



California State Assembly Select Committee
Status of BMoC Hearing
January 20, 2012

Thank you Assemblyman Swanson and other distinguished members of the Committee for this opportunity. As the Chief Executive Officer of YU, a direct service and community development organization, it is an honor to share my perspective on behalf of the young people we serve. My comments also represent my work as a member of Oakland's WIB and the operator of four (4) social enterprises that have created more than 100 jobs for high-risk BMoC.

I will begin by acknowledging the gross disparities which make clear BMoC do not have equitable access to the American dream. In East Oakland, where YU is located, 96.4% of students test below proficiency in math, 47% drop out, and EOBHC estimates that the unemployment rate is 50% for African-American males. Both the scale and intergenerational nature of these problems makes creating effective policy and programs challenging -- but not impossible!

This is a crisis. But more than a crisis for BMoC, this is an American crisis. As Jim Clifton, the Chairman of Gallup notes in his new book, *The Coming Job War*, the greatest threat to our Nation's ability to remain competitive in the global economy is the broadening gap in achievement and opportunity for youth of color.

My work teaches me that we cannot serve our way out of this crisis. Instead, effectively addressing this crisis necessitates making community economic development our central strategy. Of course, such efforts must intersect with and be supportive of work in the areas of justice, health, and education, but of prime importance is creating avenues for economic opportunity, both for individual and community benefit.

Our first challenge is maturing our thinking from "spending on" to "investing in" communities. With this frame, we can take bold, holistic, collaborative and innovative action on three fronts:

- (1) Scaling up what we know works, like YU's launching of social enterprises to create jobs.
- (2) Building public-private partnerships aimed at increasing the flow of capital into communities that have experienced severe disinvestment and linking BMoC to educational, employment, and mentoring opportunities that are pathways to prosperity.
- (3) Leveraging public and private procurement opportunities to the mutual benefit of agencies and communities. California needs to replicate the amazing efforts underway in NY and MA that designates non-profits as a state agents, thereby creating the opportunity for state agencies -- absent the onerous procurement process -- to meet their needs while leveraging non-service dollars to create jobs, which increases purchasing power and the flow of capital within a community.

Our submitted document, Achieving Community Transformation, developed in partnership with our system leaders provides an overview of how we can stimulate economic development. Our top three (3) recommendations are:

First, shift public procurement policies and practices (and incentivize the private sector) to prioritize doing business in communities with the highest rates of disconnected BMoC. Specifically, I recommend quickly launching a statewide pilot to designate three to five CBOs “agencies of” the state. CEO, a NYC based model, working here in CA with REDF demonstrates the promise of this approach by creating 13,000 jobs annually. This “agent of” approach is a cost neutral shift that will allow the states to purchase services in ways that more than double the return on each dollar invested by spurring job creation, which increases tax revenue while decreasing cash aid and unemployment costs.

Second, align educational priorities and market trends -- Specifically, support the development of curriculum that leverages market dynamics with an eye towards regional comparative advantages. In other words, ensure course content in our schools and community colleges are aligned with sustainable wage opportunities and position BMoC both for academic and economic success.

Finally, remove employment barriers faced by BMoC -- My two recommendations are to enact a statewide “Ban the Box” policy that ensures people with criminal records don’t encounter unreasonable barriers in pursuit of employment and expand on our successful Alameda County Clean Slate Clinic, to provide free legal help to individuals seeking to clean up their criminal records.

Again, thank you for your leadership on this issue and the opportunity to offer solutions. I am always available to answer questions.