



## DPC NEW IDEAS PROJECT

# THE 2009 FRESH 50: FIFTY NEW POLICY IDEAS FOR SENATE DEMOCRATS

JUNE 2009

Building on the Democratic Party's legacy of reform and innovation, the DPC has built a "New Ideas Network" to generate new policy ideas for Senate Democrats. The network includes academics, policy experts at think tanks, state and local government officials, thought leaders from business and labor, and bloggers. This report, "The 2009 Fresh 50," is the latest product of that collaboration. These ideas **do not** represent the positions or agenda of the Democratic Leadership in the Senate. They are the result of a brainstorming exercise meant to develop fresh, new ideas for review and consideration by Senate Democrats.

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# THE 2009 FRESH 50:

## FIFTY NEW POLICY IDEAS FOR SENATE DEMOCRATS

### OUR HISTORY AND VALUES

More than two hundred years ago, Thomas Jefferson and James Madison formed the Democratic Party to represent the interests of the “common man.” This simple but powerful idea, coupled with an unwavering commitment to progress, freedom and equality, has made the Democratic Party not only the most enduring political party in the world, but the embodiment of the hopes and aspirations of generations of middle-class Americans and those who have sought, through hard work and determination, to enter the middle-class.

### OUR RECORD

America, under Democratic leadership, has always fought to expand the ranks of the middle-class, through bold acts of reform and innovation: the New Deal and Social Security, which brought retirement security to all working Americans; workplace reforms that made workers safer and more productive; civil rights and voting rights protections that opened doors to opportunity regardless of a person’s color or creed; the Great Society and Medicare, which provided health care after a lifetime of work; and the Great Prosperity of the 1990s, a rising tide that lifted all boats. Virtually every one of these advances, which some now take for granted, was opposed by the Republican Party and their powerful backers, who fought tooth and nail to preserve the status quo.

### THE REPUBLICAN RECORD

The Republican Party, under the leadership of former President George W. Bush and his Republican allies in the Congress, represents different interests. During much of this decade, we saw Republican economic and budget policies, which consist of tax cuts for the wealthiest Americans, a hands-off approach for corporations, and an unwillingness to manage global change, fail the American middle-class. These Republican policies either caused or failed to address our biggest challenges as a nation: a financial market meltdown; fewer jobs with worse benefits; longer periods of unemployment; falling wages; less upward mobility; rising inequality in income and wealth; record budget deficits and trade deficits; an increased tax burden on the middle-class; less secure pensions; the challenges of globalization; global warming; and rapidly escalating energy, health care, and college tuition costs.

### OUR NATION’S GREAT CHALLENGES

America faces unprecedented challenges. How we respond to these great challenges will determine whether America continues to be the pre-eminent economic, political, and military power in the world, or whether we will experience an era of declining economic and national security. Today, with the nation at a crossroads between declining prospects and unlimited opportunities, Democrats offer a new direction for America.

### NEW IDEAS FOR A NEW DIRECTION

Building on the Democratic Party’s legacy of reform and innovation, the DPC has developed a “New Ideas Network” to generate new policy ideas for Senate Democrats. The network includes academics, policy experts at think tanks, state and local government officials, thought leaders from business and labor, and bloggers. This report, “The 2009 Fresh 50,” is the latest product of that collaboration. These ideas **do not** represent the positions or agenda of the Democratic Leadership in the Senate. They are the result of a brainstorming exercise meant to develop fresh, new ideas for review and consideration by Senate Democrats.

Our hope is that, after reviewing these ideas, Democratic Senators will find individual items they wish to adopt and promote as part of their own legislative agendas.

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35. Offer expedited routes to early education and pre-K teaching.
36. Build worker advancement systems, not just job training programs.
37. Ensure we have police officers who are ready for international stabilization and reconstruction operations.
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39. Apply community investment and philanthropy disclosure requirements to money service businesses.
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41. Double democracy promotion assistance for effective non-governmental organizations.
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43. Establish transparency standards for international arms sales.
44. Reduce prescription drug abuse among teens.
45. Give a tax credit to companies that open internal education and training facilities to workers outside the firm or students in local community colleges.
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47. Create an international “Justice for All” initiative.
48. Allow recipients of housing assistance to build assets as they pay their rent.

49. Implement an “Operation Redtape” to simplify and streamline paperwork requirements.
50. Conduct an immediate, system-wide accounting to assess the adequacy of environmental and health monitoring after the Bush Administration.

# THE 2009 FRESH 50

## 1. Discourage the rise of “too big to fail” financial institutions.

**Issue:** The economic crisis has seen a number of huge financial institutions encounter serious difficulty without being permitted to enter standard bankruptcy proceedings because of fears of the broader economic effects such a bankruptcy might cause. When these “too big to fail” institutions do actually collapse, what we have seen happen is that the taxpayers get stuck with the bill. The resulting tremendous cost has highlighted the potential benefits of establishing a regulator, or improved regulatory system, specifically charged with identifying and policing systemic risks among financial institutions. Another side-effect of entities becoming “too big to fail” is a competitive advantage in the capital markets. If lenders believe the government will step in should a firm run into difficulties and bail out creditors and counterparties, then that firm is likely to receive lower interest rates than other firms not seen to pose systemic risks. Once the credit markets resume healthy activity, this after-effect of the government’s intervention could harm smaller firms and hurt competition in financial services, raising costs for consumers.

**Proposal:** We should discourage the rise of “too big to fail” financial institutions. We should create a new Financial Institutions Section in the Justice Department’s Antitrust Division, charged with enforcing competition laws in the financial services industry. The Section should conduct traditional assessments of the potential anti-competitive effects of mergers. It should work in conjunction with financial institution regulators to conduct regular assessments of the anti-competitive effects of entities found to pose some level of systemic risk. The Department of Justice should also have clear legal authority to block mergers or acquisitions that would result in greater systemic risk, a decision to be made in consultation with appropriate financial institution regulators.

**More Information:** For background on antitrust issues, see the work of the American Antitrust Institute, found online here: <http://www.antitrustinstitute.org/>.

## 2. Create a minimum Social Security benefit tied to years of work.

**Issue:** For all the success Social Security has had in providing retirement security to millions of Americans, it is quite possible to reach retirement with an earned Social Security benefit that falls below the poverty line. In December 2004, for example, almost half of women receiving Social Security on the basis of their employment history received a benefit that was under the poverty threshold. About 20 percent of men did so as well. Overall, 17 percent of older unmarried women are in poverty, a sign that we are still failing too many of our elders. The current benefit formula does not reward long working careers if they include long stretches of part-time work, as can be common among working mothers. A worker who works half-time for 20 years of a 45-year-career will often receive a lower benefit than one who drops out entirely for 10 years but then works full-time for 35 years. By one recent estimate, a worker retiring at 62 after working 40 years at the minimum wage would receive a Social Security benefit that is only about 75 percent of the poverty threshold.

**Proposal:** We should create a minimum Social Security benefit tied to years of work. We should establish a benefit of 10 percent over the poverty line for anyone with at least 40 years of covered employment. This would provide a floor of support without reworking the benefit structure in ways that would disadvantage other beneficiaries. (We should couple this benefit with a provision ensuring that no beneficiaries lose Medicaid coverage due to becoming ineligible for SSI through higher Social Security benefits.) A minimum benefit of this type would help ensure that work not only pays while working but that it also pays off in retirement. Every American who works throughout life should be guaranteed security in old age.

**More Information:** See “Building a Sustainable Future: A Framework for Financial Security,” from AARP. See also “Minimum Benefits in Social Security” by Melissa Favreault, Gordon Mermin, and Eugene Steuerle from the Urban Institute, found online here: <http://www.urban.org/publications/411406.html>.

### 3. Tap online social networking to improve Medicare.

**Issue:** As is true in many areas, the Internet is having a significant impact on health care. The Web-based social network PatientsLikeMe has signed up more than 20,000 participants in five chronic-illness categories – amyotrophic lateral sclerosis (ALS), Parkinson’s disease, HIV/AIDS, multiple sclerosis, and mood disorders. They chart their own medical histories in minute detail, sharing information with one another and the world at large, hoping that it can aid researchers and improve treatments for these often difficult conditions. Participants believe they are working to better their own health while also feeling like what they are going through will help others.

**Proposal:** We should tap online social networking to improve Medicare. We should conduct several Medicare pilots to see if health outcomes can be improved by engaging with beneficiaries online. For example, can beneficiaries with chronic diseases like diabetes learn to manage their conditions better by sharing their experiences and questions? As more and more seniors become Internet-savvy, effective online uses of health care could result in longer, more active lives for our senior citizens – and reduce federal spending on Medicare at the same time.

**More Information:** See “Health 2.0: Patients as Partners,” *Business Week*, December 4, 2008, found online here: [http://www.businessweek.com/magazine/content/08\\_50/b4112058194219.htm](http://www.businessweek.com/magazine/content/08_50/b4112058194219.htm).

### 4. Ensure a global rapid response to nuclear thefts or emergencies.

**Issue:** A nuclear attack remains the greatest threat to the security of Americans. In the post-Cold War world, such an attack is far more likely to come from a terrorist group than another nation. Terrorists would need to steal nuclear materials or otherwise obtain “loose” materials on the black market to be able to produce a bomb. Maintaining the security of nuclear materials is critical to heading off nuclear terrorism. As the number of nuclear nations grows, collaborative security becomes more important – and more challenging.

**Proposal:** We should ensure a global rapid response to nuclear thefts or emergencies. We should ensure there are reliable lines of communication to provide notification within hours of a reported theft of nuclear materials or other security issue – a “nuclear Amber Alert,” perhaps. International search teams should be ready for quick dispatch. We should make sure that American personnel and equipment, such as aircraft, are prepared for such missions. We should also work cooperatively to lay out established standing operating procedures for responses so that imports of critical technology and experts happen quickly to the country where the incident has occurred, rather than being tangled up in visa or other negotiations. These steps would reduce the chances of nuclear materials falling into the wrong hands and rebuild international cooperation on this sensitive problem.

**More Information:** See “Preventing Nuclear Terrorism: An Agenda for the Next President,” by Matthew Bunn from the Tobin Project, found online here: [http://www.tobinproject.org/welcome/conference\\_security/working.html](http://www.tobinproject.org/welcome/conference_security/working.html).

### 5. Create “green” savings bonds.

**Issue:** America needs to retool and reinvest. Our infrastructure is aging and the climate crisis will require making changes in energy use, such as developing better transportation systems. At the same time, some Americans need to rebuild their savings, given widespread investment losses due to the financial crisis. Other Americans, including many lower-income families, simply need to build up savings in the first place.

**Proposal:** We should create “green” savings bonds. Like War Bonds during World War II, these bonds would be a special version of U.S. Savings Bonds sold to the public. The proceeds would be used solely to fund green gov-

ernment infrastructure projects, such as retrofitting public buildings, expanding mass transit, constructing smart electrical grids, advancing bio fuels and wind and solar power projects. While there are already clean renewable energy bonds of various types, they are aimed at wealthier investors and money managers. These “green” bonds would offer regular Americans a chance to make direct investments in the economic future of the country, while building greater financial security for their own families and combating the detrimental effects of climate change.

**More Information:** See the work of the Asset Building program at the New America Foundation, found online here: [http://www.newamerica.net/publications/policy/promoting\\_saving\\_and\\_financial\\_security\\_america\\_s\\_working\\_families](http://www.newamerica.net/publications/policy/promoting_saving_and_financial_security_america_s_working_families).

## **6. Focus teacher quality funds more on recruitment and retention efforts in hard-to-staff schools.**

**Issue:** Teacher quality drives excellence in education. The federal government spends about \$3 billion directly on efforts to promote teacher and principal quality, largely through Title II of the Elementary and Secondary Education Act (ESEA). As we seek to make real improvements in the academic performance of our children, this investment is a crucial lever for change. Unfortunately, there is little evidence that these funds are driving the changes needed to help schools recruit, train, and compensate quality teachers. At the same time, the federal Teacher Incentive Fund, an initiative to help states and local communities design performance-based teacher pay schemes is funded at less than \$100 million. This low level of support comes despite increasing state and local interest in innovative ways to reward exceptional teachers and give them opportunities for leadership that do not mean leaving the classroom altogether.

**Proposal:** We should focus teacher quality funds more on recruitment and retention efforts in hard-to-staff schools. We should continue the formula-based distribution of ESEA Title II funding but reserve a much greater share for competitively allocated grants to support reform projects. The types of reforms that should be funded include: investments in recruitment and retention incentives in hard-to-staff schools; ongoing rewards for teachers who work in challenging schools or teach in shortage subjects; creating school- or teacher-based reward systems for outstanding performance; investments in alternative teacher-preparation and credentialing programs; and, investments in teacher induction, mentoring, and peer-support initiatives. This would put more federal resources where they are most needed.

**More Information:** Based upon ideas in “Title 2.0: Revamping the Federal Role in Education Human Capital,” by Andrew Rotherham from Education Sector, found online here: [http://www.educationsector.org/analysis/analysis\\_show.htm?doc\\_id=727538](http://www.educationsector.org/analysis/analysis_show.htm?doc_id=727538).

## **7. Allow defined-contribution pension plan participants and Individual Retirement Account (IRA) holders to organize their own investment pools.**

**Issue:** While labor unions play a role in administering some traditional pension plans, most defined-contribution pension plans are administered by employers. Defined-contribution plans convey more explicit ownership rights to beneficiaries than defined-benefit plans and often offer some choice as to the types of assets in which to invest as well as some ability to move or withdraw funds. However, since most defined-contribution plans are pooled to increase portfolio diversification, the individual beneficiary must accept the employer’s choice of managers and has relatively little say in managing the overall pool of funds. Holders of IRAs and Keogh plans make individual choices about the financial institutions in which they pool their funds to ensure diversification of assets but, having selected an institution, they also become subject to the investment and corporate governance decisions of that institution’s management. In an era where large financial firms have made very costly mistakes, this may represent too much trust to place in corporate money managers.

**Proposal:** We should allow defined-contribution pension plan participants and Individual Retirement Accounts (IRA) holders to organize their own investment pools. This would allow them to select their own managers, set fees and investment policies, and determine strategies for the exercise of corporate governance. A precedent for pooling beneficiary-owned defined-contribution funds can be found in the mutual structure of TIAA-CREF, the fund that covers teachers and employees of non-profit organizations. These new funds could be organized by employees of a particular firm or by geographic area or, as in the case of TIAA-CREF, particular types of work or professions. This would give people more control over their retirement savings and could lead to greater portability of accounts in a workplace where job changes have become more frequent. These plans would be overseen by the Department of Labor and the Internal Revenue Service, just as current plans and IRAs are now.

**More Information:** See “Rebuilding the Framework for Financial Regulation” by Jane D’Arista from the Economic Policy Institute, found online here: <http://www.epi.org/publications/>.

## 8. Reverse the increase in “cold cases.”

**Issue:** The percentage of murder cases that are solved has declined from 91 percent in 1963 to 61 percent in 2007. The unresolved cases often become “cold cases” when leads and lines of inquiry are exhausted without result. Experts believe that a rise in murders linked to gangs and drugs may explain some of the increase in cold cases since they are often anonymous crimes, with fewer connections to guide investigators. At the same time, advances in technology, such as the use of DNA identification techniques, can offer new ways to investigate old crimes, potentially allowing police to make fresh progress. Nevertheless, funding for the federal program to help solve cold cases was cut 40 percent between 2005 and 2007.

**Proposal:** We should reverse the increase in “cold cases.” We should triple the funding for the National Institute of Justice’s Solving Cold Cases with DNA program, giving it a \$50 million annual appropriation, to make a greater dent in that backlog and see that more murderers are caught. The program helps states and local governments identify, review, investigate and analyze violent crime cold cases that have the potential to be solved through DNA analysis. Since 2004, the program has received more than 200 requests for funding, many from agencies trying to get cold case units started. Others have been looking for support to enhance established units or just funds to keep them in existence. The goal of NIJ’s cold case grant program is to analyze or reanalyze evidence using modern DNA technology, which should make a dent in the backlog of cold cases and help make sure that criminals do not, literally, get away with murder.

**More Information:** See also “Guns, Drugs Blamed for Unsolved Murders,” *Associated Press*, December 9, 2008, found online here: [http://www.cbsnews.com/stories/2008/12/09/national/main4656618.shtml?source=related\\_story](http://www.cbsnews.com/stories/2008/12/09/national/main4656618.shtml?source=related_story). See also the Cold Case program website here: <http://www.ojp.usdoj.gov/nij/journals/260/cold-case-resources.htm>.

## 9. Crown a “biggest loser” community.

**Issue:** America has a weight problem. We know that too many of us are obese – about one-third of adults in the latest government statistics – and that this is only getting worse. The problem has even generated a hit reality television series, “The Biggest Loser,” which features people successfully losing weight and becoming more fit. Although approximately two-thirds of obese individuals have been told by a health care provider that they are “overweight,” obesity remains difficult to treat and the prevalence of obesity is not declining. Given the link between obesity and longer-term health issues, an unchecked epidemic of obesity will drive an increase in health care costs, making this a federal budget concern as well as a public health issue. Research has shown that even a moderate amount of weight loss can be beneficial in terms of reducing risk factors, such as high blood pressure.

Making the lifestyle changes necessary to fight obesity are often easier with help from the community, such as making school lunches healthier or ensuring that exercise options are available to all, no matter one's income.

**Proposal:** We should crown a “biggest loser” community. We should create a contest between American communities to reduce obesity, with the winning community receiving a \$5 million prize. All communities selected to participate would receive a grant of up to \$100,000 for planning anti-obesity strategies and for community improvement efforts related to greater health and fitness, such as improving public facilities for exercise or sponsoring healthy cooking classes. The initial competition would include up to 100 communities and would last for one year. The community with the most significant reduction in the share of the population considered to be obese would be the winner – and all competing communities that successfully reduce obesity would receive \$50,000. (A secondary competition for reducing childhood obesity could be conducted in future years.) The award funds could be used for community improvement projects, including economic development efforts. The contest would generate both attention for the issue and test different community-based anti-obesity strategies. And the costs of the contest might be covered by partnering with the producers of the “Biggest Loser” television series.

**More Information:** For more on the “Biggest Loser” show, see its website here: [http://www.nbc.com/The\\_Biggest\\_Loser/about/](http://www.nbc.com/The_Biggest_Loser/about/). For information on the obesity problem, see the Centers for Disease Control here: <http://www.cdc.gov/obesity/index.html>.

## 10. Apply a federal standard of fiduciary duty to institutional money managers.

**Issue:** One reason our financial system spun out of control was that institutional money managers, such as those who run mutual funds, allowed financial companies they had invested in to take on excessive leverage and pay immense bonuses based on false profits. Mutual funds and professional money management firms control 70 percent of the shares of large public companies as institutional investors. They failed to use this influence to oversee corporate management when it comes to risk portfolios, board governance, director elections, and executive compensation. As John Bogle, founder of the Vanguard Group, recently put it, “the agents of investment America have failed to honor the responsibilities that they owe to their principals – the last-line individuals who have much of their capital wealth committed to stock ownership, including mutual fund shareowners and pension beneficiaries.”

**Proposal:** We should apply a federal standard of fiduciary duty to institutional money managers. Under federal law, there are minimum standards of fiduciary responsibilities that apply to most private sector benefit plans, such as pensions. A similar standard applied to mutual funds and other institutional money managers would establish more clearly the basic principle that they serve their shareholders. It should also require that fiduciaries act with due diligence and high professional standards. The end result should be mutual funds and other institutional investors with more responsibility to use their share voting power to ensure that companies in which they have a stake are putting the interests of their shareholders first. This would have implications for executive compensation, nominating directors, and other corporate governance matters.

**More Information:** See “He Doesn’t Let Money Managers Off the Hook,” *New York Times*, April 11, 2009, found online here: <http://www.nytimes.com/2009/04/12/business/12gret.html>. See also John Bogle’s recent lecture at Columbia, found online here: <http://johncbogle.com/wordpress/2009/04/14/john-bogle-speech-and-two-articles/>.

## 11. Invest in community colleges in return for accountability.

**Issue:** Students today are more likely than at any point in history to attend one of America’s 1,100 community colleges. Community college enrollment is increasing at more than twice the annual rate of four-year colleges. Community colleges play a critical role in training workers, especially first-generation college students, for well-

paying, high-demand jobs and in providing students a bridge to even higher levels of education. Unfortunately, community colleges have an estimated dropout rate of 50 percent. Part of the problem lies in the way we fund community colleges. Owing to their historical role in serving local labor markets, community colleges have a heavy financial dependence on states and localities, where the budgetary effects of the current economic situation have been particularly harsh. Moreover, they are funded primarily on enrollment, without regard to whether their students earn degrees or get good jobs, which focuses incentives toward inputs and process, rather than outcomes like student success.

**Proposal:** We should invest in community colleges in return for accountability. We should double direct federal support from \$6 billion to \$12 billion per year. In return, we should set a new focus on national goals for the two-year sector guided by a first-ever accountability system. The new funds should promote innovation and educational “best practices” for community colleges. We should also invest in improving the infrastructure and technology of community colleges. Finally, we should also invest in developing student data systems that enable tracking of outcomes.

**More Information:** See “Stimulus for America’s Community Colleges” by Sara Goldrick-Rab and Alan Berube, from the Brookings Institution, found online here: [http://www.brookings.edu/opinions/2009/0203\\_community\\_college\\_berube.aspx](http://www.brookings.edu/opinions/2009/0203_community_college_berube.aspx).

## 12. Encourage urban homesteading in communities hit by population decline and foreclosures.

**Issue:** Numerous American cities have struggled economically in recent decades, particularly those where manufacturing has shifted elsewhere. This can set off a spiral of population decline, which can interfere with economic revitalization efforts. Cleveland, for example, went from a population of 876,000 in 1960 to 478,000 by 2000. Detroit’s population decreased from 1.67 million in 1960 to 951,000 in 2000. These and several other communities often face significant challenges – problems that have now been compounded by waves of foreclosures. Federal policy-makers should consider possible ways to help stabilize and turnaround these communities where many Americans live.

**Proposal:** We should encourage urban homesteading in communities hit by population decline and foreclosures. We should establish an Urban Homesteading program, working with Fannie Mae and Freddie Mac, to convert foreclosed homes into affordable “rent-to-own” properties, which could be “earned” through five years of current rental payments and “sweat equity” improvements, as needed. Local governments would be eligible to apply for grants if they have lost at least 20 percent of their population over the last 20 years (or 10 percent over the last 10 years) or suffer from particularly severe foreclosure figures. To qualify, a local government would need to identify appropriate neighborhoods for such a program, lay out a process for distributing homes to families most likely to succeed, and make a commitment of local resources for neighborhood revitalization. We should also provide another \$1 billion in Community Development Block Grant funding, reserved for qualifying communities to help stabilize the neighborhoods in the worst shape as a result of out-migration and the housing crisis.

**More Information:** The Congressional Research Service has background on these issues.

## 13. Map the rise in allergies.

**Issue:** An allergy is a disorder of the immune system. Allergic reactions occur to environmental substances known as allergens; these reactions are very common – and appear to be increasing, especially those related to food. Allergic disease is the fifth leading chronic disease in the U.S. among people of all ages, and the third most common chronic disease among children. Overall, the National Institutes of Health (NIH) report that six to eight percent of children under the age of four have food allergies. (The NIH convened an expert panel on food allergies in 2006, in response to a congressional request.) A nationwide survey found that more than half of all

Americans test positive to one or more allergens. In addition, more than six percent of children in the United States have been diagnosed with asthma, amounting to a 75 percent increase over recent decades, and some of this is likely to due to allergies as well.

**Proposal:** We should map the rise in allergies. The National Academies of Science (NAS) should be tasked with conducting a crosscutting assessment of the evidence on the incidence of all allergies among Americans, not just those related to food. This should include addressing the geographic dispersal of allergies and how it might be changing because of climate change. (Pollen seasons appear to be growing longer in some areas, for example.) It should also address any socio-economic variables that are relevant. After completing the map, and making it publicly available on the Internet, the NAS expert panel should make recommendations for public policy changes and for future research priorities across the government, not merely at the NIH. It should review the responsibilities of agencies like the FDA, Department of Agriculture, and EPA in limiting the harmful effects of allergies on American lives. The review should also look at the connections to asthma. The increasing toll of these chronic conditions is having a real impact on lives across the country.

**More Information:** The National Institute of Allergy and Infectious Diseases (at NIH) can be found online here: <http://www3.niaid.nih.gov/>. See also “Climate change could sting allergy, asthma sufferers,” *USA Today*, May 11, 2009, found online here: [http://www.usatoday.com/news/health/2009-05-11-climate-allergies\\_N.htm](http://www.usatoday.com/news/health/2009-05-11-climate-allergies_N.htm).

#### 14. Promote “work sharing” as an alternative to layoffs.

**Issue:** The nation is experiencing the worst recession in at least a generation. Since the end of 2007, the U.S. economy has lost more than 4 million jobs and the national unemployment rate has risen steadily. Even with the economic recovery package and other federal efforts to promote economic growth and create jobs, the job market will take time to recover. We should be looking for ways to preserve as many jobs as possible in the meantime. One little known option is “work sharing,” a special Unemployment Insurance (UI) program that can moderate the impact of a recession on workers. Under work sharing, an employer reduces the hours of work for all employees in a firm or a particular business unit instead of making layoffs. Workers then receive partial unemployment benefits to compensate for the lost hours of work. In a typical state program, individuals work four days per week and receive benefits for the fifth day of the week while maintaining their employer-provided health and retirement benefits. The result is lower costs for the business while preserving jobs.

**Proposal:** We should promote “work sharing” as an alternative to layoffs. We should support the dignity of work and acknowledge the emotional impact a lost job can have on a family. If we can save a job, we should. To this end, we should establish a temporary, two-year federal program to encourage the expansion of current state programs and more states to adopt it. More specifically, it would be a two-year, federally-funded program that would not draw down state UI trust fund balances. States that establish programs during the next two years could apply for grants to increase administrative capacity and implement work sharing programs. States that already operate work sharing programs would receive funds to administer the increase in the number of participating employers and beneficiaries and to automate the program. Employers that file a work sharing plan would be required to provide adequate notice to employees. Finally, the Department of Labor should increase technical assistance to states and offer direct outreach to employers, business organizations, unions and other interested groups.

**More Information:** See “Work Sharing – An Alternative to Layoffs for Tough Times,” by Neil Ridley, from the Center for Law and Social Policy, found online here: <http://www.clasp.org/publications.php?id=9>.

#### 15. Get serious about adult English as a second language (ESL) instruction.

**Issue:** For immigrants in the United States, learning English is an important part of integrating into their communities. Unfortunately, the need for adult ESL has vastly outgrown the current patchwork capacity to provide it. The

Migration Policy Institute estimates nearly six million legal immigrants are in need of ESL instruction. Meanwhile, federal support for ESL comes largely through a modest set-aside in the limited amount of overall adult education funding. Proficiency in English opens economic opportunities for immigrants and facilitates the civic integration of immigrants into American political life. If more immigrant adults learned English, it would also improve our ability to teach English to immigrant children and could lead to better academic performance in general.

**Proposal:** We should get serious about adult English as a second language instruction. We should increase funding for state ESL programs while distributing the new funds through competitive grants, including quality control reviews. States should receive some funds to make systemic plans showing how they will scale up their efforts. We should also provide incentives for well-trained, qualified ESL teachers. Our economy – and our society – would be better off as a result.

**More Information:** See “Adult English Language Instruction in the United States: Determining Need and Investing Wisely,” by Margie McHugh, Julia Gelatt, and Michael Fix from the Migration Policy Institute, found online here: <http://www.migrationinformation.org/integration/language.cfm>.

## **16. Make clear that if you give someone professional financial advice, you have a fiduciary duty to them.**

**Issue:** The immense Ponzi scheme orchestrated by Bernard Madoff is only the largest, most high-profile example of fraud and misconduct exposed in the financial services industry in recent months. Regulators were asleep at the wheel as investors were ripped off and misled. For example, investment service providers often use titles and offer services that appear indistinguishable to the average investor but are regulated under two very different standards. In particular, brokers have been allowed to label salespeople as financial advisers or financial consultants and to offer personalized investment advice without triggering regulation under the Investment Advisers Act. As a result, customers of these brokers are encouraged to believe they are in an advisory relationship but are denied the protections afforded by the Advisers Act’s fiduciary duty and obligation to disclose conflicts of interest. In addition, investors often do not receive useful information that would help make an educated choice among different types of investment service providers. This is of concern since research shows that choosing an investment service provider is the last real investment decision many investors will ever make. As we rebuild our economy, we will need to rebuild trust in our financial system. Middle-class Americans will need to believe that if they invest their hard-earned money that they will be treated fairly, not misled by their investment service providers.

**Proposal:** We should make clear that if you give someone professional financial advice, you have a fiduciary duty to them. This can be achieved by regulating investment service providers by what they do, not what type of firm they work for. We should clarify the responsibilities that go with different functions and apply them consistently across different types of firms. As part of this, we should require fiduciary duty for advice. In other words, all those who offer investment advice should be required to place their clients’ interests ahead of their own, to disclose material conflicts of interest, and to take steps to minimize those potential conflicts. We should also adopt a suitability obligation for sales – those who are engaged solely in sales should be subject to the know-your-customer and suitability obligations that govern brokers currently. Finally, we should eliminate misleading titles. Those who choose to offer solely sales-based services should not be permitted to adopt titles that imply that they are advisers.

**More Information:** See the work of the Consumer Federation of America, such as Barbara Roper’s testimony before the Senate Banking Committee on March 26, 2009, found online here: <http://www.consumerfed.org/topics.cfm?section=Finance&Topic=Investing&SubTopic=Investment%20Professionals>.

## 17. Pursue additional avenues to build basic consumer, environmental, and labor protections in developing countries.

**Issue:** Over the past 60 years the United States has succeeded in bringing large parts of the world into a liberal economic system but many Americans are concerned that globalization now represents more of a threat to our middle class than a benefit. While we should strengthen policies at home that help Americans prosper and enforce existing trade standards, it is also important to ensure that trade and investment with developing countries drives increases in their living standards and domestic consumption. This will, in turn, generate additional demand for our own products and services to help America continue to prosper. Many developing countries have much weaker domestic environmental and safety standards than those found in the United States. Labor protections are often weak as well. To many Americans, this raises fundamental questions of not only public safety but also fairness, particularly given the scale of America's trade deficit and the enormous job loss experienced by our manufacturing industries in recent decades.

**Proposal:** We should pursue additional avenues to build basic consumer, environmental, and labor protections in developing countries. While we should continue pushing for strong labor and environmental obligations in our trade agreements and trade preferences programs, the United States should also seek to incorporate the broader policy aspects of the International Labor Organization's (ILO) Decent Work agenda – promoting stronger employment and social safety nets – into the economic policy advice that the IMF and World Bank provide to developing countries. More specifically, we should seek to make these key elements of the Country Assistance Strategies and Poverty Reduction Strategy Papers that guide World Bank and IMF country programs, respectively. We should also bolster the ILO's capacity to help countries build effective institutions to administer their labor laws. ILO technical assistance programs for core labor standards and child labor currently receive only about \$200 million from donors, with the United States providing about half of the total. We should work with other donors to triple this amount of funding over three years.

**More Information:** See “Virtuous Circle – Strengthening Broad-Based Global Progress in Living Standards,” by Richard Samans and Jonathan Jacoby, from the Center for American Progress, found online here: [http://www.americanprogress.org/pressroom/releases/2007/12/jj\\_virtuous\\_circle.html](http://www.americanprogress.org/pressroom/releases/2007/12/jj_virtuous_circle.html).

## 18. Fight depression among lower-income mothers.

**Issue:** Depression is an under-appreciated threat to wellbeing – a “silent” disease. It appears to be widespread among low-income Americans, with research on aid recipients indicating that as many as one-quarter have experienced depression in the past year. In fact, depression may well be a “silent” barrier to moving from welfare to work. Despite progress in caring for depression, many depressed individuals fail to receive adequate treatment – with treatment rates estimated as low as one-fifth. In disadvantaged communities, where knowledge of depression treatment and quality of care may be lower, even fewer people receive treatment. Expanding treatment for depression in lower-income communities may not be just a matter of health but an important element in the next stage of welfare reform. It could also help child development as mothers become healthier and more engaged in work and parenting.

**Proposal:** We should fight depression among lower-income mothers. The “Working towards Wellness” anti-depression model is a telephone care management and outreach model designed to help low-income individuals who are experiencing major depression enter and remain in treatment. It is currently being evaluated in Rhode Island with a group of Medicaid recipients. Effectiveness trials have indicated that telephonic care management programs provide a cost-effective approach to improving care for depression. Follow-up findings suggest that intensive care management can decrease depression and unemployment. Working towards Wellness applies that knowledge to a population of low-income parents, with promising early results. We should fund additional

demonstration projects and require the Department of Health and Human Services to develop “best practices” for treating depression along these lines for promotion in the Medicaid program.

**More Information:** See “Four Strategies to Overcome Barriers to Employment” from MDRC, found online here: <http://www.mdrc.org/publications/469/overview.html>.

## 19. Encourage state 529 college savings plan innovation.

**Issue:** “529” plans are vehicles for tax-favored savings towards a college education. Almost every state offers a 529 plan, typically taking the form of a traditional savings plan or of pre-paying tuition. Withdrawals from 529 plans for qualified educational expenses are free of federal tax. Many states also offer tax benefits for 529 plans. A number of plans have begun innovative programs to help lower- and moderate-income families, who may have less capacity to save, take advantage of the benefits of 529 plans. For example, SEED for Oklahoma Kids provides a 529 plan with a starter deposit of \$1,000 to 1,000 infants. SEED also offers financial education and matching deposits as incentives for families to continue to save for a post-secondary education.

**Proposal:** We should encourage state 529 college savings plan innovation. We should create an innovation fund to support competitive grants from the Department of Education and to offer parents and policymakers more information on the various 529 plans. The innovation fund would provide \$25 million per year to support the creation or expansion of new 529 plan approaches with a goal of improving the chances that lower-income students attend college. The grants could support matching programs, like that of Oklahoma, or outreach and education efforts for traditional 529 plans. Funds could also be used to encourage innovative public private partnerships that serve to leverage private funding for progressive 529 features. The fund would also collect and make public information on 529 plans, such as the demographics and socio-economic characteristics of families participating in funds in different states. An evaluation of the demonstration programs would be conducted, with a report to Congress, including “best practice” lessons for all state 529 plans.

**More Information:** Based upon work of the New America Foundation’s Asset Building Program, found online here: [http://www.newamerica.net/publications/policy/five\\_low\\_cost\\_federal\\_policy\\_ideas\\_help\\_families\\_save\\_college](http://www.newamerica.net/publications/policy/five_low_cost_federal_policy_ideas_help_families_save_college) or <http://www.collegesavingsinitiative.org/>.

## 20. Modernize our economic statistics system.

**Issue:** Accurate, detailed, and current economic statistics are essential to the proper functioning of the economy. Government policy-makers and millions of businesses rely on economic statistics to assess conditions and make important decisions. Incorrect or outdated figures can result in costly mistakes that damage the economy and put jobs at risk. Unfortunately, the American economic statistical system is falling apart. Economic data series have been eliminated, delayed, reduced in detail and accuracy, or simply left unadjusted to account for new benchmark data and new methods.

For example, the Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) still relies on the 1990 Census to construct its geographic area sample and housing sample. The Bureau of Economic Analysis (BEA) will no longer publish metro and county estimates of GDP and earnings by detailed industry. HUD is discontinuing the Residential Finance Survey, which gathers data on mortgage debt, and has dramatically cut back the American Housing Survey, which examines current housing conditions and markets. Overall, our economic statistical system remains oriented to the mid-20th century manufacturing-based economy. It does not fully capture the structural changes of the past several decades, including the enormous growth of services industries and the extensive transformation of regional economies.

**Proposal:** We should modernize our economic statistics system. We should commission the National Academies of Science to conduct a six-month survey of the capacity of the economic statistical system to meet public and private sector data needs and make recommendations for updates and improvements. In particular, the review should involve local and state economic policy makers to ensure that they have the tools they need to monitor the status of their particular economies and make decisions. In the meantime, we should provide sufficient appropriations funding to shore up current surveys and technology capacity.

**More Information:** See “In Dire Straits: The Urgent Need to Improve Economic Statistics,” by Andrew Reamer of the Brookings Institution, found online here: [http://www.brookings.edu/opinions/2009/0304\\_census\\_reamer.aspx](http://www.brookings.edu/opinions/2009/0304_census_reamer.aspx).

## **21. Turn around the lives of more disconnected youth by expanding the proven National Guard Youth ChalleNGe program.**

**Issue:** While high school graduation rates have increased, many young people do not move smoothly through the educational pipeline. Nationally, about one-fourth of high school freshmen do not graduate in four years; in our 50 largest cities, the dropout rate may be closer to 50 percent. A significant number of these young people become “disconnected” – not in school and not employed. This is a particular concern because of the increasingly tight link between education and earnings, with those who fail to finish high school at great risk of poverty in adulthood. In addition, young people who drop out of school are three and a half times more likely to be arrested. “Reconnecting” as many of these young adults as possible will benefit them and society as a whole.

**Proposal:** We should turn around the lives of more disconnected youth by expanding the proven National Guard Youth ChalleNGe program, a program authorized by Congress in 1993. More specifically, we should aim to double the number of graduating young adults each year, to about 15,000. The National Guard Youth ChalleNGe model is an intensive residential program for high school dropouts aged 16-18, operated by states under a cooperative agreement with the National Guard Bureau. ChalleNGe programs last 17 months, including an important one-year post-residential phase involving mentorship. The program sites provide a structured residential environment that is rooted in the community, and there are no requirements for military service afterwards. A recent rigorous assessment of the program found that participants were much more likely to have earned a high school diploma or a GED than similar young people who did not participate. They were also more likely to be working and more likely to be attending college. In light of this success, we should be using the ChalleNGe model to reach out to more of our troubled young people.

**More Information:** See “Reengaging High School Dropouts: Early Results of the National Guard Youth ChalleNGe Program Evaluation” by Dan Bloom, Alissa Gardenhire-Crooks, and Conrad Mandsager, from MDRC, found online here: [http://www.mdrc.org/project\\_publications\\_32\\_80.html](http://www.mdrc.org/project_publications_32_80.html). See also the program’s website here: <http://www.ngycp.org/site/node/13>.

## **22. Create Small Business Investment Reserve Accounts.**

**Issue:** The goal of becoming one’s own boss is deeply cherished in America. Times of economic volatility can offer an opportunity to a new wave of entrepreneurs ready to take the plunge and start their own businesses. Small businesses can drive economic growth and job creation, accounting for over half of the workforce and GDP, and creating 60-80 percent of net new jobs. However, starting a business can be an expensive endeavor and has been made even more difficult by the economic downturn. Traditional lenders have tightened access to credit and venture capital investments have fallen. Many new business owners – perhaps 80-90 percent – make significant personal investments in their venture. This kind of personal commitment is even more pronounced in the current environment.

**Proposal:** We should create Small Business Investment Reserve Accounts (SBIRA). They would be tax-favored accounts to give aspiring entrepreneurs a new tool to save the start-up capital necessary to get a new business going. The structure of the accounts could be similar to that of a Roth IRA, allowing individuals to contribute after-tax income with no taxes on future disbursements applied to qualifying expenses. These expenses would include capital costs, equipment, facilities, organizational expenses, marketing, training, incorporation, and accounting fees for the first six months of operation. Use of SBIRA funds would be limited to one start-up and would have to be completely expended within five years of the first disbursement. This initial disbursement would have to take place no more than ten years after the establishment of the account. By providing a mechanism for more prospective entrepreneurs to realize their business dreams, these accounts would help support job creation, innovation, and economic growth.

**More Information:** See the work of Third Way, found online here: <http://www.thirdway.org/>.

### 23. Double the number of NASA's science academies.

**Issue:** Retaining a technologic edge is vital to our competitiveness. America needs more scientists and engineers to achieve this – and we have become reliant on foreign graduate students in fields like information technology and physics. These disciplines have struggled to diversify their student population, with women and some minority groups significantly underrepresented. One education model with a track record of success with underrepresented populations is NASA's Science, Engineering, Mathematics, and Aerospace Academies (SEMMAA). The 17 SEMMAA programs represent a partnership with colleges, science centers, museums, and K-12 schools to offer a series of hands-on activities to enhance traditional math and science education. They also include an Aerospace Educational Laboratory, an electronically enhanced, computerized classroom to offer students real world challenges to excite their interest. A 2006 survey found that more than half of SEMMAA participants were more interested in engineering after the program and 38 percent were more interested in science.

**Proposal:** We should double the number of NASA's science academies. The SEMMAA program should be put on a five-year expansion path, continuing to build on its model of strong partnerships. SEMMAA is relatively inexpensive, costing less than \$5 million in NASA funding annually. It is a small price to pay to make more young women and underrepresented minorities see that a career in science or technology could happen for them.

**More Information:** See NASA's official website for the SEMMAA here: <http://www.semaa.net/>. Also, see the Kennedy School's Ash Institute – the SEMMAA program was a 2007 finalist for an Innovation in American Government Award: <http://www.innovations.harvard.edu/awards.html?id=101441>.

### 24. Improve occupational safety for first responders.

**Issue:** Police officers, firefighters, and other first responders regularly put their lives at risk to protect the public. As a result, they have injury and fatality rates that can be triple that of other occupations. Traditionally, occupational safety efforts for first responders have focused on avoiding fatalities. This is understandable, given the risks taken by police officers and firefighters, but it may mean that less attention has been given to non-fatal risks, such as back injuries, which can lead to disabilities and shorten careers.

**Proposal:** We should improve occupational safety for first responders. We should establish an independent commission to bring together frontline police officers and firefighters and paramedics, chiefs of police and fire departments, local and county government representatives, public health officials, and academic experts. The commission would be charged with laying out a road map to improve the working conditions and health of police officers, fire fighters, and other public safety workers. It would make recommendations for improving the monitoring of injury rates for first responders and offering more effective training to avoid on-the-job injuries, particularly strains and sprains, which can lead to disabilities. The commission would review both the current state of

OSHA regulations and statutes and the areas where more research and attention is needed. Better health among our first responders would save lives and allow more police and firefighters to long and healthy careers.

**More Information:** See “Occupational Safety and Health for Public Safety Employees,” by Tom LaTourrette, David Loughran, and Sean Seabury, from the Rand Corporation, found online here: <http://www.rand.org/pubs/monographs/MG792/>.

## **25. Offer advanceable tax incentives for home energy efficiency improvements.**

**Issue:** The economic recovery legislation included a generous boost to the tax credit for energy efficient home improvements. For 2009 and 2010, it triples the credit from 10 percent to 30 percent (while also setting an aggregate cap of \$1500) for the costs of installing qualifying windows, doors, insulation, roofing, air conditioning equipment, water heaters, and so on. These home improvements can save homeowners a significant amount of money. However, they often involve a significant up-front investment. In the current economic climate, some families may hesitate to invest because of these initial expenses. Although the efficiency tax credits are designed to help alleviate that financial burden, homeowners must wait until tax time the following April to reap the benefits, which reduces the credit’s appeal to potential home improvers and reduces its beneficial impact on the environment and energy use.

**Proposal:** We should offer advanceable tax incentives for home energy efficiency improvements. More specifically, the credit should provide an immediate rebate to homeowners at the point of sale. Individuals would then be able to make home energy improvements at a price that incorporates the value of the advanceable credit, providing an instant reduction in the sale price to homeowners. Sellers or vendors would subsequently file a voucher and proof of sale with the government to obtain reimbursement of the tax credit within 30 days. This would help homeowners handle the initial costs of installation, boost home values, spur demand for energy efficiency improvements, and make it easier for homeowners to cut their power bills.

**More Information:** See the work of Third Way, found online here: <http://www.thirdway.org/>.

## **26. Simplify the process for churches to form separate 501(c) (3)s to do charitable work.**

**Issue:** Religious charities have long played an important role in our social safety net. As we learned during discussions about President Bush’s faith-based initiative, the interaction between government and these charities can be complicated, raising significant constitutional issues. A large number of congregations most active in social services – and almost all recipients of substantial government funds – have set up separate 501(c)(3) entities to receive government funds. This means the federal government is not providing funds directly to a congregation. It also limits the direct exposure of a congregation to government rules and liability. As Reverend – and former congressman – Floyd Flake describes his church’s arrangement: “I know of too many churches that do not have adequate accounting or bookkeeping procedures. If you commingle federal, state, and city dollars with church dollars, you are headed for disaster.”

**Proposal:** We should simplify the process for churches to form separate 501(c) (3)s to do charitable work. We should waive fees for smaller congregations that file for this status and the IRS should be required to develop an “EZ application form” for 501(c) (3) status for smaller, faith-based charities. The IRS should also set up a website with clear guidance on the process for faith-based entities. As part of this guidance, the IRS should highlight the ability of congregations to join together to form collective 501(c)(3) organizations to receive and administer government social service funds, separate from their individual congregations. Such collective 501(c)(3)s can enable small congregations to play a role in administering government social service programs without having to bear the full burden of establishing their own separate 501(c)(3). Promoting separate 501(c)(3)s would reduce

the tensions raised by President Bush's policies facilitating direct aid to congregations to provide social services and strengthen our safety net during a time of greater need.

**More Information:** See "Serving People in Need, Safeguarding Religious Freedom: Recommendations for the New Administration on Partnerships with Faith-Based Organizations," by E.J. Dionne and Melissa Rogers from the Brookings Institution, found online here: [http://www.brookings.edu/papers/2008/12\\_religion\\_dionne.aspx](http://www.brookings.edu/papers/2008/12_religion_dionne.aspx). See also the work of the Poverty Forum, found online here: <http://www.thepovertyforum.org/index.php>.

## 27. Implement a sound "counterinsurgency plan" to defeat drug-resistant germs.

**Issue:** Antimicrobial drugs are designed to fight infectious diseases, but the germs are fighting back by becoming resistant to therapeutic drugs. Nearly a decade ago, the World Health Organization stated that the threat of antimicrobial resistance was growing and that "our window of opportunity is closing." Antimicrobial resistance (AMR) increases the threat from major infectious diseases for which there are therapeutic drugs but no vaccines, such as malaria, tuberculosis (TB), and HIV. Already, around five percent of nine million new TB cases globally are resistant to at least two of the four standard drugs used. Treatment for drug-resistant TB costs about 200 times that of standard treatment and still results in lower cure rates.

**Proposal:** We should implement a sound "counterinsurgency plan" to defeat drug-resistant germs. We should lay out a multifaceted strategy for the war on AMR. Drug resistance is often due to antimicrobial drug misuse, such as poor prescribing practices: doctors prescribing too low of a dose, too short of a time, or just the wrong drug. We need to make a concerted and cooperative international effort to promote appropriate use of antimicrobial medicines. We also need to invest in hospital infection controls and assess the extent of inappropriate use of antibiotics in food animal production that also may play a role. Finally, we should invest in antimicrobial drug innovation, helping us to stay one step ahead of AMR. For example, we should follow-up on a recent study suggesting exposure to a particular wave-length of blue light can wipe out some common strains of antibiotic-resistant staph infections.

**More Information:** See "Beating the Germ Insurgency" by Melinda Moore of the Rand Corporation, found online here: <http://www.rand.org/publications/randreview/issues/summer2008/horizon09.html>. See also "Blue Light Zaps Infection" at [photonics.com](http://www.photonics.com), found here online: <http://www.photonics.com/Content/ReadArticle.aspx?ArticleID=36399>.

## 28. Conduct more independent, third-party program evaluations and assessments.

**Issue:** The incompetence of the Bush Administration has reinforced traditional American concerns about the ability of government to perform its duties efficiently and effectively. Rebuilding faith in government will involve doing a better job of identifying programs that work and those that do not. Under President Bush, the Office of Management and Budget (OMB) developed a Program Assessment Rating Tool (PART) to assist policy-makers. However, the PART process drew criticism for being too subjective and too driven by political, not analytical, factors. New OMB Director Orszag has said that PART was too focused on process and "not particularly effective."

**Proposal:** We should conduct more independent, third-party program evaluations and assessments. We should end the PART and provide the Office of Management and Budget with an annual fund to support high-quality, independent, third-party evaluations of the effectiveness of federal programs. These third-party evaluations could be conducted under contract by outside firms, non-profit organizations, or other parts of government. We should also provide the Government Accountability Office (GAO) with additional resources specifically to support additional assessments of programs on the GAO's "High-Risk" list. This would represent a substantial increase in the knowledge of what is working (and what is not working) among federal activities, helping policy-makers with the tough budget choices in the years ahead, while avoiding some of the problems seen with the PART.

**More Information:** OMB Watch has information on PART and can be found online here: [http://www.omb-watch.org/government\\_performance](http://www.omb-watch.org/government_performance). The GAO's list of "high-risk" areas can be found here online: <http://www.gao.gov/products/GAO-09-271>.

## 29. Work with "tweens" to prevent school violence.

**Issue:** Although school safety has improved, violence still occurs at too many of our schools. During the 2005-2006 school year, more than three-quarters of public schools experienced at least one violent criminal incident. In 2005, more than 600,000 teenage students were victims of violent crimes committed at school. And while the most violent crimes inevitably grab the headlines, the most common acts of school violence are beatings, bullying, and intimidation. These everyday acts of violence can not only physically scar, they hurt overall academic achievement. We have also begun to see regular incidents of cyber-bullying, which can result in violence in the real world. Increased security measures and better student preparation for violent attacks may sometimes be necessary but research also suggests that early intervention programs can prevent future problem behavior in the first place.

**Proposal:** We should work with "tweens" to prevent school violence. We should create a violence prevention grant within the Safe and Drug-Free Schools and Communities Act that specifically targets elementary and middle school students to reach children at younger ages. It should receive \$60 million in funding, which would be about one-tenth the size of the overall Safe and Drug-Free Schools and Communities Act funding in FY 2008. We should also improve the current school violence reporting systems to better inform schools, the public, and law enforcement by including information from the FBI's National Incident-Based Reporting System and Uniform Crime Reporting System in the Indicators of School Crime and Safety reports.

**More Information:** See "Reducing Violence in Schools" by Jim Kessler and Nikki Yamashiro of Third Way, found online here: <http://www.thirdway.org/modules/show/15>.

## 30. Promote "land banks" to fight foreclosure-related blight.

**Issue:** We are facing a tidal wave of foreclosures, with millions of Americans losing their homes. Some communities are especially hard hit – the state of Nevada had the highest foreclosure rate in the nation in 2007, with 3.4 percent of its households receiving foreclosure filings. Florida had more than 2 percent of its properties in some stage of foreclosure in 2007. When foreclosures become so frequent, they can hit several families in a neighborhood at once, leading to a sharp rise in vacant houses. Abandoned homes can serve as invitation to criminals, pushing whole neighborhoods into a downward spiral. A study by Daniel Immergluck of Georgia Tech found that a one percent rise in the foreclosure rate projected to a 2.38 percent increase in violent crimes. At the same time, the foreclosure wave may result in a significant drop in property tax revenue, forcing cutbacks in public services, such as law enforcement. A 1995 study, for example, estimated a single foreclosure costs a city an average of \$27,000, a figure that is likely higher today. This makes foreclosures often a serious community-wide problem, not just an individual family's loss.

**Proposal:** We should promote "land banks" to fight foreclosure-related blight. A land bank is a government or non-profit agency that takes control of abandoned or foreclosed properties and puts them to productive use, often assembling larger parcels rather than sending them individually to the auction block. Foreclosed properties in good shape are sold to private owners; properties in bad shape but with a potential to be catalytic in turning a block around may be rehabilitated by the land bank or sold to non-profit housing groups. In occupied properties tenants are given rent-to-own options, while unsalvageable buildings are demolished. We should offer up to \$250 million in funds to create or expand community-based land banks with a mission of ensuring that foreclo-

asures do not take down whole neighborhoods, with priority given on the basis of community need and ability to leverage additional resources from states, local government, and community-focused philanthropy.

**More Information:** See “To Be Strong Again: Renewing the Promise in Smaller Industrial Cities,” by Radhika Fox and Miriam Axel-Lute from PolicyLink, found online here: <http://www.policylink.org/publications.html>.

### 31. Eliminate “pay-to-play” corruption on municipal bonds.

**Issue:** The municipal bond market is very large – around \$400 billion worth of notes and bonds are issued each year – and it is at the heart of our infrastructure investment system. Unfortunately, it appears to have become a regular source of corruption. Three federal agencies and some state attorneys general have for several years been gathering evidence of what appears to be collusion among the banks and other companies that help state and local governments bring municipal notes and bonds to market each year. Court documents suggest that companies did not engage in open competition for business but instead divided it among themselves, imposing layers of excess cost on local governments and violating the federal rules for tax-exempt bonds. In May 2009, a task force of state attorneys general was formed to share information about the problems. One key practice under review – known as “pay-to-play” – involves making questionable payments and campaign contributions to local officials who could steer them business. To make matters worse, in recent years the exotic financial structures like derivatives that have wreaked such havoc in the overall financial markets have been become part of the municipal bond field, often with similarly bad results.

**Proposal:** We should eliminate “pay-to-play” corruption on municipal bonds. Under current law, municipal bond underwriters are prohibited from making campaign contributions to “buy” the business of bringing bonds to market. However, similar rules do not cover the conduct of a type of professional who appeared in the industry about a decade ago – specialists who work with financial derivatives, like swaps and options. The SEC proposed a rule on the issue in 1999 but it was never put in place. We should require that money managers give up any compensation they receive for managing public money for two years after the firm, its executives or agents make a campaign contribution to an elected official or candidate who could influence the selection of the money manager. This would eliminate the incentive to “pay-to-play.”

**More Information:** See “Nationwide Inquiry on Bids for Municipal Bonds,” *New York Times*, January 8, 2009.

### 32. Build the African-American and Latino middle class.

**Issue:** Even during the better economic times in recent years, Americans were feeling a middle class squeeze. For African-Americans and Latinos, the squeeze was often worse. Many African-Americans and Latinos in the middle class have arrived there only recently and have not built up the same assets that other middle class families have done over time. This makes them even more vulnerable to the economic turbulence of the current crisis and more at risk of losing their place in the middle class. Other African-Americans and Latinos have remained at the economic margins, still trying to overcome the challenges resulting from our nation’s long struggle with racism. Helping African-American and Latino families of both types rise and prosper is critical to rebuilding our economy with the broad middle class upon which America has long depended.

**Proposal:** We should build the African-American and Latino middle class. The American dream needs to be within reach of all of our citizens. We should establish an Urban Infrastructure Bank to promote job opportunities in cities, where many African-Americans and Latinos live. We should step up investment in rigorous enforcement of fair housing and employment laws. We should support entrepreneurs of color by expanding federal micro-financing programs and enforcing federal minority business goals. Finally, as proposed by New York City Mayor Bloomberg, we should create a Federal Urban Innovation Fund to support creative anti-poverty initiatives.

**More Information:** See, for example, the work of the National Urban League's Policy Institute, such as the "Opportunity Compact," found online here: <http://www.nul.org/policyinstitutereports.html>. See also the work of the National Council of La Raza, found online here: <http://www.nclr.org/>.

### 33. Limit the ability of "vulture funds" to prey on developing countries.

**Issue:** Debt cancellation can provide impoverished countries an opportunity to start fresh, allocating more resources to essential health, education, and other development investments. The IMF and World Bank established the Heavily Indebted Poor Countries (HIPC) initiative to eliminate some of the unpayable debts of developing countries – many of which were run up by dictatorial regimes – and other debt cancellation efforts are ongoing. But while the international community was extending debt relief to promote broader economic development, a new business emerged to speculate in defaulted debt of poor nations. This speculation by so-called "vulture funds" can undo the benefits of debt relief and push developing countries instead further into poverty. A vulture fund buys debt in default on the secondary market for pennies on the dollar and then attempts to recover up to ten times the purchase price for it, frequently by suing the poor nation in U.S. or European courts. Vulture funds tend to be secretive and are often based in tax havens but it appears that some are owned by large U.S. financial institutions like hedge funds. At least 20 HIPCs have been threatened with or subject to legal actions by commercial creditors and vulture funds since 1999 – and the developing countries have almost always lost, usually becoming obliged to pay the original debt plus interest and legal costs of the plaintiff vulture fund, all at the expense of development investments.

**Proposal:** We should limit the ability of "vulture funds" to prey on developing countries. We should increase transparency by requiring all U.S.-based transactions involving sovereign debt for nations participating in debt relief efforts, including purchase, sale or litigation, to be publicly filed with the Treasury Department. This would expose vulture funds to greater public scrutiny and pressure. We should also propose that creditors should commit to not sell their claims to those who do not intend to provide debt relief. Major donor nations of the Paris Club agreed to this policy in 2007 but other creditor nations, such as in Eastern Europe or outside the OECD, need to be pressured to sign on to this rule. Finally, we should use the World Bank's Debt Reduction Facility to buy back at a deep discount more of the debts owed to external commercial creditors. All countries at risk from vulture funds should be eligible for grants to help with legal costs and buy-backs of their vulnerable debt.

**More Information:** See "Vulture Funds & Poor Country Debt: Recent Developments & Policy Responses" by Jubilee USA, found online here: <http://www.jubileeusa.org/resources/debt-resources/policy-papers.html>.

### 34. Develop advanced energy and emissions measurement and monitoring technology.

**Issue:** Responding to the climate crisis will require reducing greenhouse gas emissions (GHG) substantially. Since buildings account for 68 percent of the electricity (and 39 percent of all energy) used in America, improving the efficiency of energy used in buildings will need to be an important element of our strategy. Improving energy efficiency will also save money, which will help as we rebuild our economy. However, success will require an ability to measure and monitor energy usage (and associated GHG emissions) at a far more detailed level than is done today.

**Proposal:** We should develop advanced energy and emissions measurement and monitoring technology. We should initiate a two-pronged program to develop the technologies and then to implement standards based on these technologies at federal facilities as a model. The result would be the design, development, and implementation of an integrated system capable of monitoring the GHG emissions associated with buildings and broadly disseminating enabling technologies to the economy at large. This system would enable significant reductions in energy costs.

**More Information:** To see the work of the Siebel Foundation, visit: <http://www.siebel.org/philanthropy.htm>.

### **35. Offer expedited routes to early education and pre-K teaching.**

**Issue:** A major obstacle in expanding access to high-quality early education is a lack of human capital – that is, good teachers. During this economic downturn, many Americans will consider changing careers. This represents an opportunity to recruit some of these individuals to the field of early education, where we would like to expand programs and hire more educators. Unfortunately, few programs currently exist to help mid-career people acquire the knowledge, skills, and credentials required to work with young children. The early childhood educator preparation programs that currently exist at colleges and universities can take several years to complete and can be of poor quality.

**Proposal:** We should offer expedited routes to early education and pre-K teaching. The federal government should invest in the development of new, high-quality alternative certification programs, particularly those that focus on mid-career professionals just entering the field and helping experienced early childhood educators get updated on current best practices. The programs should offer a relatively quick way to learn what is needed to get a job in an early education classroom by providing developmentally appropriate, high-quality learning experiences to more children. This would help ensure we have the early education professionals available to expand programs in a manner that maintains or improves their quality.

**More Information:** See “10 New Ideas for Early Education in the 111th Congress,” by Sara Mead of the New America Foundation, found online here: [http://www.newamerica.net/publications/policy/10\\_new\\_ideas\\_early\\_education\\_111th\\_congress](http://www.newamerica.net/publications/policy/10_new_ideas_early_education_111th_congress).

### **36. Build worker advancement systems, not just job training programs.**

**Issue:** Low-wage workers in the U.S. are falling further behind. Global pressures mean tough competition and the years of failed conservative policies have tilted our economy to benefit the wealthy in ways that will take time to change. American workers can compete and win in the global economy but they need skills and support to do so. Unfortunately, our main federal job training program, the Workforce Investment Act (WIA), is underfunded and offers insufficient aid, often little more than a referral from a “One-Stop” to a provider. We also fail to do enough to connect older workers with the community college system, a key resource in getting and upgrading technical skills. Our workforce development system is out of date for facing the challenges of the 21st century.

**Proposal:** We should build worker advancement systems, not just job training programs. We should help low-wage workers succeed and move up the ladder to higher-paying jobs. The focus should be on replicating successful models, with the federal government offering up to \$5 billion annually in competitive matching grants to states for worker advancement initiatives. The grants would support the development of “local advancement systems,” which would provide career-oriented education and training through partnerships between local training providers (like community colleges), employer associations, and intermediaries. Performance measurement and rigorous evaluation would be built-in to the federal program and individual state systems that perform well would receive significant bonuses and a more rapid renewal of funding. In addition, increased attention and funding to work supports for low-income families – such as child care and transportation aid – would be part of these systems, which would facilitate access to these kinds of aid for workers.

**More Information:** Drawn from ideas in “Better Workers for Better Jobs: Improving Worker Advancement in the Low-Wage Labor Market” by Harry Holzer from the Hamilton Project, found online here: [http://www.brookings.edu/papers/2007/12\\_labormarket\\_holzer.aspx](http://www.brookings.edu/papers/2007/12_labormarket_holzer.aspx).

### 37. Ensure we have police officers who are ready for international stabilization and reconstruction operations.

**Issue:** As we saw all too painfully in Iraq, the immediate aftermath of a military intervention or the collapse of a state can result in general lawlessness. Our military combat forces are not intended for these anarchic situations. They do not have the appropriate training or equipment to provide policing in stabilization environments. An alternative, used in the Balkans during the 1990s, are police constabulary forces, such as the French Gendarmerie or the Italian Carabinieri. They have both military and police capabilities and can help restore order in situations too troubled for regular police, relieving the conventional military to focus on other critical missions.

**Proposal:** We should ensure we have police officers who are ready for international stabilization and reconstruction operations. We should set a goal of creating a worldwide pool of 75,000 deployable constable-style police, available for service with American armed forces or United Nations peacekeepers in post-conflict and stabilization operations. This would not be any sort of standing force, but would represent units designated (and trained) to participate alongside conventional forces. As part of the effort, the U.S. should train at least 10,000 constable-style police, potentially through an expansion of military police units, to be available for these missions. We should ensure our NATO allies have at least 40,000 constabulary forces available for deployment to foreign countries. Finally, we should work with the Italians, who have established a training center for such forces, to develop an additional 25,000 constable-style police from non-NATO countries, such as those in Asia and Latin America. This would provide an international resource to draw upon in future stabilization and reconstruction situations – and free up conventional military forces to focus on traditional tasks.

**More Information:** For background information, see “Establishing Law and Order After Conflict” from the Rand Corporation, which can be found here: <http://www.rand.org/pubs/monographs/MG374/index.html>.

### 38. Establish a “digital teaching corps.”

**Issue:** Millions of American children, including many lower-income students, are behind in the most important predictor of future achievement: fourth-grade reading. Fourth grade is critical because pupils who fall behind in the early grades are stagnating at a critical moment when they should be moving on to understand the more complex language of a wide variety of content domains. Early literacy abilities have become a vital “gateway” to developing the higher skills, such as understanding scientific and increasingly technical materials, which are becoming necessary to compete in the global economy. The current approach to the literacy crisis is traditional, almost totally removed from the digital media consumption that currently drives children’s lives. Digital media has the potential to offer different approaches to literacy, helping children see how complex language and other symbol systems attach to the world. It can also combine assessment more intimately with teaching.

**Proposal:** We should establish a “digital teaching corps.” Teachers cannot teach what they do not know. The skill set needed to modernize early literacy learning with digital media is not part of teacher education programs. We should establish a corps of some 6,000 literacy leaders, two for each of the 3,000 lowest-performing school communities. It would recruit members, primarily young people versed in modern media and information technology, from university-based preparation programs, community organizations, and technology-oriented businesses. They would be deployed initially to integrate new digital content to reverse the fourth-grade reading slump, improve the performance of English language learners on basic literacy problems, and use new strategies to teach higher-level content in subjects like science, math, and foreign languages.

**More Information:** See “TV Guidance,” by James Paul Gee and Michael Levine, in *Democracy: A Journal of Ideas*, Spring 2009, found online here: <http://democracyjournal.org/article.php?ID=6673>.

### 39. Apply community investment and philanthropy disclosure requirements to money service businesses.

**Issue:** Many of our poorer neighborhoods have seen mainstream banks vanish from their communities, leaving residents to rely on money service businesses like payday lenders. (The Treasury Department defines “money service businesses” and they include non-bank financial institutions that deal in currency, money orders, and checks and so on.) In cities like Oakland there are neighborhoods where money service businesses outnumber mainstream bank outlets ten to one. This means that those who have the least in our society often pay the most for simple financial transactions and lack real access to asset-building accounts from traditional banks and credit unions. Current money service business regulations are a patchwork of local and state initiatives, with federal oversight focused primarily on preventing money-laundering, not on ensuring consumer protections.

**Proposal:** We should apply community investment and philanthropy disclosure requirements to money service businesses. We should propose a set of disclosure standards for these companies when they apply or renew their business licenses with the Treasury Department. Specifically, each company should be required to disclose (a) their locations; (b) the amount of reinvestment they make in each of these locations; and, (c) their corporate philanthropy policy, if any. This information should be made available publicly available, including on the Internet.

**More Information:** See the work of Transnational Institute for Grassroots Research and Action, found online here: <http://www.transnationalaction.org/>.

### 40. Modernize the Social Services Block Grant (SSBG).

**Issue:** The Social Services Block Grant is a flexible source of funds states use for a wide variety of social services. SSBG often functions as “glue” money, filling in social services gaps and bolstering the safety net. In 2006, for example, the largest SSBG expenditures were for special services for the disabled and for foster care. SSBG was created in the early 1980s with broad purposes to guide state spending choices, such as “preventing or remedying neglect, abuse, or exploitation of children and adults unable to protect their own interests.” Over the past quarter-century, we have made numerous changes – from welfare reform to the creation of new child abuse prevention programs – to federal social service programs without revisiting the original purposes of SSBG. At the same time, perhaps in part because of this neglect, SSBG funding has declined, making it less able to play its “glue” role in the safety net.

**Proposal:** We should modernize the Social Services Block Grant. We should update the core purposes for which the funds can be used, based upon a consideration of how social services have changed, giving SSBG a new focus on poverty reduction, job creation, child protection and youth development, and innovative aging services. We should also shift to requiring states to provide plans for using the funds in advance, rather than relying solely on post-expenditure reporting. As part of this change, states should describe how they are using SSBG funds to support evidence-based programs or working to develop evidence of the effectiveness of programs they fund. This will improve transparency and accountability for SSBG funds, pushing states to use them in an effective manner and helping to demonstrate the help SSBG can provide to the disadvantaged and others in need.

**More Information:** Child Trends has information on evidence-based policies, found online here: [www.childtrends.org/whatworks](http://www.childtrends.org/whatworks).

### 41. Double democracy promotion assistance for effective non-governmental organizations.

**Issue:** Democracy promotion has been a particularly prominent element of American foreign policy in recent years. The Bush administration’s so-called Freedom Agenda brought increased resources for democracy promotion activities and created new programs to spur democracy and encouraging good governance. Unfortunately, the

Bush approach has set back America's overall democracy promotion efforts, leading to a perception that America's rhetoric was not matched by its actions, especially with the conflation of democracy promotion with regime change in Iraq. New strategies for the age-old goal of democracy promotion are called for, particularly given the opportunity that the election of President Obama represents for renewing the image of the United States.

**Proposal:** We should double democracy promotion assistance for effective non-governmental organizations (NGOs). More specifically, we should provide a \$50 million fund for top-performing U.S. nongovernmental organizations with proven track records in democracy promotion. This fund would give such organizations greater freedom to act creatively while loosening bureaucratic constraints. Too much time and energy is spent by these NGOs soliciting requests for funding, reviewing proposals, and micromanaging projects. The approach has been tested by the National Endowment for Democracy with four grantees already – we should move to expand it significantly. Providing NGOs that have a proven track record of success with a certain level of flexibility in doling out U.S. foreign assistance would improve performance while also providing another degree of separation from the U.S. government, something which can matter in terms of perception.

**More Information:** See “Revitalizing U.S. Democracy Promotion” by Maria Figueroa Kupcu and Michael Cohen from the New America Foundation, found online here: [http://www.newamerica.net/publications/policy/revitalizing\\_u\\_s\\_democracy\\_promotion](http://www.newamerica.net/publications/policy/revitalizing_u_s_democracy_promotion). See also the work of Freedom House, found here: <http://www.freedomhouse.org/template.cfm?page=1>.

#### **42. Give states an incentive to end childhood hunger by 2015.**

**Issue:** In the United States, more than 12 million children – one out of six – are at risk of hunger. Given the economic situation, this figure is likely to grow. At the same time, diabetes and obesity among children, particularly those residing in lower-income communities, are increasing as well. We know that children who do not eat a nutritious diet are more likely to be undernourished and overweight. Federal nutrition programs like SNAP (Food Stamps) and the school lunch program help ensure that children have access to a nutritious meal and do not go to bed hungry. However, these programs are underutilized and there are often barriers to families accessing them. For example, only two-thirds of eligible people receive Food Stamp benefits. In the 2006-2007 school year, participation in the free and reduced price school breakfast program was less than half that of the free and reduced price school lunch program. Reducing barriers to participation would reduce hunger and improve health and nutrition.

**Proposal:** We should give states an incentive to end childhood hunger by 2015. We should offer an incentive fund of \$50 million annually to provide grants to states to help them develop and launch detailed plans to end childhood hunger by 2015. Priority would be given to states that can demonstrate: 1) a high prevalence of child food insecurity; 2) a lead agency with the expertise and authority to influence the implementation of child food and nutrition programs; 3) proven private sector engagement in hunger reduction activities; and 4) a history of collaboration with community-based organizations that provide food and nutrition-related services to children and families residing in low-income communities. The incentive funds could help staff state initiatives, develop local public-private anti-hunger networks, and institute pilot programs. The result would be a small investment that increases the effectiveness of our anti-hunger safety net and makes real progress toward the 2015 goal.

**More Information:** See “Fulfilling the President’s Call” by Tom Freedman and Bill Shore from the DLC, found online here: [http://www.dlc.org/ndol\\_ci.cfm?kaid=114&subid=143&contentid=254973](http://www.dlc.org/ndol_ci.cfm?kaid=114&subid=143&contentid=254973).

#### **43. Establish transparency standards for international arms sales.**

**Issue:** The United States is the world's leading arms exporter, accounting for nearly half of all weapons transferred globally in 2007. The U. S. is also by far the world's largest provider of security assistance, including sub-

sized weapons transfers and military training. During the Bush administration alone, the U.S. provided over \$108 billion in security assistance to scores of countries through a dozen separate programs, averaging nearly \$15 billion annually by the time President Bush left office. American arms are central to many of the world's wars – 20 of the 27 major conflicts under way during 2006-2007 involved one or more parties that had received arms and training from the United States. Part of the growth in U.S. security assistance has been a shift towards providing more aid through the Pentagon, rather than State Department programs. This has meant less knowledge of what the U.S. government is doing. Defense security assistance programs are often presented as lump sums in budgetary documents without details about how the funds are to be distributed. For example, the breakdown of recipients of the Pentagon's Coalition Support Fund program was made public only after the Center for Public Integrity filed Freedom of Information Act requests for the information.

**Proposal:** We should establish transparency standards for international arms sales. We should require reporting for all arms transfer and security assistance programs, including amounts disbursed, countries served, training, and weapons systems provided. We need to ensure that U.S. arms are not serving to accelerate conflicts without Congress and the public being aware of the policies. We also need to ensure proper measures are being taken to prevent American weapons being diverted into the hands of anti-American forces. Without greater transparency and accountability, the ability of Congress to oversee the weapons trade is at risk.

**More Information:** See "U.S. Weapons at War 2008" by William Hartung and Frida Berrigan of the New America Foundation, found online here: [http://www.newamerica.net/publications/policy/u\\_s\\_weapons\\_war\\_2008\\_0](http://www.newamerica.net/publications/policy/u_s_weapons_war_2008_0).

#### **44. Reduce prescription drug abuse among teens.**

**Issue:** An alarming number of teenagers are abusing prescription and over-the-counter medicines. In a 2006 survey, almost one in five teens reported abusing prescription medications and one in ten reported abusing cough medicine. In fact, a teenager is much more likely to have abused medicines than illegal narcotics like cocaine and methamphetamine. Prescription pain relievers are widely available, often easily found in a household medicine cabinet. Parents need help understanding the signs of prescription drug abuse and obtaining treatment for their teens.

**Proposal:** We should reduce prescription drug abuse among teens. We should educate parents about this abuse, many of whom are unaware of it or unsure how to react to it. More specifically, we should establish a public awareness campaign, taking advantage of the reach of the Internet to provide parents with facts and successful strategies. We should also provide a "1-800" number to give parents a place to seek answers and information. Finally, we should create an innovative Medicinal Abuse Treatment and Prevention grant program, with a focus on helping teens and others hooked on prescription and over-the-counter medicines. It would support a variety of models and program types, developing best practice approaches that could be then spread across the country. For \$50 million per year, we could make a real difference in fighting this problem affecting families across the country.

**More Information:** See the work of the Partnership for a Drug-Free America, found online here: <http://www.drugfree.org/>.

#### **45. Give a tax credit to companies that open internal education and training facilities to workers outside the firm or students in local community colleges.**

**Issue:** Many Americans are stuck in low-wage work, lacking the educational credentials or skills to advance in the labor market. At the same time, employers in many sectors and regions face shortages of workers with the specific skills necessary to succeed in their positions. While improving our educational system will help, an estimated two-thirds of America's workforce in 2020 is already beyond the reach of K-12 education. We need to improve the skills of those already in the workforce, not just focus on education reform, to ensure the continued prosperity of

the American economy. Companies make efforts to train their own employees and may offer the best facilities for improving the skills of workers but these resources are usually unavailable to the community as a whole.

**Proposal:** We should give a tax credit to companies that open internal education and training facilities to workers outside the firm or to students in local community colleges. This would help foster local partnerships to improve the skills of the regional workforce, improving prospects for successfully competing in the global economy. This would improve the industry-specific talents of a community, bolstering the ability of American regions to excel in a particular field, much as Silicon Valley has led the world in high technology.

**More Information:** Based upon ideas in “Succeeding in the Global Economy: A New Policy Agenda for the American Worker” from the Financial Services Forum, found online here: [http://www.financialservicesforum.org/site/c.mtJ2J7MKIsE/b.4101061/k.C1FC/Globalization\\_Page.htm](http://www.financialservicesforum.org/site/c.mtJ2J7MKIsE/b.4101061/k.C1FC/Globalization_Page.htm).

#### **46. Develop Opportunity Impact Statements.**

**Issue:** Opportunity is one of America’s most deeply held values. Americans have always been stirred by the vision of a society in which everyone gets a fair shake. In the 20th century, the New Deal’s assurance of basic economic security put the nation back on a stable economic footing and laid the groundwork for broad-based post-war prosperity. The Civil Rights movement led to legal safeguards that protected all Americans while integrating more millions into our economic engine and social fabric. Unfortunately, in recent decades, the advance of opportunity has slowed, even stalled. The traditional steppingstones – a decent job at a living wage, affordable housing and health care, quality schools and a college education – have become less secure. Nearly 50 million Americans lack health insurance and wages for those at the income median have been mostly stagnant since the 1970s. As we restore our economy, we need to ensure that opportunity is restored as well.

**Proposal:** We should develop Opportunity Impact Statements. These statements would be similar to the environmental impact statements required to assess the potential outcome of federally funded projects. We should task the National Academies of Science (NAS) with recommending the best methods for conducting an assessment of how a proposed federal policy change or project would expand or limit opportunity, potentially including assessments of specific affected geographic areas, and whether the change or project would promote equal opportunity or deepen patterns of inequality. The review by the NAS should consider how best to assess the equity of the project’s burdens and benefits, such as whether it would serve a diversity of underserved populations, create jobs accessible to the affected regions, and serve diverse linguistic and cultural communities. It should also consider the best methods for participation by the public, such as hearings. Finally, the NAS should make recommendations for further economic and social science research that would help make “opportunity assessments” more easily performed.

**More Information:** Based upon ideas in “The Promise of Opportunity” by Alan Jenkins of the Opportunity Agenda in New Progressive Voices, found online here: <http://newprogressivevoices.org/opportunity/>.

#### **47. Create an international “Justice for All” initiative.**

**Issue:** A recent United Nations report found that four billion people worldwide live in places with dysfunctional justice systems, suffering from abusive police, bribery and mis-managed courts. A 2007 Transparency International report found that, for example, 79 percent of people surveyed in Cameroon and 72 percent in Cambodia, reported paying a bribe to obtain basic services in the previous year. According to the U.N. report, India has eleven judges for every million people, and more than twenty million legal cases pending. Many of the flaws in the judicial systems of these countries are due less to corruption than to judicial overload. However, the U.S. does little about this, despite the serious impact dysfunctional justice systems can have on economic development and quality of life. In the early 1970s, after uncomfortable revelations about American-backed security force

activities, Congress prohibited the Agency for International Development (AID) from assisting foreign police or prisons. Today, AID spends about \$30 million – less than one percent of its budget – on “rule-of-law” programs, with most of it going towards training. Although the State and Defense Departments also fund police training, they generally do so only to help advance U.S. strategic aims, such as combating drug trafficking and terrorism, not as a form of developmental assistance.

**Proposal:** We should create an international “Justice for All” initiative. We should offer an initial funding of \$500 million to create, in conjunction with the European Union, a “Justice For All” fund to support “rule of law” programs around the world. It would support initiatives to strengthen systems as a whole, beyond training, to reduce corruption and increase resources available to support courts and other parts of a functioning judicial system. Reducing the arbitrary abuses of power all too often found in societies with dysfunctional judicial systems would bolster freedom and improve the chances for economic growth.

**More Information:** See “The Enforcer,” by Samantha Power, *The New Yorker*, January 19, 2009, found online here: [http://www.newyorker.com/reporting/2009/01/19/090119fa\\_fact\\_power](http://www.newyorker.com/reporting/2009/01/19/090119fa_fact_power). See also “Makeover Via MIT for Indian Police,” *Washington Post*, February 23, 2009, found online here: <http://www.washingtonpost.com/wp-dyn/content/article/2009/02/22/AR2009022202206.html>.

#### **48. Allow recipients of housing assistance to build assets as they pay their rent.**

**Issue:** The rental housing market suffers from a fundamental disconnect between rents and household incomes. It has been this way for decades. Flat wages and unequal prosperity mean millions of Americans earn too little to afford to rent a decent home for their families or have to turn over large portions of their paychecks to their landlords. As of 2007, at least eight million renting families were spending more than half their incomes just to cover rent and utilities. Another issue is potential work disincentives for those families that do receive help. Under current law, families receiving federal rental assistance pay 30 percent of their adjusted income for rent and utilities. When they go to work – or work more – and earnings rise, they continue to pay 30 percent of their now higher income, which discourages increased work effort. Overall, the federal government provides more than \$25 billion each year in rental assistance to more than four million poor and near-poor households, through a mix of housing vouchers and subsidies to housing agencies and private owners. Despite this large and important federal investment, there is a large unmet need for rental assistance and those that get aid need more support in making the move to self-sufficiency.

**Proposal:** We should allow recipients of housing assistance to build assets as they pay their rent. We should create rental assistance asset accounts that would facilitate the savings process and create an incentive to increase earnings. Rental assistance asset accounts reduce work disincentives because a portion of the resulting increased rent from more earnings would be placed into a personal savings account. The savings in these accounts could then be tapped to help families make progress toward self-sufficiency, by investing in education or training, making a down payment on a home, or purchasing a vehicle to enable reaching a job site. Programs would be operated by local public housing authorities, in coordination with other service providers who can help a family overcome barriers to work and self-sufficiency. By increasing the number of families able to transition to self-sufficiency, it could also free up federal resources to serve other families in need. This approach has been tested through the Family Self Sufficiency Program – it is time to take it to scale.

**More Information:** See “Rental Assistance Asset Accounts,” by Reid Cramer of the New America Foundation, found online here: [http://www.newamerica.net/publications/policy/rental\\_assistance\\_asset\\_accounts\\_0](http://www.newamerica.net/publications/policy/rental_assistance_asset_accounts_0).

## 49. Implement an “Operation Redtape” to simplify and streamline paperwork requirements.

**Issue:** In enacting reasonable regulatory reform, Congress should commit to reducing red tape and burdensome paperwork requirements. Supposedly “pro-business” economic policies, including deregulation, voluntary compliance, and lax oversight and enforcement, have resulted in the worst economic and financial crises since the Great Depression. Now, from Main Street to Wall Street, there is a consensus that government must adopt reasonable “rules of the road” to allow markets to function properly and put “cops on the beat” to prevent and punish fraud and other violations of the law. While the federal government must act, the government must also work to ensure that regulatory reform is balanced, not overly burdensome, and allows markets to operate as efficiently as possible. Unfortunately, the push to deregulate and weaken oversight during the Bush Administration was not accompanied by a meaningful effort to simplify and reduce paperwork requirements. In fact, according to a 2006 study by the House Government Reform Committee minority, the total time spent completing government paperwork had actually increased during the Bush Administration -- by one billion hours.

**Proposal:** We should implement an “Operation Redtape” to simplify and streamline paperwork requirements. This should be an aggressive, government-wide initiative to cut through bureaucratic red tape. We should conduct a top-to-bottom review of all forms issued by the federal government and require federal agencies to reduce the length of every form longer than two pages by twenty-five percent. We should create a website, [redtape.gov](http://redtape.gov), and a tip line, 1-800-REDTAPE, to allow businesses and citizens to register complaints, cite examples of onerous paperwork, and suggest better ways to do the public’s business. To incentivize participation and the development of new ideas to make government more efficient, we should also create an annual “Silver Scissors” prize in the amount of \$1 million, which would be awarded to the business or individual who provides the best suggestion for how to cut red tape.

**More Information:** The House Government Affairs Committee report can be found here: <http://oversight.house.gov/story.asp?ID=1081>. Mexico conducted a red tape cutting contest, for information on it, see “For Redress of Grievances, Mexicans Turn to Bureaucracy Contest,” *New York Times*, January 8, 2009, found online here: [http://www.nytimes.com/2009/01/09/world/americas/09mexico.html?\\_r=1&scp=4&sq=mexico,%20red%20tape&st=cse](http://www.nytimes.com/2009/01/09/world/americas/09mexico.html?_r=1&scp=4&sq=mexico,%20red%20tape&st=cse).

## 50. Conduct an immediate, system-wide accounting to assess the adequacy of environmental and health monitoring after the Bush Administration.

**Issue:** Environmental and health monitoring systems produce extremely valuable data that allow us to detect, prevent and respond to environmental and health hazards. While federal agencies are required by law to safeguard health by tracking pollution and contaminants and monitoring disease rates, the Bush Administration achieved its goal of implementing significant program and funding cuts in at least five key areas: air, water, food safety, toxic substances, and human health. To cite just one specific example, the budget for the Centers for Disease Control Biomonitoring Program, which measures pollution in people, was cut by nearly 20 percent between 2002 and the end of the Bush Administration.

**Proposal:** We should conduct an immediate, system-wide accounting to assess the adequacy of environmental and health monitoring after the Bush Administration. We should require the National Academies of Science to review the status of our monitoring systems for air and water quality, food safety, toxic substances, and human health. The study should also report on the limitations of our post-Bush monitoring systems and make recommendations for significantly improving them, including assessing how best to integrate advances in information technology into these systems.

**More Information:** See “Deepest Cuts: Repairing Health Monitoring Programs Slashed Under the Bush Administration” from the Natural Resources Defense Council, found online here: <http://www.nrdc.org/health/deepestcuts/default.asp>.