% to 45%. The proportion of children with disabilities served in resource rooms or separate classes decreased, except for students with certain severe disabilities, such as autism. The percentage educated in separate facilities, such as state institutions for the disabled, dropped from 7% to 4%. These trends represent significant progress from 25 years ago, when 90% of developmentally disabled children were housed in state institutions and approximately 1 million children with disabilities were shut out of schools altogether (U.S. Department of Education, Office of Special Education and Rehabilitative Services, *IDEA General Information: Overview*, 1997).



Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator 20. Percentages do not total 100% due to rounding.

THE WORK AHEAD: SCHOOL PARTICIPATION AND CURRICULUM

The U.S. job market has changed considerably since the early 1970s. Young people without a high school diploma are limited mostly to low-paying jobs with little chance for advancement. Indeed, some economists predict that the only way to get a well-paying job and have a secure career will be to complete additional study beyond high school. So the first step of the work ahead is for states and school districts to ensure that all students earn at least a high school diploma.

Students need more than a credential, however, to be ready for the workplace or higher education. They also must have high-level knowledge and skills, which are best learned by pursuing a rigorous high school curriculum. In a technology-dependent workforce, a strong mathematics and science background is especially important.

The growth in the number of students taking challenging coursework is a promising trend. The work ahead should include aggressive efforts to encourage *all* students to complete four years of English and three years each of social studies, science and mathematics before they graduate. These efforts should begin in middle school, with strategies that encourage students to take gateway courses like algebra before 9th grade. At the high school level, states and school districts should eliminate the "general track" of courses that do not adequately prepare students for either the workplace or higher education. High schools should also offer advanced courses like calculus and physics, so that students are not hindered from progressing because these key courses are not available.

Some students will need extra help to meet graduation requirements and succeed in a rigorous curriculum. States and school districts should adopt strategies that have proved to be effective with students who are struggling to keep pace or who learn in different ways. These strategies include:

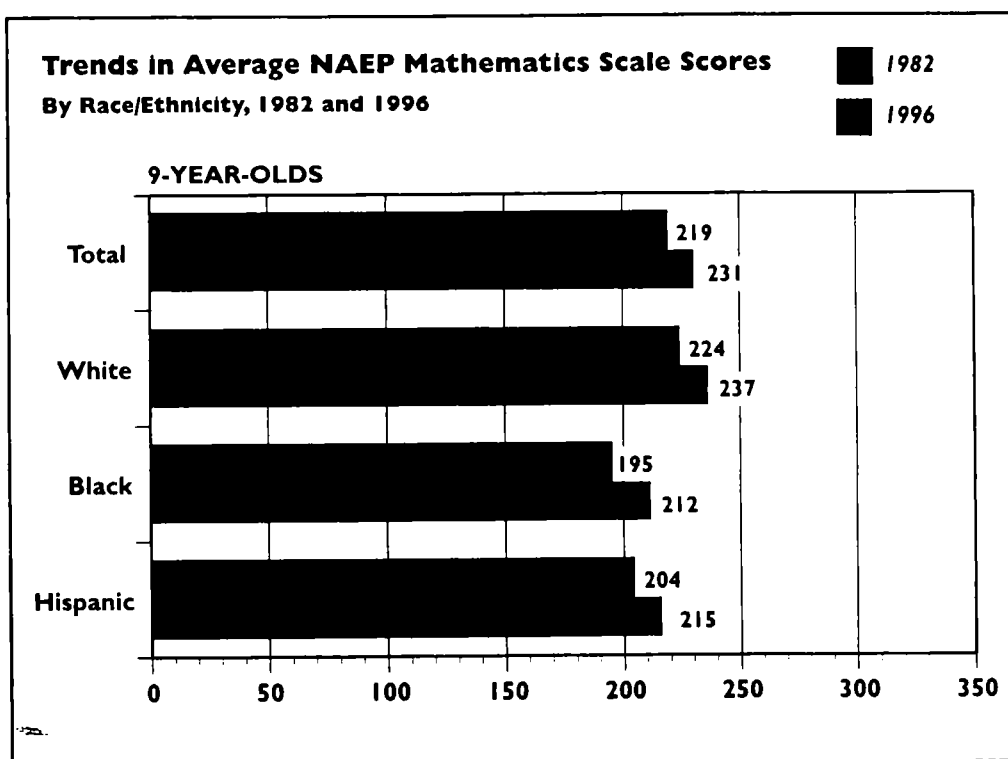
- counseling and mentoring programs that connect students with caring adults who can guide their academic progress;
- teaching methods that emphasize how academic knowledge applies in real-world contexts;
- "tech-prep" programs that integrate academic and technical education and lead directly into a two-year college or technical certificate program; and
- "career academies" that teach high-level academic skills through a curriculum centered around particular employment sectors, such as health care, hospitality, or finance.

The work ahead must also include continuing attention to students with disabilities. Although these students have benefitted from inclusion in regular classrooms and are graduating at higher rates than 15 years ago, they still drop out at twice the rate of their peers (OSERS, *IDEA General Information: Overview*, 1997). States and school districts should hold students with disabilities to high standards, while recognizing that they often need intensive assistance to graduate and make the transition from school to work or further education. Effective strategies include building relationships between students and caring adults, teaching problem-solving strategies and monitoring student behavior.

STUDENT MATHEMATICS ACHIEVEMENT IS IMPROVING

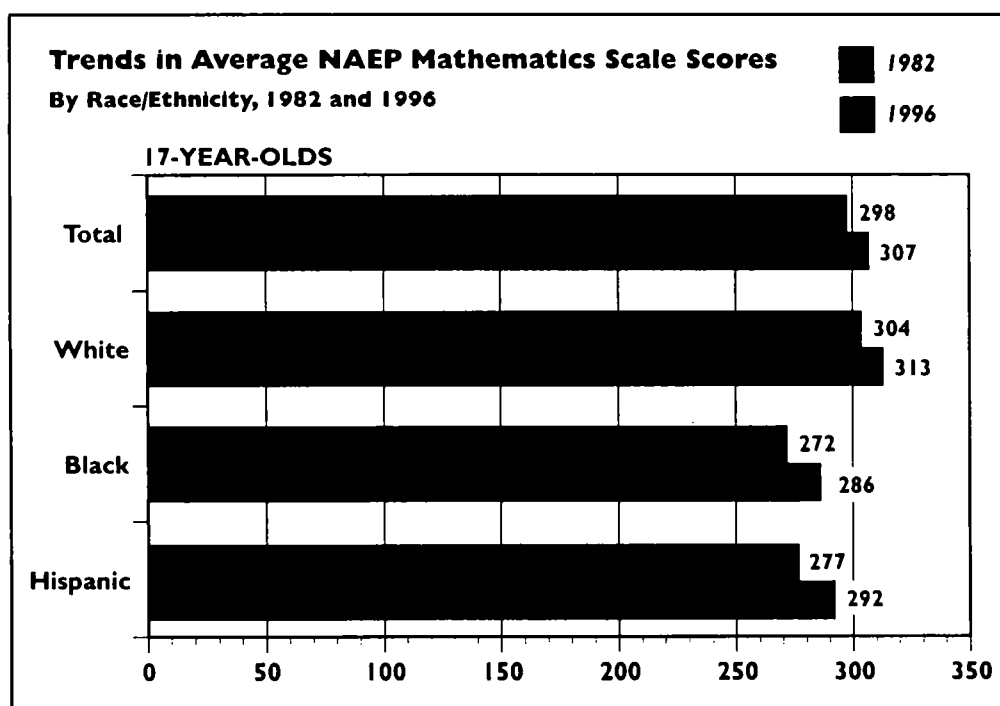
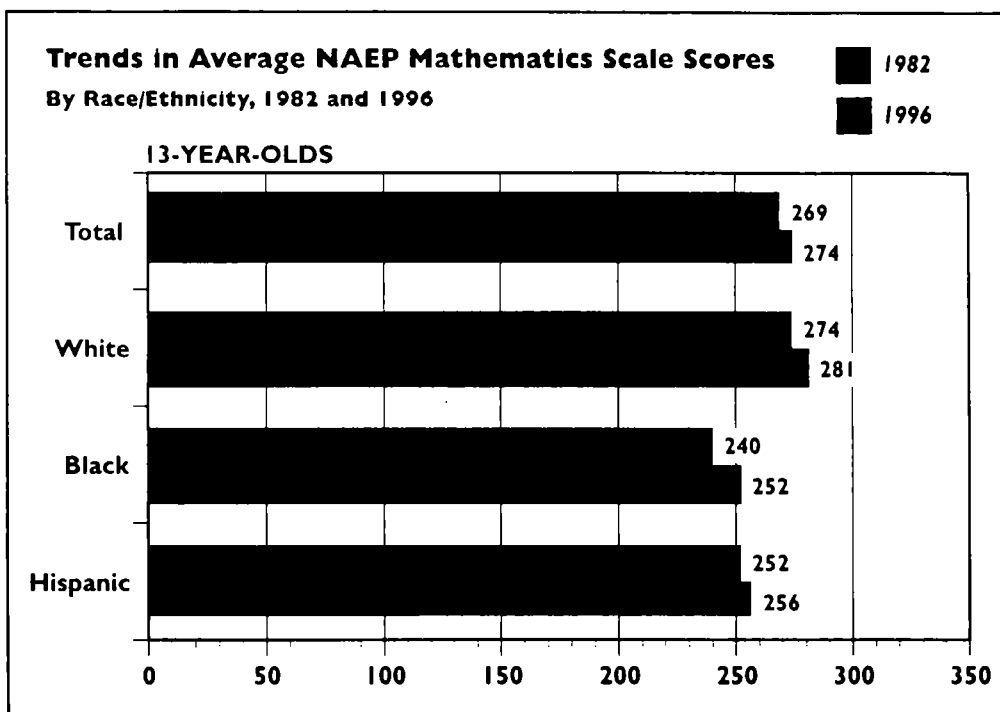
THE FACTS

Between 1982 and 1996, students improved their achievement in mathematics, as measured by the National Assessment of Educational Progress. (NAEP is the only national testing program that measures trends in student achievement in key subject areas.) Average NAEP mathematics scores rose for all three age groups tested, with 9-year-old students making the most progress. Black and Hispanic students have made significant gains so that racial/ethnic differences in achievement have narrowed since 1982.



Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP mathematics scale can add and subtract two-digit numbers and recognize relationships among coins. Those who score at or above 250 can add, subtract, multiply and divide using whole numbers and solve one-step problems. Those who score at or above 300 can compute with decimals, fractions and percents; recognize geometric figures; solve simple equations; and use moderately complex reasoning.

Source: U.S. Department of Education, National Center for Education Statistics, *NAEP 1996 Trends in Academic Progress and The Condition of Education 1998*, Indicator 18.



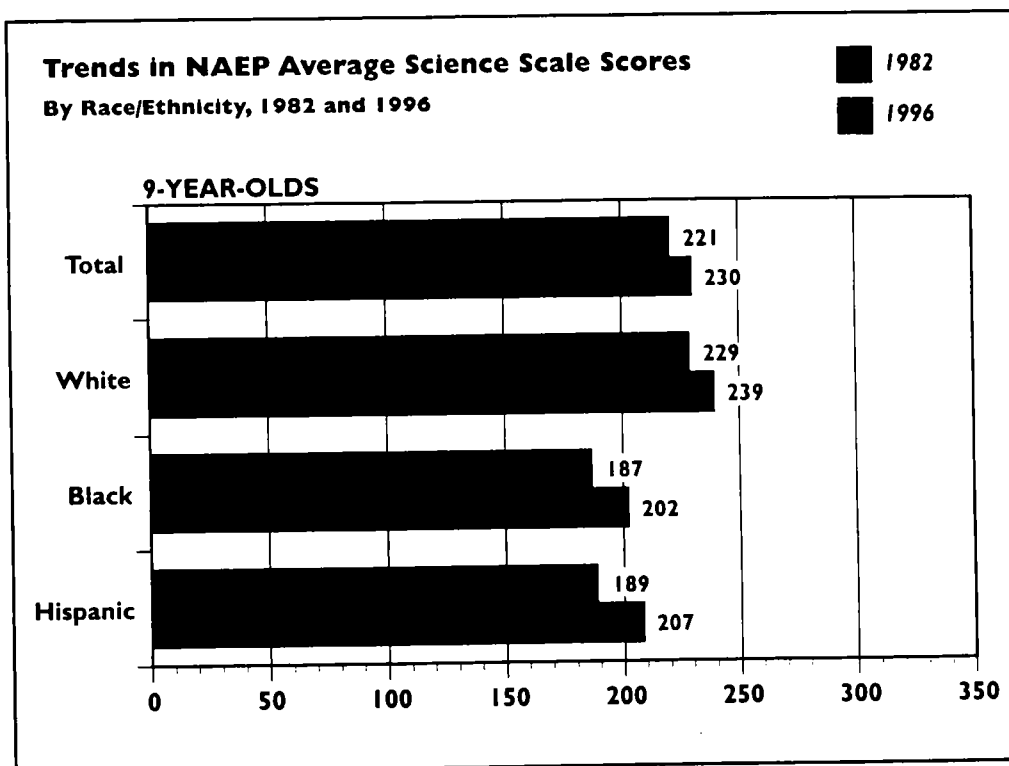
Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP mathematics scale can add and subtract two-digit numbers and recognize relationships among coins. Those who score at or above 250 can add, subtract, multiply and divide using whole numbers and solve one-step problems. Those who score at or above 300 can compute with decimals, fractions and percents; recognize geometric figures; solve simple equations; and use moderately complex reasoning.

Source: U.S. Department of Education, National Center for Education Statistics, *NAEP 1996 Trends in Academic Progress and The Condition of Education 1998*, Indicator 18.

STUDENT SCIENCE ACHIEVEMENT IS IMPROVING

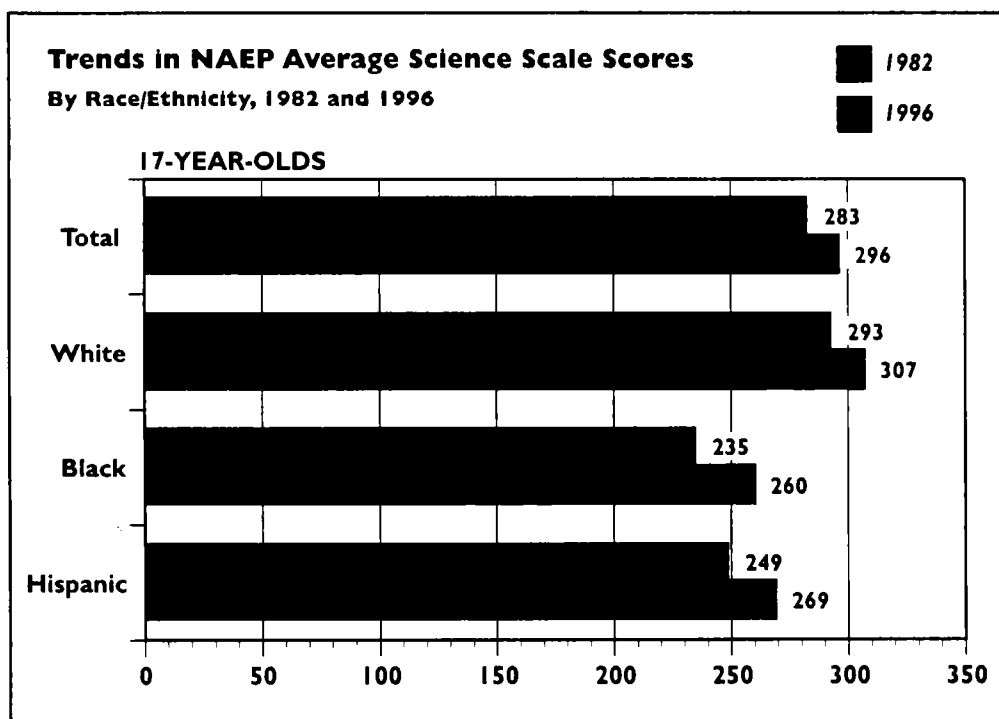
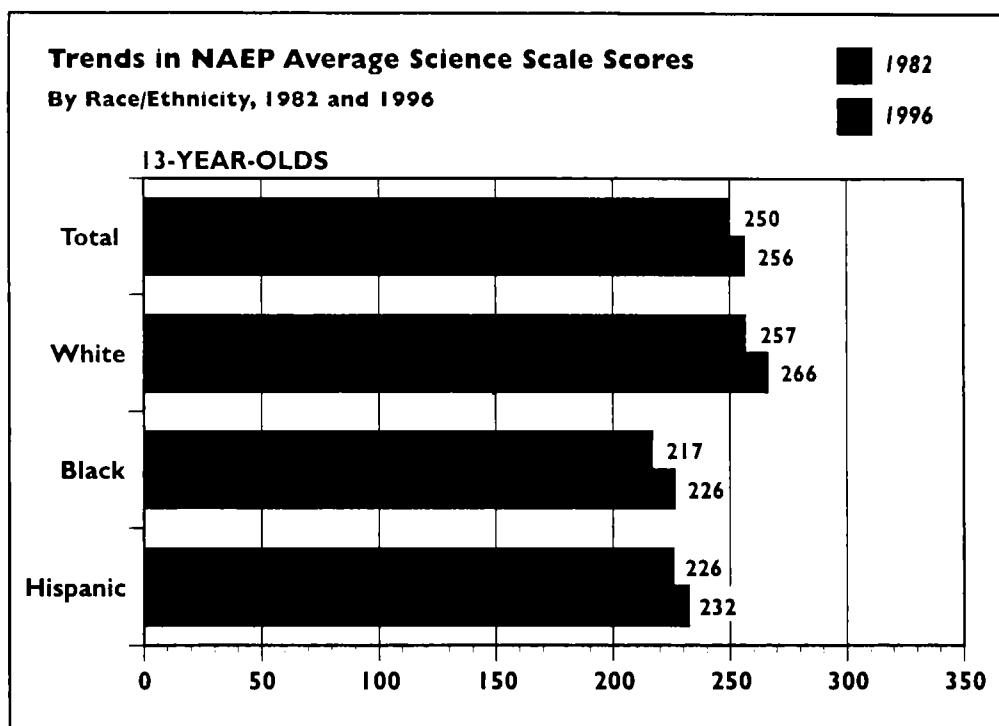
THE FACTS

Between 1982 and 1996, science achievement increased for all three age groups tested by NAEP, with the greatest gains among black and Hispanic students. (NAEP is the only national testing program that measures trends in student achievement in key subject areas.)



Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP science scale understand simple scientific principles; for example, they show some knowledge of the structure and functions of plants and animals. Those who score at or above 250 can apply general scientific information; for example, they can interpret data from simple tables and make inferences about the outcomes of experiments. Those who score at or above 300 can analyze scientific procedures and data.

Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator 1.



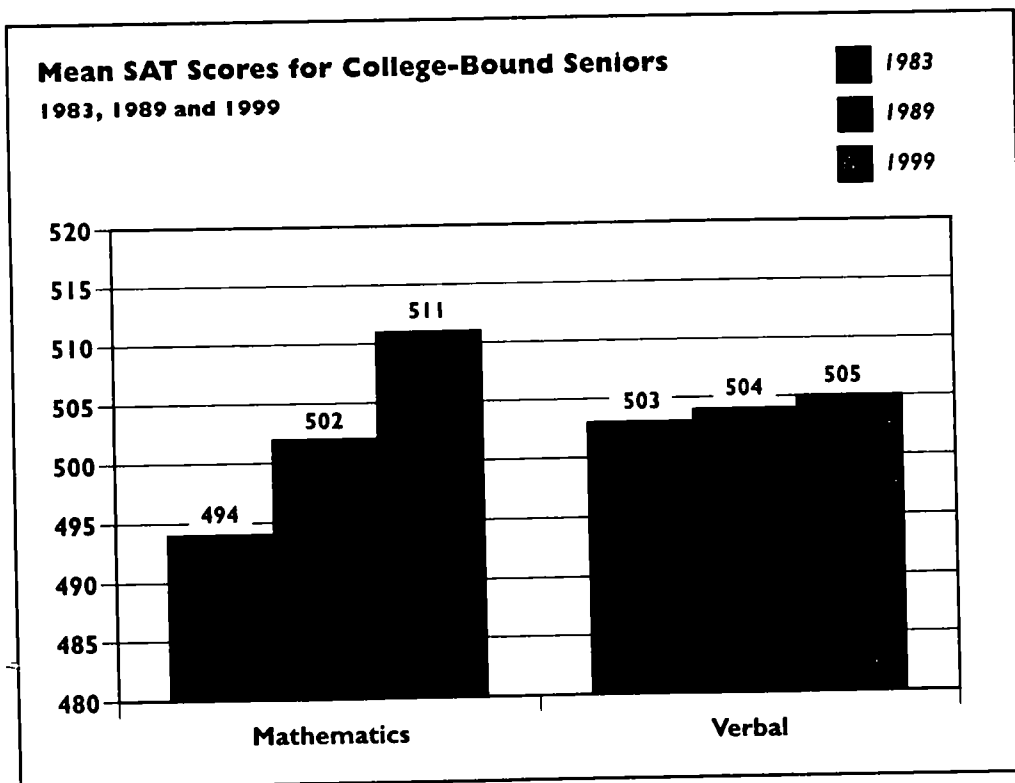
Note: NAEP uses a scale of 0–500. Students who score at or above 200 on the NAEP science scale understand simple scientific principles; for example, they show some knowledge of the structure and functions of plants and animals. Those who score at or above 250 can apply general scientific information; for example, they can interpret data from simple tables and make inferences about the outcomes of experiments. Those who score at or above 300 can analyze scientific procedures and data.

Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator I.

SAT SCORES INCREASED DURING THE 1990s

THE FACTS

High school students who plan to apply to college often take the college entrance examination known as the SAT, or Scholastic Assessment Test. Although some people are under the impression that SAT scores are falling, scores actually went up during the 1990s. The 1999 SAT mathematics average is markedly higher than the average for either 1983 or 1989. The 1999 verbal average is 1 point higher than it was in 1989 and has remained the same for the past four years. This is good news, since the proportion of test-takers who did not speak English as a first language increased from 6% in 1989 to 8% in 1999. It is also encouraging that mathematics and verbal scores have increased even as the population of test-takers has grown much larger and more racially and ethnically diverse.



Caution: College entrance exams, such as the SAT and ACT, are designed only to be predictors of college success and should not be used as indicators of how well American schools and students are doing. Further, since students voluntarily choose to take these tests, the results are not based on a representative sample.

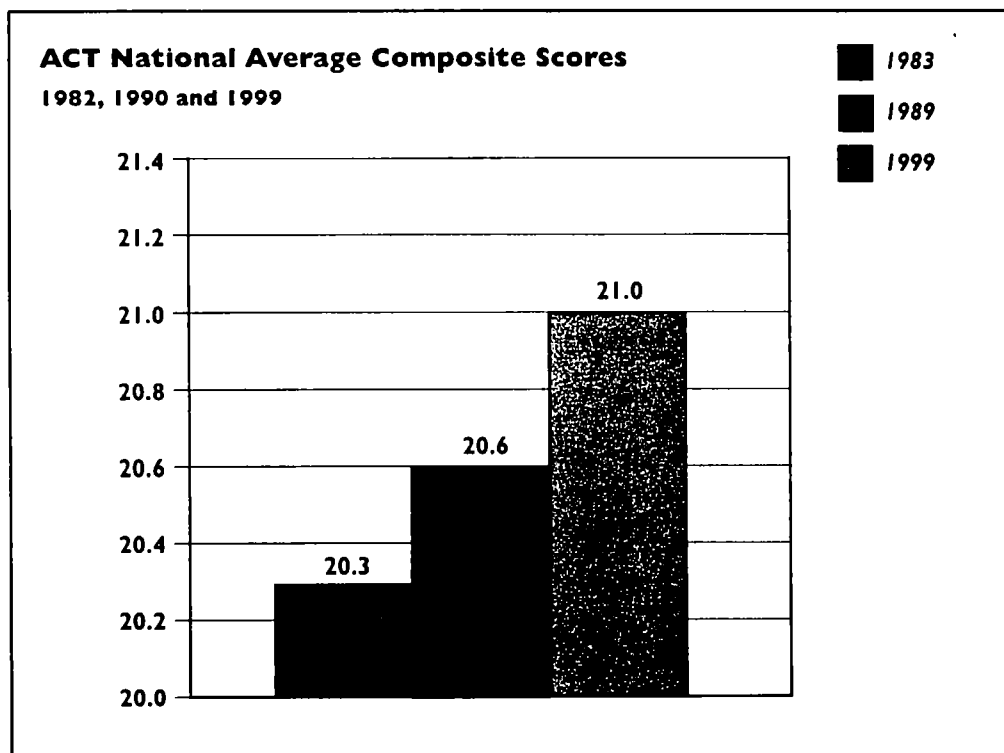
Note: The SAT uses a scale of 200–800.

Source: The College Board, *News From the College Board*, "College Board Reports 'Decade of Promise' for America's College-Bound Students As Record Numbers Take the SAT and Advanced Placement Courses," August 31, 1999.

ACT TEST SCORES ARE UP

THE FACTS

The ACT is another popular college entrance examination taken by high school students who want to go to college. In 1999, the national average composite score on the ACT remained the same as in 1998, continuing a 10-year trend of stable or increasing scores. These results have occurred at a time when record numbers of students are taking the exam—a factor that normally would cause scores to drop. The ACT program has concluded that the students taking the exam today must be at least as well prepared as those tested in the past.



Caution: College entrance exams, such as the ACT and SAT, are designed only to be predictors of college success and should not be used as indicators of how well American schools and students are doing. Further, since students voluntarily choose to take these tests, the results are not based on a representative sample.

Note: The ACT uses a scale of 0–36.

Sources: ACT August 17, 1999 press release; and U.S. Department of Education, *Digest of Education Statistics* 1997.

STUDENTS ARE TAKING MORE AP EXAMS

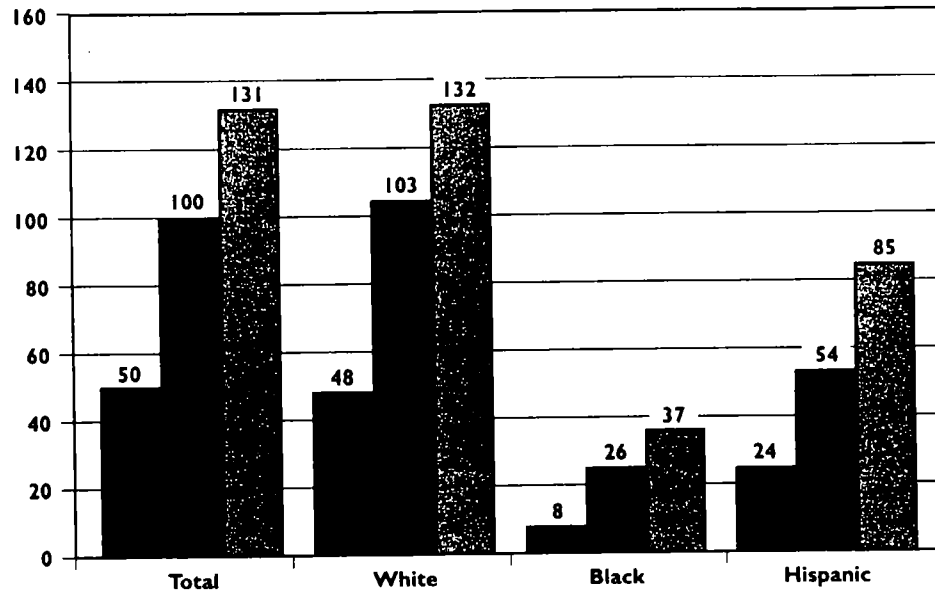
THE FACTS

Between 1984 and 1997, the number of Advanced Placement (AP) exams taken by high school students nearly *tripled*, growing from 50 exams per 1,000 twelfth-grade students to 131. Since then, the numbers have continued to rise. Minority students now comprise 30% of all AP test-takers, up from 22% a decade ago (The College Board, press release, August 31, 1999). AP exams are annual tests offered in many different subject areas that give students an opportunity to demonstrate college-level achievement. Many institutions of higher education offer college credits to students who score at least a 3 on a scale of 0 to 5.

**Number of AP Exams Taken Per 1,000
Twelfth-Grade Students**

By Race/Ethnicity, 1984, 1990 and 1997

■ 1984
■ 1990
■ 1997



Note: Includes exams taken by both 11th and 12th graders.

Source: U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1999*, Indicator 14.

THE WORK AHEAD: STUDENT ACHIEVEMENT

Although U.S. students have made promising achievement gains during the past 15 years, the nation still has a way to go before all young people are academically well prepared. This is especially apparent at the secondary level. In a recent international achievement study, U.S. 4th graders performed above average in math, but our 8th and 12th graders lagged behind students from many other countries. In science, U.S. 4th graders performed in the top tier of nations, and our 8th graders achieved above the international average, but our 12th graders performed below average (U.S. Department of Education, *Third International Mathematics and Science Study*, 1998).

States and school districts should persist in their efforts to raise achievement in all core subjects. Students who take rigorous academic courses have higher test scores than other students. All students, whether headed for the workplace or higher education, should be encouraged to take challenging academic courses. Other critical steps for states and school districts include:

- setting high standards for student learning;
- strengthening the secondary school curriculum to provide more focus and depth;
- ensuring that subject-matter courses are taught by qualified teachers with credentials in the field they are teaching;
- encouraging all students to take college entrance examinations and providing extra help to prepare them for these tests; and
- making AP courses available in the 44% of high schools that do not offer them.

Strategies to raise achievement should also include extra assistance or different teaching methods for students who are struggling to meet high academic standards. In science and math, for example, many students do better when teachers make clear how the content and skills being taught apply to real-life problems and careers.

Closing the gap between white and Asian students and their black and Hispanic counterparts should be a major thrust of the work ahead. Although minority students have made considerable gains, a gap still remains. Socioeconomic factors, such as racial-ethnic differences in family income and parents' educational levels, play a role in this gap. Poverty has a negative correlation with school achievement, and black and Hispanic children are more than twice as likely to live in poverty as white children (NCES, *The Condition of Education 1997*). Yet teachers in schools with high minority enrollments or high poverty are somewhat less likely to have a master's degree or a college major or minor in their main field of assignment than teachers in schools with few minority children or low poverty (NCES, *Teacher Quality: A Report on the Preparation and Qualifications of Public School Teachers*, 1999).

To close achievement gaps, states and school districts should make special efforts to:

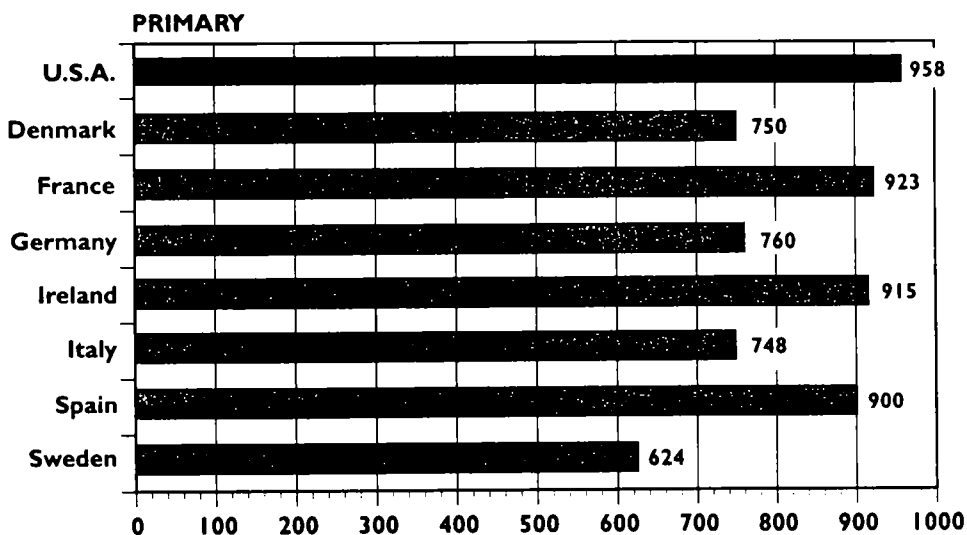
- recruit and hire teachers for high-poverty and high-minority schools who have academic backgrounds and full certification in the fields they are teaching;
- encourage all middle school students to take rigorous coursework; and
- make low-income students aware of programs to help finance the costs of AP exams, as well as the costs of postsecondary education.

U.S. STUDENTS RECEIVE MORE INSTRUCTIONAL TIME THAN EUROPEAN STUDENTS

THE FACTS

Students in the United States receive more instructional time than students in the seven European countries studied by the Organization for Economic Cooperation and Development. In 1994, U.S. primary schools provided an average of 958 teaching hours per year, compared with 923 in France and 760 hours in Germany. The U.S. secondary school averages were also higher.

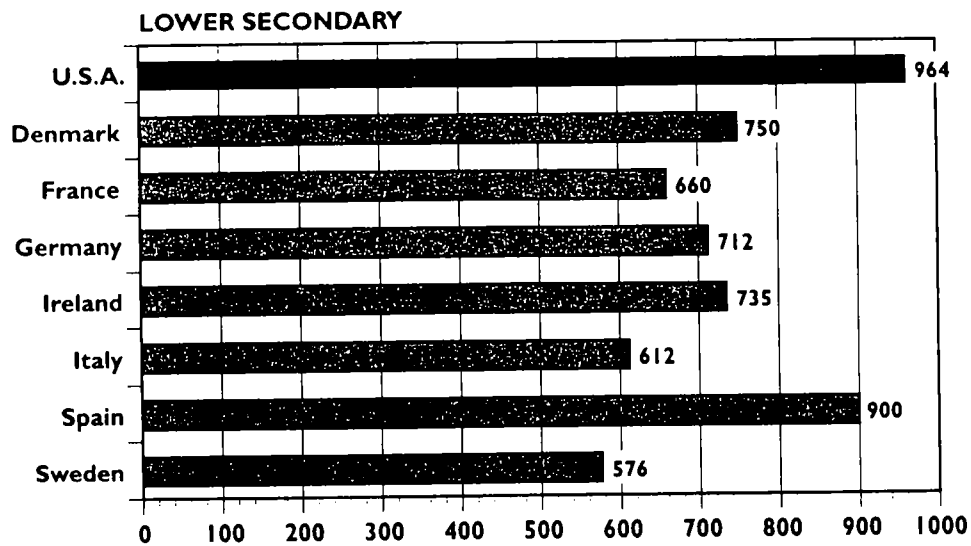
**Number of Teaching Hours Per Year in Public Schools
Primary Level, 1994**



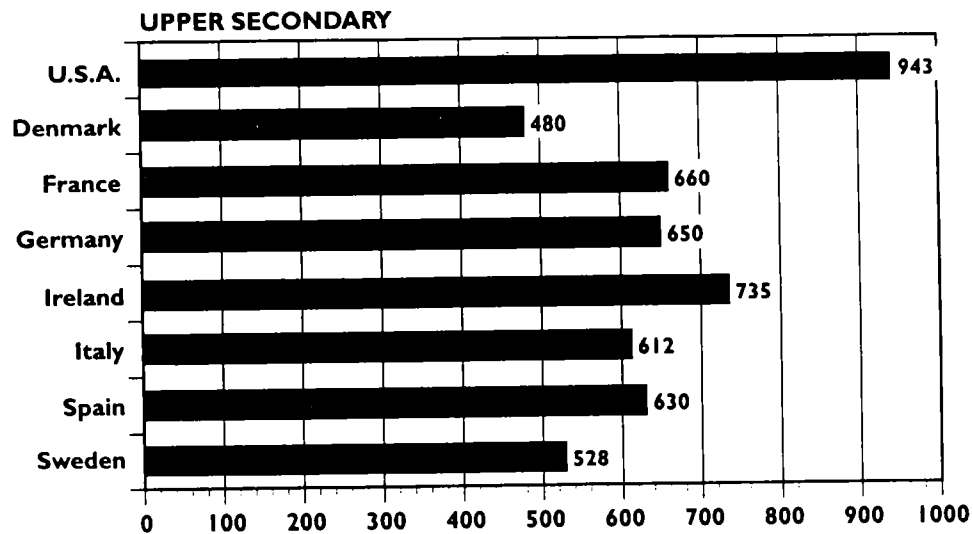
Note: Number of teaching hours is the total number of hours per year during which a full-time classroom teacher is responsible for teaching a group of students.

Source: Organization for Economic Cooperation and Development, *Education at a Glance: OECD Indicators*, 1996; and U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1998*, Indicator 38.

Number of Teaching Hours Per Year in Public Schools Lower Secondary Level, 1994



Number of Teaching Hours Per Year in Public Schools Upper Secondary Level, 1994



Note: Number of teaching hours is the total number of hours per year during which a full-time classroom teacher is responsible for teaching a group of students.

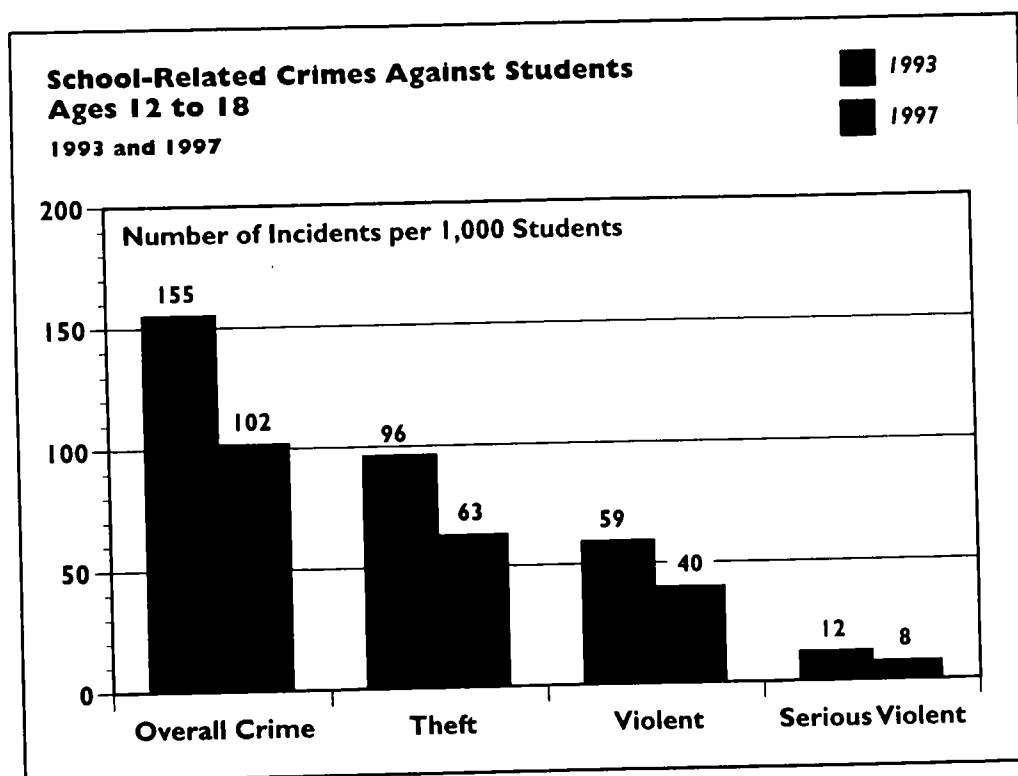
Source: Organization for Economic Cooperation and Development, *Education at a Glance: OECD Indicators*, 1996; and U.S. Department of Education, National Center for Education Statistics, *The Condition of Education 1998*, Indicator 38.

SCHOOL CRIME IS DECLINING

THE FACTS

The overall school crime rate decreased between 1993 and 1997. In 1993, there were 155 school-related crimes for every 1,000 students ages 12 to 18, while in 1997 there were 102 such incidents. The most common crime at school is theft, rather than violent crime.

Although recent, tragic school shootings have reminded the nation that violent death at school is intolerable no matter how rare an event, children are safer in schools than in the community or at home. Less than 1% of the 2,500 child homicides and suicides during the last 6 months of 1997 took place at school or on the way to and from school. There were also significant decreases between 1993 and 1997 in the percentages of high school students who carried a weapon on school property or were involved in a physical fight at school (U.S. Department of Education, *1999 Annual Report on School Safety*).



Note: Serious violent crimes are defined as rape, sexual assault, robbery and aggravated assault. Violent crimes include serious violent crimes and simple assault.

Source: U.S. Departments of Education and Justice, *Indicators of School Crime and Safety 1999*.

THE WORK AHEAD: EDUCATIONAL CLIMATE

Creating a safe climate that promotes learning is a joint responsibility of the community, schools, educators, parents and students. Continuing steps to reduce crime and violence at home and school should be part of the work ahead. Even though serious crime is down, students seem to feel less safe at school than they did a few years ago. In 1989, 6% of students ages 12 to 19 feared being harmed at school, but by 1995, this figure had risen to 9%. Street gangs and drugs on school property continue to be a problem at some schools. In 1995, 28% of students reported that there were gangs at their school, and almost one-third said they had been offered, sold, or given an illegal drug on school property (U.S. Departments of Education and Justice, *Indicators of School Crime and Safety, 1999*).

Parents and families need to teach children respect for others and help them to resolve conflicts through non-violent means. States, communities and schools should ensure that schools have and enforce strict codes of student behavior and have in place preventive approaches, such as conflict resolution strategies, counseling for troubled students and character education. States, communities and schools also should develop special strategies to improve the safety of children in urban areas, who are more vulnerable to serious violent crime than suburban or rural children.

Time devoted to teaching and learning is another factor that both educators and parents can influence. Recently many schools have sought to boost the amount of time spent on instruction, and the international data cited above suggest these efforts may be paying off. Whether added instructional time translates into higher achievement, however, depends on how well the time is used. To improve the educational climate, states, communities and school districts should:

- organize the school day so that students have adequate instructional time to learn core academic subjects;
- keep interruptions to a minimum;
- provide teachers with professional development in effective use of classroom time; and
- offer before- and after-school activities in a safe and structured environment.

Students themselves must also make a serious effort to stay focused and learn while in class.

Parents can shape the learning environment by setting clear guidelines for children about study, homework, television, and other recreational activities. Children who spend several hours a day watching TV or playing computer games obviously have less time to spend on homework, reading and other active pursuits. In addition, parents can help to create a learning climate at home by reading aloud to their young children and having their children read to them, and by talking with their children about the television programs they watch and the books they read.

PUBLIC SCHOOL TEACHERS ARE WELL-EDUCATED

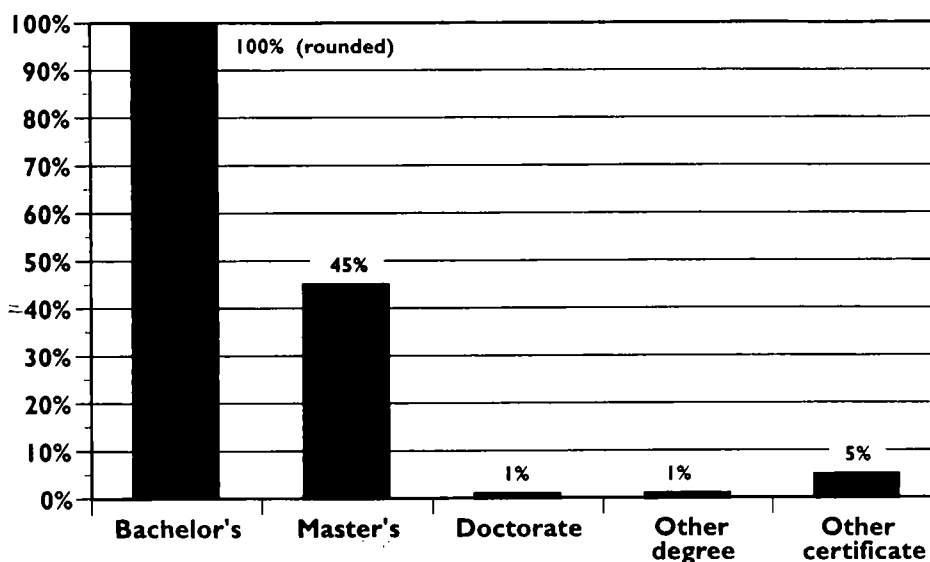
THE FACTS

Public school teachers are well-educated, according to a 1998 national survey by the National Center for Education Statistics. Virtually all public school teachers have a bachelor's degree, and nearly half (45%) hold a master's degree. One percent have doctorates. These percentages have remained much the same since 1993-94.

Other good news about teacher qualifications came out of this survey:

- Teachers have stronger backgrounds in academic disciplines than critics have asserted. Two-thirds of high school teachers, 44% of middle school teachers and 22% of elementary teachers have an undergraduate or graduate major in an academic field (such as English or mathematics), rather than a major in an education field (such as general education or mathematics education).
- Ninety-three percent of general elementary teachers and 92% of subject-matter teachers are fully certified in the field of their main teaching assignment (in other words, the field in which they taught most often).

**Percentage of Full-Time Public School Teachers
Who Hold Various Degrees, 1998**

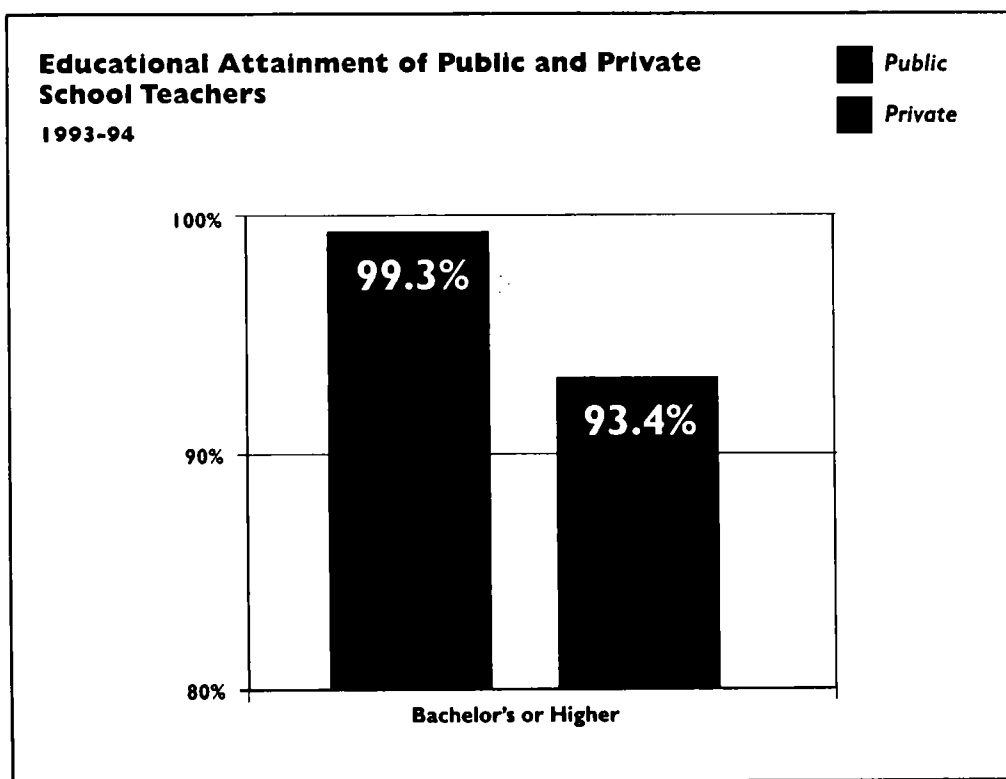


Source: U.S. Department of Education, National Center for Education Statistics, *Teacher Quality: A Report on the Preparation and Qualifications of Public School Teachers*, 1999.

PUBLIC SCHOOL TEACHERS ARE BETTER EDUCATED THAN PRIVATE SCHOOL TEACHERS

THE FACTS

In 1993-94, virtually all public school teachers (99.3%) had completed at least a bachelor's degree, compared with 93.4% of private school teachers. Public school teachers also had more experience on average: 14.8 years of experience for public school teachers versus 12.2 years of experience for private school teachers.



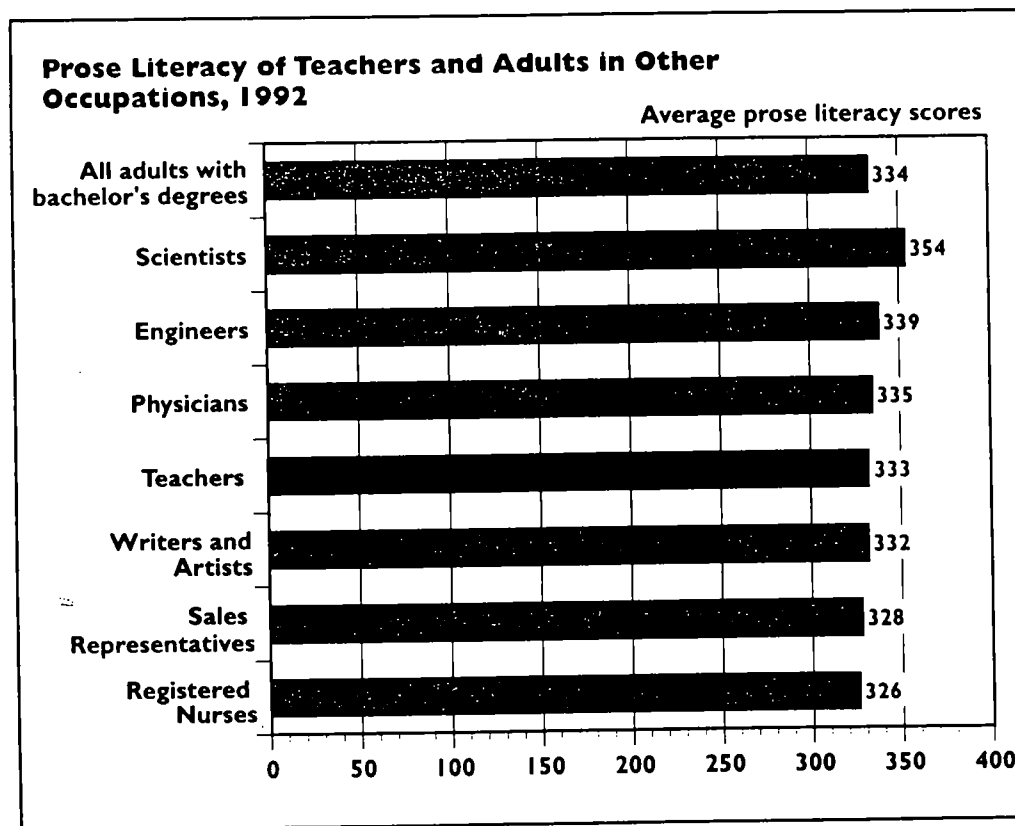
Source: U.S. Department of Education, National Center for Education Statistics, *Schools and Staffing in the United States: A Statistical Profile, 1993-94* and *The Condition of Education 1998*.

Note: Although data on teacher education were updated for public school teachers in 1998, comparable data were not collected that year for private school teachers.

TEACHERS HAVE LITERACY LEVELS COMPARABLE TO OTHER COLLEGE GRADUATES

THE FACTS

Some critics of public education contend that school teachers have low literacy skills, but this isn't the case. Data from a 1992 national study of adult literacy suggest that teachers have a level of literacy comparable to that of other college graduates. The prose literacy of teachers is not significantly different from that of engineers, physicians, writers, sales representatives, registered nurses and other college-educated professionals. ("Prose literacy" means the ability to understand, analyze and synthesize information from written texts.) Scientists were the only professionals who had measurably higher prose literacy skills than teachers.



Source: U.S. Department of Education, National Center for Education Statistics, *National Adult Literacy Survey 1992* and *The Condition of Education 1995*, Indicator 58.

THE WORK AHEAD: TEACHERS

Public school teachers have the education, certification and academic backgrounds necessary for teaching. States, school districts, colleges and universities must next address the issues of out-of-field teaching, recruitment and retention, competitive compensation, teacher preparation and professional development.

Although the vast majority of public secondary school teachers have an undergraduate or graduate major or minor in their main field of assignment, some still teach courses outside their field. In 1998, 18% of mathematics teachers, 14% of English teachers and 12% of science teachers in grades 7 through 12 did not have a major or minor in their main field of assignment (NCES, *Teacher Quality*, 1999). These figures probably understate the problem because they omit teachers who teach most of their courses in their major field but teach a few courses outside their field. Issues of teacher qualification are most acute in low-income areas, central cities, and schools with high minority enrollments; teachers in these settings are somewhat less likely than other teachers to have full (rather than provisional) certification, to have a master's degree, or to have a major or minor in their assigned field. States, higher education institutions and school districts should work together to ensure that all teachers—especially in schools with the greatest needs—have at least a major in the subject they are teaching.

Large cohorts of experienced teachers are approaching retirement age at the same time that secondary school enrollments are about to surge—a combination that could intensify existing teacher shortages. College graduates with good literacy skills can choose from a wide range of occupations, including many that pay better than teaching. In 1992, for example, teachers who scored at prose literacy level 3, the middle range of the National Adult Literacy Survey, had median weekly wages of \$475, compared with \$603 for other college graduates scoring at level 3 (U.S. Department of Education, *National Adult Literacy Survey 1992*). School districts should raise teacher salaries and offer other incentives to attract and keep highly qualified candidates. States and higher education institutions should develop incentives, such as alternative certification, to encourage knowledgeable, experienced people from other fields to become teachers.

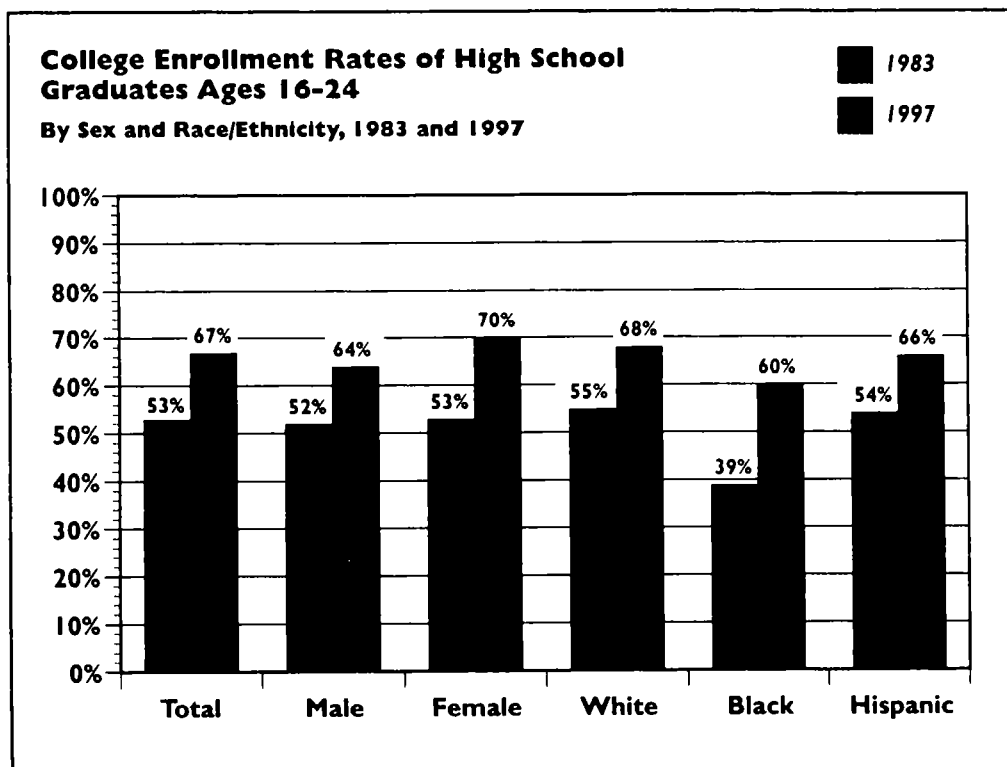
State and local reform initiatives have raised the bar for student learning, which places greater demands on teachers. To prepare new cohorts of teachers for these heightened expectations will require reforms in teacher education programs. Colleges and universities should strengthen the academic course requirements for prospective teachers and should provide them with high-quality education and practice in effective teaching methods. School districts should provide supports for new teachers, such as mentoring and sustained professional development.

School districts should also provide all teachers with more sustained professional development, rather than short-term workshops. Teachers need professional development in such areas as teaching to high standards, integrating the use of technology into their teaching, acquiring deeper content knowledge in their field, teaching students with limited English proficiency, and teaching students with disabilities in the regular classroom. Currently, 37% of teachers said they felt only somewhat well prepared or not at all prepared to address the needs of children with disabilities (NCES, *Teacher Quality*).

MORE STUDENTS ARE GOING ON TO HIGHER EDUCATION

THE FACTS

Compared with young people of the early 1980s, many more students today are going to college soon after they complete high school. Especially noteworthy are the increases among black students and women.



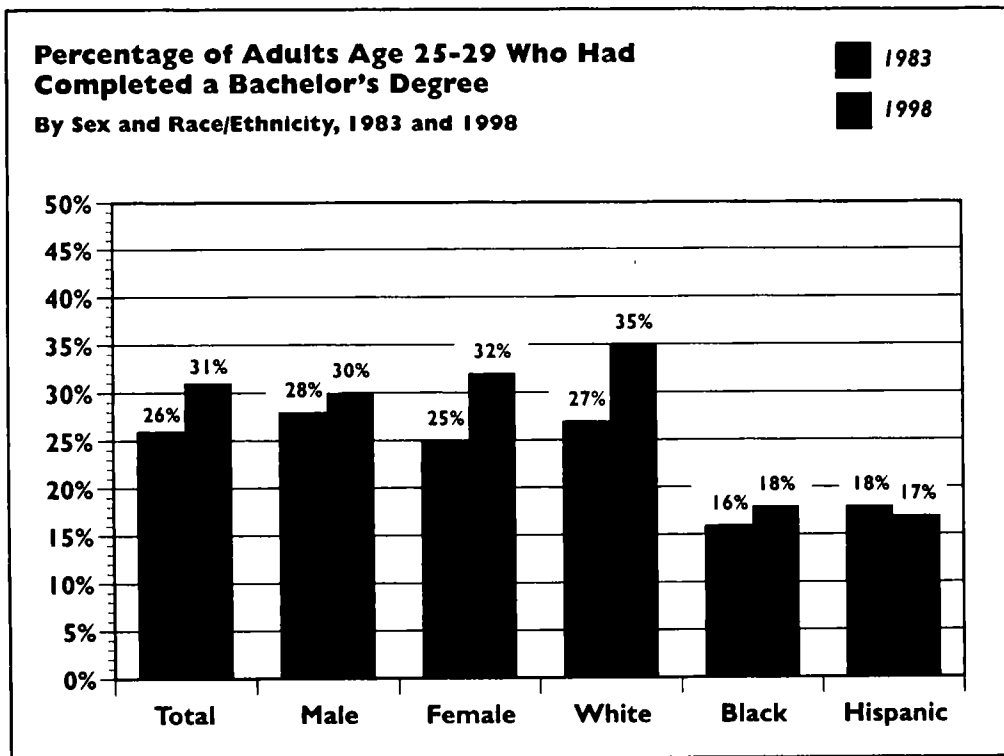
Note: Chart shows percentage of high school completers (including GED recipients) ages 16-24 who were enrolled in college during the October after they finished high school. Due to small sample sizes, the percentages shown for black and Hispanic students are subject to relatively large sampling errors.

Source: U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 1998*, Tables 183 and 184.

MORE YOUNG ADULTS ARE COMPLETING 4-YEAR COLLEGE DEGREES

THE FACTS

Between 1985 and 1998, there was an increase in the percentage of young adults who had completed a bachelor's degree or higher by age 29. The completion rates rose for white and black students, but decreased for Hispanic students. Particularly noteworthy is the rising rate among women, who are now more likely than men to complete a college degree.

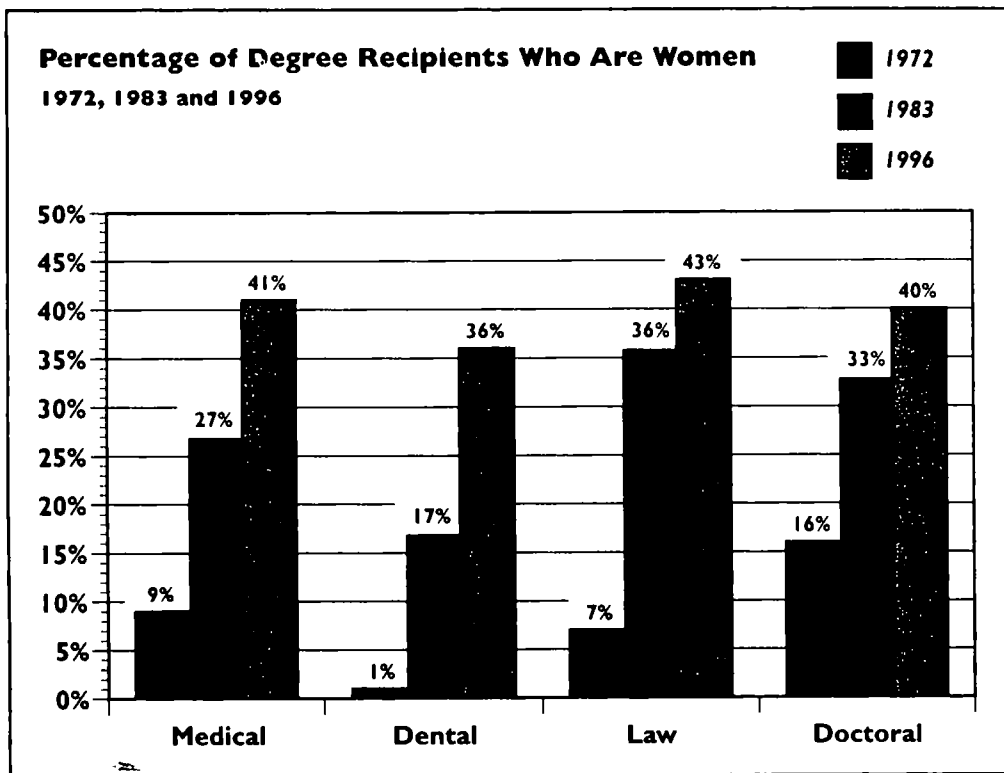


Source: U.S. Department of Education, National Center for Education Statistics, *Condition of Education 1999*, Table 59-3.

MORE WOMEN ARE EARNING GRADUATE AND PROFESSIONAL DEGREES

THE FACTS

Since passage of Title IX of the Education Amendments of 1972, which aimed to bring about equal educational opportunity by gender, the number of women earning graduate and professional degrees has gone up significantly. Women now constitute a larger share of medical, dental and law graduates, and of doctoral degree holders, than they did two decades ago. For example, women earned 43% of the law degrees granted in 1994, compared with only 7% in 1972.



Source: U.S. Department of Education, National Center for Education Statistics, *Digest of Education Statistics 1998*, Tables 244 and 259.

THE WORK AHEAD: HIGHER EDUCATION

More students are enrolling in college than ever before, but only about 31% of high school graduates ages 25 to 29 had completed a bachelor's degree or higher in 1998 (U.S. Department of Education, *Condition of Education 1999*). About 9% had completed an associate's degree (U.S. Department of Commerce, *Current Population Survey*, March 1998), although this figure does not include students who left higher education with a technical certificate or who transferred from a two-year to a four-college to pursue a bachelor's degree.

Higher education institutions and secondary schools must work together to ensure that more students who start college complete a technical certificate or an associate's or bachelor's degree. This is especially important for black and Hispanic students, who have lower college completion rates. States and school districts should implement programs in middle and high schools to:

- let students know early on which courses they need to take—particularly mathematics, science and language courses—to prepare for success in postsecondary education;
- provide more intensive academic help for students who are struggling; and
- strengthen counseling programs to help students better understand the kinds of preparation required for various jobs, make wise choices about courses of study and types of institutions, and be well-informed about access to financial aid.

Although gender and racial-ethnic gaps have narrowed in higher education, women and minorities are still underrepresented in mathematics, engineering and the physical sciences. A mathematics or science degree often leads to a high-paying career and is good preparation for a job in fast-growing technological fields. Schools and higher education institutions should take steps to:

- kindle early interest in mathematics and science among girls and boys, and particularly students of color;
- be aware of and address gender and racial differences in attitudes about mathematics and science;
- provide better counseling about course decisions and career options related to mathematics and science; and
- provide supports so that students can persist in a challenging curriculum all the way through high school and postsecondary education.

CONCLUSION

The statistics highlighted in this brief report are a sample of the many benefits emerging from a decade and a half of school reform and sustained investment in our schools and our teachers. What is perhaps most remarkable is that our nation has made these improvements with a very diverse population, a strong tradition of local control of education, and enormous variation among states and school districts in their student population, policies and practices.

Americans should give credit to public education for the progress made thus far in course-taking, school completion, student achievement, school safety, teacher quality and access to higher education. But this is just a beginning. There are still many areas where our nation should improve or fine-tune education reforms. Examples of needed improvements include:

- closing racial and ethnic gaps in achievement, high school graduation and completion of postsecondary degrees;
- encouraging more students to take harder courses at an earlier age;
- improving student achievement in reading, writing and other key subjects and accelerating the gains already made in mathematics and science;
- continuing the drop in school crime and eliminating violent crime; and
- strengthening the preparation of new teachers and ensuring that all courses are taught by teachers with a certification or major in that field.

As the data in this report demonstrate, educational improvement is an achievable goal. Public education is moving in the right direction. Continued support from citizens and political leaders will maintain this welcome momentum.

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Do You Know the Good News about American Education? Published in 2000 by the Center on Education Policy and the American Youth Policy Forum, Washington, D.C.

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Center on Education Policy
1001 Connecticut Avenue, NW, Suite 619
Washington, D.C. 20036

Phone: 202-822-8065
Fax: 202-822-6008
E-Mail: ctredpol@ctredpol.org
Web Site: www.ctredpol.org



American Youth Policy Forum
1836 Jefferson Place, NW
Washington, D.C. 20036

Phone: 202-775-9731
Fax: 202-775-9733
E-Mail: aypf@aypf.org
Web Site: www.aypf.org



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20410-0001

FAX COVER SHEET

From the office of Jacquie M. Lawing

Phone: 202/708-0270

Fax: 202/708-4087

DATE: 1/06/2000

PAGES INCLUDING COVER: 5

TO: Terry Edmonds

PHONE #: _____

FAX #: 456- 2505

COMMENTS:

Secretary Cuomo offers the
attached policies and ideas as
strong contributions made by the
Clinton Administration to strengthen
America's communities. We believe
these are important items for inclusion
in the State of the Union address.
Please call me, or have someone from
your office call me at 708-0270
with any questions or comments. Thank
you.

Jacquie.

HUD'S PROPOSED CONTRIBUTIONS TO THE STATE OF THE UNION ADDRESS

The end of this extraordinary American century presents us with two stories about our Nation's communities. On one hand, most people and places are economically the strongest they have been in more than a generation, with wealth up, crime down, jobs expanding, and hope blossoming. On the other, for those people and places left behind, the record-breaking economic success is not yet bringing the jobs, affordable housing, safe streets, and good schools that every neighborhood deserves. At this prosperous moment, we must invest in places left behind, to tap new markets and renew hope.

HUD, the agency charged with partnering with our nation's communities, is now "back in business." While once riddled with mismanagement and incompetence, HUD's management overhaul has received bi-partisan praise and has made great progress. Most noteworthy, in 1999 the agency received its first clean financial audit. HUD is positioned now to take its progress to the next level – leading the full-fledged effort to national community revitalization.

In this year's State of the Union address, President Clinton could speak to America about the stories of both types of communities. For example, while we often hear about the phenomenal success of Wall Street, the fact is that owning a home is still the number one way in which most families accumulate wealth. And homeownership is at an all-time high now, having reached 67%.

But too many Americans watch the great American success story as if it were someone else's dream. For those who want to work and are still jobless, for those not yet on the ladder to homeownership, we need investments in affordable housing, community safety programs, and private-sector-led job creation in what the President referred to last year as "our greatest untapped markets"—the economically distressed areas in urban and rural America. We will request 120,000 new housing vouchers to help the Nation's struggling renter families. Of these new vouchers, 10,000 will be devoted to a new initiative, the Community Renewal Housing Production Initiative, which will put HUD back into the housing construction business. And we will continue our efforts to help homeless people achieve independent living through the award-winning Continuum of Care program.

We will ask Congress to complete the Housing Security Plan for Elderly Americans—building on last year's progress by expanding FHA tools to finance assisted living facilities to serve the most vulnerable, frail elderly. Because no one can be well-housed without feeling secure in their homes, we will propose a Gun Violence Reduction Initiative to combat the scourge of crime-related and accidental gun deaths in cities nationwide. Finally, comprehensive community revitalization will require tapping into all sectors of the economy, including accessing the substantive energies and expertise of the Nation's non-profit and faith-based organizations.

A HOUSING POLICY FOR THE 21st CENTURY.

Even as our nation enjoys unprecedented prosperity, it is actually becoming more and more difficult for low-income American families to afford a decent place to live. For decades national housing policy has shifted back and forth between production oriented programs that focus on expanding the supply of affordable housing, and income based initiatives that provide cash assistance that enables lower income families to afford decent rental housing. As we enter the 21st Century, what is clear is that both approaches are needed if America is to realize the goal of decent housing for all first established some 50 years ago.

As part of his FY2001 budget request, the President is proposing a series of bold initiatives that will expand affordable housing opportunities to hundreds of thousands of families left behind in the new economy. These initiatives build on recent efforts to reform and restore public trust in the nation's affordable housing programs. HUD's 2020 Reform Initiative has cracked down on programmatic abuses, while at the same time demonstrating that the vast majority (over 87 percent) of the nation's assisted rental housing is in good or excellent condition. Three years ago, historic legislation created the Mark-to-Market program, which preserves project-based Section 8 housing (where rents are above market) while bringing costs in line with the private market. In 1998, Public Housing Reform secured a bright future for this vital component of the affordable housing inventory, while legislation in 1999 addressed the loss of affordable housing from "opt-outs," which occur when long-term Section 8 contracts expire and private owners choose to leave the program. Now is the time to build on these victories with renewed efforts to expand the number of housing vouchers while at the same time renewing efforts to produce new affordable rental housing.

New Housing Vouchers: Housing vouchers are an integral part of the Administration's efforts to reform welfare, reward work, support working families, and provide affordable housing for low-income families. This year the President's budget includes 120,000 new housing vouchers at a cost of \$690 million. Of these, 32,000 will be targeted to families moving from welfare to work, 18,000 vouchers will help homeless individuals and families who would otherwise have the most difficult time securing permanent housing, and 10,000 will be devoted to the Community Renewal Housing Production Initiative (see below). In addition to the vouchers themselves, the budget request includes \$50 million to support innovative local programs to assist housing voucher recipients to break down economic, social, or racial barriers that limit their ability to take full advantage of housing vouchers in tight markets.

Community Renewal Housing Production Initiative: Housing vouchers are just one part of a balanced housing policy. Supply side initiatives must also be part of the mix. FHA mortgage insurance is key to these new supply side efforts. To spur the production of housing affordable to the lowest income Americans in neighborhoods that will provide strong job opportunities and other benefits, HUD

proposes a program that uses FHA mortgage insurance and links 10,000 new housing vouchers (included in the 120,000 total new vouchers described above) with the highly successful Low Income Housing Tax Credit (LIHTC) program. Funded at an initial cost of \$66 million dollars in FY2001, the program will encourage income mixing, by limiting the use of vouchers to no more than 25% of the units in any new LIHTC development. The program includes \$8 million for one-time incentive payments to developers who build units targeted to worst case housing needs, such as large families with children. The FY2001 budget also includes additional production initiatives, including an effort to use FHA mortgage insurance to promote mixed-used and mixed-income developments in urban redevelopment areas.

A Continuum of Care for the Nation's Homeless: Mayors, academicians and the President himself have long been saying that the Continuum of Care for addressing homelessness is a major innovation that works. This year, that was confirmed by Harvard University's John F. Kennedy School of Government and the Ford Foundation, when they awarded the Continuum the coveted "Innovations in Government" Award. It addresses the housing needs of the most vulnerable Americans – those making a transition from the streets back into homes and community life – and leverages many times the investment of Federal resources in private funds. It is responsible, over the past six years, for moving 400,000 formerly-homeless people to self-sufficiency. This year, the President will propose an all-time high of \$1.2 billion in funding for the Continuum of Care.

ELDERLY ASSISTED LIVING PROGRAM.

As the President has often emphasized, our nation will, over the next 50 years, undergo a demographic shift unlike anything seen in our history. As part of anticipating the "greying" of America, HUD last year increased its focus on serving older Americans by proposing the Housing Security Plan for Older Americans. The plan, now enacted into law as part of HUD's FY2000 budget, provides a full range of options – a "Continuum of Care" – to meet the changing needs of our Nation's elders. Components include efforts to 1) help elders stay in their own homes, 2) build more affordable elderly housing, 3) provide seniors the services they need, and 4) ensure access to assisted housing. The FY2001 budget continues to expand the range of housing options for seniors by including a new initiative that combines FHA mortgage insurance with annual operating subsidies to produce new assisted living facilities. The President has included \$50 million for this initiative in his budget request, and a total of \$779 million for the entire Elderly Continuum of Care.

FIGHTING CRIME.

Although violent crimes are down nationwide, the United States still loses too many innocent victims to shootings each and every day, with 600 lives lost each week in gun violence, and another 1,800 people injured. So, this year, HUD initiated a gun buy-back

program, pledging \$15 million to buy up to 300,000 guns now in circulation. And seeking an even more systemic way to address the issue of gun violence, HUD announced last month that it will join with the Administration and 29 cities and counties to negotiate with the gun manufacturing industry, in an effort to encourage the industry to more responsibly design, market and distribute its products. Looking to the coming year, the President has included \$30 million in his budget proposal for HUD's Anti-Gun Violence and Housing Safety Initiative, to provide a public education campaign about the misuse of firearms; technical assistance for local governments, public housing authorities, and non-profits on how to reduce gun-related violence; and state-of-the-art tracking and mapping systems to gather much-needed information on gun-related crimes, which could then be used for prevention activities.

NEW MARKETS.

A significant legacy that the President will leave with the Nation is his focus on New Markets – communities left behind in the nation's extraordinary prosperity. In the weeks and months that have followed the New Markets trips, HUD has been active in White House-led interagency efforts to concretely further the New Markets agenda. One of the major components of the New Markets initiative is the effort to stimulate large-scale private investment in areas with too little commercial activity, through three legislative initiatives, one of which, APIC (America's Private Investment Companies), received an appropriation in FY 2000. Working with Congress, we secured \$20 million in credit subsidy to leverage over \$540 million in private loans and \$270 million in private equity capital to create and expand large-scale businesses in rural and urban America. The president will propose continued investment in the APIC program and the Community Empowerment Fund in his FY2001 submission.

The faith-based sector represents a vast, largely untapped potential partner for Government in working to improve the lives of Americans. Although faith-based organizations represent the third-largest segment of non-profit groups (after health and education), only 4% of these organizations report partnering with the Government. Yet they have strong advantages as community building partners because of their immediate ties to people, their ability to muster community support, their history of commitment to "safety net" and other types of important programs, and their credibility in public dialogue. HUD created the Center for Community and faith-based partnerships and has received enormous interest from this community on partnering with government to strengthen our communities. This year, the President will include in his budget a proposal that HUD spend \$20 million to develop this important partnership resource.