Senate Opportunity Coalition:
Pave the Path to a Brighter Future

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The Senate Opportunity Coalition: A diverse group of Republican Senators committed to ensuring every American family has the opportunity to succeed. Our goal is to pave the path to a brighter future for our nation, including the approximately 50 million Americans currently living in distressed communities.

Background: Since the 1960’s the federal government has spent trillions of dollars trying to combat poverty. The decades-old “War on Poverty” first launched by President Johnson has been at best a short-term fix, and numbers show it has done little to eradicate poverty in America. In fact, for the past 30 years the number of Americans living in poverty has held steady, hovering between 11 and 15 percent. As our population continues to grow, the number of Americans living in poverty continues to rise.

There is no denying the old solutions were well-intentioned, but they have not accomplished their goal.

According to the last U.S. Census Bureau report covering 2015, the poverty rate in America was 14.3 percent. Our poverty rate is essentially the same as it was in the 1960’s. The labor force participation rate is at its lowest point since the 1970’s. Median household income in 2014 was 6.5 percent less than pre-recession levels. Over the past seven years, taxes have increased by $1.6 trillion.

We could write for hundreds of pages, but all you really have to do is look at the chart above. While there was an initial drop in poverty through the early 1970’s following the implementation of President Johnson’s agenda, the numbers have stagnated since then. Our current policies fighting poverty simply are not working.

Vision: America has long been known as the land of opportunity. Yet, many Americans feel disconnected, like they have been left behind, and feel they are out of options.

Our coalition believes in the American dream, and that we must ensure personal freedom, economic independence, and the chance to succeed to millions of Americans
who are currently living in distressed situations.

We also know that those struggling, hoping for their chance, are so much more than numbers on a chart. They are mothers, fathers, brothers, sisters, sons and daughters. They have unique talents and visionary ideas, and are oftentimes unable to take advantage of those because they must focus on things many of us take for granted: food on the table, heat in the winter, and other basic necessities.

Oftentimes, policymakers forget these facts. Charts are made, statistics are shown, and the actual stories of those living in poverty are either ignored or forgotten.

Recognizing that fact is what sets the Senate Opportunity Coalition (SOC) apart. We are not looking at numbers, but instead meeting with people. Instead of waiting to talk, we are eager to listen. We look to take the lessons learned by those on the ground, grinding out the best living they can, and use those to power a new kind of solution. A brighter, more prosperous future.

In launching the SOC, we have all spent time in our communities of need. Each of our states face challenges, from isolated Alaskan villages, to the inner city in Florida, to rural Iowa. This document contains the first of the stories we have learned, and how we believe strong conservative solutions can help every single American family.

This is not something that will be solved with one bill, because every decision made in Washington, in state capitols, by town councils, has the potential to either fight poverty, or make it worse. From taxes to education, infrastructure to agriculture, we are each bringing stories from our own states to help show how wide reaching our solutions must be.

Moving forward, we will continue to share stories like these and bring our individual solutions already introduced to the table. From these efforts, we will develop new solutions, refine current ones, and forge the path forward.

We do this because we are confident that conservative solutions will unleash opportunity like we have not seen before. Given a chance to succeed, nothing can stop the power of the American people.
Whenever Nichole and her son walk out of her apartment at Stonybrook Apartments in Riviera Beach, Florida, she has a strict five-second rule. In her neighborhood, plagued by years of neglect from the property’s managing company, when she calls for her son he has five seconds to get within her sight.

Nichole moved to Stonybrook with her son three years ago for financial reasons, but this was her first time to ever live in public housing. What she has witnessed at Stonybrook makes her want out. She doesn’t want her son to grow up in a community where it’s not safe to walk outside alone or where there are few good examples for him to learn from and follow.

Her saving grace has been her tight-knit family. Her sister lives close by and is almost always on-hand to babysit or run errands in order to make things a little easier around the house. From this foundation of support, Nichole has a full-time job to pay the bills and put food on the table – the very activities that she says drive her and make her proud. But the poor conditions at Stonybrook complicate every facet of life, and Nichole and her sister both agree it’s time for her to move out.

Stonybrook Apartments is an example of what can go wrong with federally-administered welfare policy. The facility is owned by a company under investigation for using its revenues for everything other than ensuring safe and sanitary conditions for its residents – conditions that the U.S. Department of Housing and Urban Development (HUD) for years rubber-stamped approval of, even giving a $6 million per year contract to the company. Senator Marco Rubio’s visit to the complex revealed a lack of air...
conditioning units, widespread mold, and nearly unlivable apartments. The conditions Senator Rubio has uncovered elsewhere - at Eureka Garden Apartments in Jacksonville and Windsor Cove Apartments in Orlando - are equally bad.

Places like the facilities Senator Rubio visited are where Americans’ tax dollars are wasted. They are where those twin vices that accompany massive welfare programs – bureaucracy and cronyism – actively threaten the quality of life of those receiving public assistance. They are where the choices made without consequence in the halls of Washington, D.C. have real, physical effects in people’s homes: rotting mold, toxic water, and crime-ridden complexes.

HUD’s outdated public housing policies are a relic of the slum-clearance projects of the 1960’s. One-size-fits-all metropolitan Fair Market Rent rules that dictate where low-income voucher recipients can afford to live have created zones of poverty and immobility in areas in which housing assistance is most concentrated. For the amount of money HUD spends on low-income housing it could give out checks worth more than half of the poverty line. The take up of HUD’s largest subsidy program is so bad that only 1 in 4 eligible individuals use it. These are some of the serious problems with how taxpayer dollars are spent on public housing.

HUD’s errors at Stonybrook and other Section 8 facilities are exactly the kind of abuses of the system that contribute to the public’s distrust of government. Even worse, those dollars are used to actively harm the very people they are intended to help. When mothers like Nichole seek out public housing

<table>
<thead>
<tr>
<th>Property</th>
<th>Poverty Rate Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Windsor Cove</td>
<td>19%</td>
</tr>
<tr>
<td>Eureka Gardens</td>
<td>20%</td>
</tr>
<tr>
<td>Stonybrook</td>
<td>41%</td>
</tr>
</tbody>
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Graph depicts the poverty rates of census tracts where these properties are versus the poverty rate of jurisdiction.
as a safety net, but instead find a poverty trap, something has gone terribly wrong. In towns like Riviera Beach across America, the obvious failure of large institutions to meaningfully alleviate poverty points to a national debate about what it takes to ensure opportunity for all Americans.

Senator Rubio’s approach to welfare reform is focused on revitalizing local communities by giving states flexibility in program administration. What works best for California may not work as well in Florida, and within certain limits that keep people working, states should be free to utilize resources as they see fit. There are real geographic and cultural differences between our nation’s states and regions. In an era of fragmentation, with diverse needs and a consumer appetite for customized products, conservatives would be wise to promote subsidiarity and choice as solutions for our broken welfare state.

It will be hard, but necessary work to make this vision of the social safety net possible. In the interim, elected officials at all levels of government should demand accountability of the tax dollars being used for welfare. This is why Senator Rubio has pushed for a full audit of HUD’s inspection process, investigations into slumlord owners, and worked to fulfill Congress’s constitutional duty of oversight through federal housing facilities in Florida.

It’s time to end the tired partisan fights over the size of outdated welfare programs and start a discussion about effectiveness, of what actually works for our most vulnerable populations. This is why welfare reform must be about more than attempting to roll back the excesses of the New Deal and Great Society. It must be a radical re-envisioning of where government is located in our country, and who makes the decisions about how it operates. Only then can we begin to chip away at the stagnation imposed by poorly-designed welfare like our federal housing programs.

2  http://www.theatlantic.com/business/archive/2015/06/section-8-is-failing/396650/
Iowa is a great contributor to our nation, most notably through our agricultural industry. As the leading producer of pork, corn, soybeans, and eggs, we help feed America and people across the globe. But when we take a look at poverty in the nation, we must first look into our own backyard.

In a state that feeds millions, food insecurity in Iowa is a staggering issue. The statistics are shocking. In the state of Iowa, the USDA reports that more than 10 percent of households struggle to find food on a day-to-day basis. As the Quad City Times reports, while the number of government food assistance recipients is actually dropping, the “need continues.”

A few weeks ago, Senator Ernst had the opportunity to visit the Northeast Iowa Food Bank in Waterloo. In Northeast Iowa alone, there are more than 48,000 people who do not have regular access to food. According to the Northeast Iowa Food Bank over 16,000 of those are children and 10 percent are seniors. One of the many issues they are searching for solutions for are getting meals to children on weekends and when school is out for summer break. As a mother and a grandmother, it’s heartbreaking to hear that.

Senator Ernst’s conversation with the leaders of the Northeast Iowa Food Bank and their partner, Operation Threshold, guided her to the realizations that every community is different, and that ideas for solutions for that particular community will come from within. She is a strong proponent of local solutions, and strongly supports the ingenuity and hard work of Iowa’s organizations. Ernst also learned about the success of mobile food pantries, the partnerships with large groceries and superstores, backpack programs and community gardens.

### Food Security in the United States, 2015

- 42.2 million Americans do not have regular access to food
- 32.8% of low-income households faced food insecurity*
- 16.9% of households with children under the age of 6 experienced food insecurity
- 30.3% of households led by a single woman, and 22.4% by a single man, were food insecure

*Defined as incomes below 185% of the poverty threshold

Source: U.S. Department of Agriculture, Economic Research Service
She was overwhelmed and inspired by the generosity of the Northeast Iowa Food Bank, their donors, and volunteers, but equally filled with questions: how do we get food to home-bound seniors? How do we feed children when school is out or on the weekends? How can we help Iowans overcome financial hardships and obstacles? Is the federal government hurting or helping?

How can we, as a nation, do better?

There isn’t a one-size-fits-all solution to fight poverty, but hearing from organizations and Iowans on what works, and what we can do to help, is a step in the right direction.
In many low-income communities across America, opportunities simply do not exist for children and young people. Activities like piano lessons, language tutors, theater, karate, sports clinics and leadership camps simply aren’t a reality for many kids whose parents are barely making it. For families who can afford extracurricular activities, these opportunities expand educational opportunities, bring emotional fulfillment, build self-esteem and even lead to successful careers.

This is why nonprofits like a “Pocket Full of Hope, Inc” are so valuable. Organizations and programs like these redirect many young people, who otherwise might be on a path towards discouragement and poverty. Pocket Full Of Hope Inc. is a community-based nonprofit organization that serves north Tulsa, Oklahoma. It serves young people by offering after-school programs that center around the arts – primarily music, art, theater and dance. The organization also provides conflict resolution and de-escalation training in schools, with the goal of stemming juvenile incarceration.

The north Tulsa area is a region that has never fully recovered from its vibrant economy and community of the late 1800’s and early 1900’s. Since the 1921 Tulsa Race Riot, in which an estimated 300 individuals were killed, the area has experienced inconsistent growth and a frail economy. According to census data, the City of Tulsa experiences a poverty rate around 20 percent, with child poverty ranging from five to six percent higher. The overall national poverty rate for 2015 was 13.5 percent. In addition, north Tulsa experiences higher rates of unemployment, compared to the rest of the region.

Pocket Full of Hope has helped mentor and guide hundreds of low-income youth in the north Tulsa area, and they are looking to expand. The organization has found a new and bigger permanent home in what used to be the Big 10 Ballroom, a music venue built in 1948 that once featured appearances by Ray Charles, James Brown, and Tina Turner. The building had been empty for 20 years, when Lester Shaw, executive director of “Pocket Full of Hope,” saw it as the
future home of his nonprofit. Shaw purchased the building in September 2008 for $150,000 from the Mount Zion Baptist Church, and has been working to get it up to code for the past eight years.

The mission of this organization is one that is close to Senator James Lankford’s heart, because of the focus on youth and prevention. Before his time in Congress, from 1995 to 2009, Lankford served as Director of the Falls Creek Youth Camp, the largest youth camp in the United States, with more than 51,000 individuals attending each summer.

On average, the organization sees about 350 youth from the local community throughout the year. They strive to create a risk-free environment for all participants to encourage them to explore problem resolution and change. The goal is to have the students empower themselves in a non-threatening, participatory and inclusive atmosphere using music, theatre, and dance.

One success story is Courtney Johnson, a young person who started participating in Pocket Full of Hope’s theater programs in the 5th grade. Tuesday and Thursday rehearsals became the highlight of her week throughout middle school and high school. After her theater roles in The Wiz, and Thriller, she never looked back! Because of the nonprofit’s influence on her life, she pursued college and stayed in college, at Langston University, because of Dr. Shaw’s encouragement and influence in her life. Now, Courtney is a 4th grade teacher in Tulsa.

Shaw’s vision is that “A Pocket Full of Hope” will continue to make a positive impact in the Tulsa community by providing local youth an outreach program where they can express themselves through music, dance, film, and photography. He wants to help them develop life skills and a sense of social responsibilities that will open up opportunities in their future.

Lankford believes that a child’s zip code should never determine their future, and nonprofit programs like Pocket Full of Hope should be at the forefront of redirecting and helping at-risk youth reach their full potential.
Noatak, Alaska, a village 70 miles north of the Arctic Circle, nestles in the Noatak River valley between the Cape Krusenstern National Monument along the coast to the west and the Noatak National Preserve to the east. Iñupiat hunters first camped here at least 5,000 years ago, lured to the area by abundant game and fish. About 500 people, most of them descendants of the original settlers, still call this place home, and they want to live out their lives here.

Survival in modern times, however, is complicated. The high cost of fuel and goods today threatens the community’s existence.

On a recent day in early August, dozens of villagers walked or rode their four-wheelers to the airport to greet a small plane that carried visiting Alaska Sen. Dan Sullivan, along with state and Northwest Arctic Borough officials. Here, as in most of rural Alaska, the airplane is basically the only way in or out. Sullivan and the rest had come to talk about that. Villagers guided them to the community center where food—salmon and muktuk—was served and local concerns were voiced.

As with most of the more than 230 villages that dot a state twice the size of Texas, just getting here is a challenge. Once you get to Anchorage, what many Americans already consider a far off place, it’s another 500 miles—the distance from Washington, D.C. to Toledo, Ohio—northwest by jet to Kotzebue, a regional hub. There, one transfers to a small bush plane for another 50 or so miles north to Noatak. The plane passes over nothing but wilderness. There are no roads or farms. The land is pocked only with small lakes. The foothills of the mighty and rugged Brooks Range rise in the distance. The village appears as an outpost in a vast northern landscape without end.
Residents of Noatak say they are always happy to see officials arrive from outside. They need help, they say. Technology has in some ways made life easier in rural Alaska, but life is still threatened in Noatak. Wild game and fish fill many freezers, but fuel to power the machinery used to obtain that protein—not to mention to provide the electricity to keep the freezers running—must be flown in at enormous cost. And it is the same for everything else—building materials, medicine, food staples other than meat and fish, clothing—the list is almost endless.

Shipping costs here make for mind-numbing prices for goods. A gallon of heating fuel, a necessity to heat the many Arctic wind-tattered homes in a land where temperatures can drop to 60 degrees below zero, costs about $10. A sheet of plywood goes for about $100. A gallon of milk goes for about $12. About 22 percent of the villagers are below the poverty line and many are struggling just to stay warm and put food on the table.

“In the big picture of our country, the survival of a remote village of approximately 550 people may seem a small issue, but to the people of Noatak and the survival of the culture, it is without parallel,” said Mark Moore, the transportation director for the village.

The village is desperate for cheaper goods, he said.

“In the winter, there are many in the village who often have to decide whether to heat their homes or feed their families,” a villager elder said. “I don’t know how we can keep our young people here.”

But Noatak has hope. If they could get permission to build 22 miles of road north to join an existing road that leads to a small port on the Chukchi Sea, they could radically reduce the costs of the village’s fuel, food and goods. The existing road is used by a zinc mine, 50 miles north of the village, which would be willing to provide access along with the potential for greater economic development. Some of the ideas included building a greenhouse to provide the mine’s workers produce, or a welding business to service the mine. It would also provide easier access for residents of Noatak to work at the mine.

The mine, called Red Dog Mine, is the biggest economic driver in the region. It’s one of the world’s largest zinc mines, developed in the 1980s under an agreement with NANA, an Alaska Native Corporation based in Kotzebue, and Teck, out of Canada.
The mine provides jobs for more than 700 people in the region at an average wage of $99,000 a year, and much-needed tax revenue to the borough.

If Noatak can get a spur to the main road, the mine has committed to sell the village fuel at cost—roughly $2 a gallon. The mine would get something out of the deal, too. It would be able use the airport in Noatak for medical or other emergencies.

It’s a win-win. But like many infrastructure projects in Alaska, where the federal government controls more than 60 percent of the land all across the state, this one is complicated. Roughly five miles of the road would go through Park Service land—land that could be swapped for an equivalent piece of Native Corporation land—if the Park Service were willing to cooperate. Historically, it and other federal agencies haven’t been keen on cooperating with land swaps in Alaska, nor with any sort of infrastructure project, even though Alaska is woefully infrastructure poor.

In fact, the federal government, often with the help of environmental groups, has worked to stop nearly every road and/or infrastructure project in the state since the 1980s. Land access has been Alaska’s, as well as much of the West’s, issue for decades. But the fight has been particularly heated under the current administration. It appears to want nothing more than to lock up more and more Alaska lands and turn the state into one national park.

Senator Sullivan is the former Attorney General of Alaska as well as the state’s former Commissioner of the Department of Natural Resources. In those jobs, he saw first-hand how the federal government impedes development in Alaska and the Arctic. Oftentimes, federal agencies deny access to lands outright. And on the rare occasions when they do allow access, they make builders invest years fighting through an impossible thicket of regulatory red-tape.

“In my experience, literally every project in the state—ports, mines, roads, harbors, gas wells—is either killed outright, or slowed by the federal government for years and years until, often times, the project dies,” Sullivan said.

Senator Sullivan is very focused on infrastructure development to spur economic growth both in Alaska and across the country. He’s also championing reforming permitting and job-killing regulations. He told the Noatak community that he is going to do his best to ensure that the federal government doesn’t put up roadblocks that would kill the road.

“I’ve heard your concerns. You have a beautiful village, and I think you have an excellent solution to your problems,” Senator Sullivan said. “The federal government has the responsibility to help lift our citizens up. It shouldn’t stand in the way of economic opportunity. We need to get more federal officials to come to Noatak, to see for themselves how important it is that you be allowed to live in your ancestral home, without having to worry about whether you can pay for food or fuel. I’ll do all I can to help.”
Growing up in Spartanburg, South Carolina, Minnie Johnson was one of twelve children. Her parents split up while she was still a child, and being one of the oldest meant that Minnie had to help raise her sisters and brothers. She helped cook, clean and get her siblings ready for school every day. In school, she was often picked on and bullied, making attending class almost unbearable. Minnie got pregnant while still in high school and it led to her dropping out. With no clear career ahead of her, Minnie turned to selling drugs to support herself and her family.

As a result of that choice, Minnie ended up in prison. After serving her debt to society, Minnie began to interview for jobs around Spartanburg, mostly at fast food restaurants. More than once, she was hired, but when her background check came back her employment was terminated.

So Minnie was forced to survive on the kindness of others, often eating at soup kitchens.

As Minnie was enduring these challenges, Spartanburg itself was changing. Long dependent on the textile industry, the Upstate of South Carolina fell on hard economic times at the end of the 20th century. Mills closed, jobs were lost, and the region was facing an uncertain economic future.

Through smart decision making at the state level, a business-friendly tax and regulatory environment, and great recruiting efforts, new jobs arrived. A manufacturing renaissance began, and families struggling to survive began to find their way back to work.

Spartanburg, a town of almost 40,000 about an hour southwest of Charlotte, and its neighboring city of Greenville began to see the effects of that economic comeback.
January 2016, WYFF news reported that “Spartanburg is the biggest economic development story not just in the Upstate, but in the state of South Carolina, one of the biggest in the Southeast.” Since between January of 2013 and December of 2015, 57 new businesses opened downtown. In Spartanburg County as a whole, 2014 saw $2.4 billion in new investment and 2,114 new jobs added.

As the city began to get back on its feet, people began looking for ways to revitalize neighborhoods that had fallen on hard times, communities that felt like they had been forgotten.

Out of that came the Northside Initiative. A public-private partnership, this initiative sought to, as its name implies, bring the Northside of the city back to life – to bring jobs to an economically depressed area, restaurants and healthy food to a food desert, and affordable housing to residents.

Over the past five years, violent crime has decreased 80 percent in the Northside neighborhood, and more than 150 vacant and dilapidated properties have been turned into a food hub, a Mixed Income Housing Model Block and other new housing opportunities in the neighborhood.

In total, the Northside Development Group has already leveraged more than $10 million in private and public investments, and has $30 million in approved projects that are still seeking funding.

That brings us back to Minnie.

One day as she was getting a meal at a local soup kitchen, Minnie heard about job training classes being taught at the Monarch Café in the Northside Initiative. Monarch, the only restaurant in a few square miles, teaches these classes “to prepare unemployed, underemployed, previously incarcerated and homeless adults for careers in the food service industry.”
Minnie started attending these classes, and ended up finishing the entire 15-week course. In her words, it was the first time she had ever committed to anything. Soon after she finished the courses, she was hired by the Monarch Café and has worked there for nearly two years now.

Minnie now has her own car, and is saving to buy her own home. She has a clear, positive direction, and is looking forward to her future.

The difference made in her life, in the lives of many living paycheck to paycheck, was made possible because private citizens and businesses decided to make an investment in their community.

50 million Americans are currently living in communities termed as distressed, and our poverty rates remain sky high. This has led to the loss of hope for many, to a sense that the world is no bigger than what they can see.

But when we make a concerted effort to encourage investment in these communities, to help rebuild them, we start to see a difference. That notion is the basis for Senator Tim Scott’s Investing in Opportunity Act (IIOA).

In the United States, there is currently more than $2 trillion in unrealized capital gains just sitting there. A repressive tax code makes it economically challenging for people to reinvest those dollars. The IIOA changes the way we treat capital gains, and through those changes incentivizes private dollars to be sent to struggling communities.

When those dollars are reinvested, when small businesses have access to the capital they need to grow and expand, we can see lives transformed. Minnie Johnson is a shining example of what happens when we see an effort like this come to fruition. We want everyone living in a distressed community to have the same chance.

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4 Documents provided by the Northside Development Group to Senator Scott’s office.
5 http://www.butterfly-sc.com/about-us.html
Conclusion
This is only the beginning:

Looking ahead, we will continue to establish relationships with neighborhoods all across our respective states. Through open communication, we can share the issues facing all of our communities, and find better, newer and longer lasting solutions. We will pave the path forward.

Sincerely

Sen. Joni Ernst

Sen. James Lankford

Sen. Marco Rubio

Sen. Tim Scott

Sen. Dan Sullivan