THE SECOND PAGE

Part II

Excerpts from study critical of Mayor Schaefer

EDITOR'S NOTE: In the AFRO Tuesday edition, we began excerpts from the Washington, DC-based Brookings Institution study on how Baltimore used federal funds over a number of years. To follow appears Part II of the excerpts. We reported in the AFRO on Nov. 22 how Mayor Schaefer's administration was criticized by the study's author, Paul Peterson. The mayor said he should have seen the report prior to its release last week.

Federal funding was also less than necessary for assisting the rents of low-income families. Demand, based on eligibility and application for assistance, greatly exceeded supply both nationally and in all of the communities studied. At the national level, although more than 700,000 units were involved, the program covered only a little more than 10 percent of all eligible renter households. The local need for assistance was enormous. More than 115,000 families were eligible in Dade County, more than 50,000 in Baltimore, and nearly 40,000 in Milwaukee. But the rent assistance program provided funding for only 2,000 units in Dade County, 2,400 in Baltimore, and 2,600 in Milwaukee.

In Baltimore, applicants from large families that needed apartments with three or four bedrooms had to wait at least nine years for assistance. With a waiting list in the thousands the San Diego program, which provided 4,000 units, accepted applications for only a short period once a year.

Among the four school systems included in our study, Baltimore was especially slow in developing a special focus for its compensatory education program. As late as 1975, according to a Baltimore administrator, "federal auditors came in and said there was no comparability [local spending on compensatory schools equal to that on other local schools]. We said, 'What's new?' There was no deliberate effort on our part to deceive the feds. There was some ignorance, some things we just didn't know, and some things we didn't want to do."

Not only was there no comparability, but Baltimore, the most politicized of the four cities, was said to have allocated its funds according to politically defined criteria. One high-level administrator specifically acknowledged that in the early years of the program, political patronage influenced allocational decisions, an observation consistent with numerous other reports that schools run by politically well-connected principals received disproportionately high amounts of funding for compensatory education.

Inexperience, a small administrative staff, and ill-defined objectives combined to produce a diverse, inchoate program failed to concentrate its fiscal resources on the population it was supposed to serve.

Even several years after passage of the act it was easy to conclude that the program illustrated perfectly what a generation of analysts have come to criticize as a fundamental flaw of redistributive programs and of American federalism: "The federal system — with its dispersion of power and control — not only permits but encourages the evasion and dilution of federal reform, making it nearly impossible for the federal administrator to impose program priorities; those not diluted by congressional intervention can be ignored during state and local implementation."

From 1974 to 1978 the Baltimore school district allegedly misspent $14.6 million in federal funds, one-fourth of the total federal compensatory education allocation to the district during the period. Most of the funds were allegedly used to cover general administrative costs and regular curricular activities that benefitted all students. Although the leading state and local school officials contended that the allegations were inaccurate, many administrators and instructors with extensive experience in Baltimore's program agreed that the charges were generally legitimate. They concurred with audit findings that Baltimore had "operated the program inefficiently, used a deficient accounting system," and paid scant attention to many program guidelines.

Client group influence in compensatory education was low in all four cities. Baltimore maintained the school and district advisory councils required by law, but they tended to be moderate and rarely questioned district policy. Parent leaders of the district advisory committee showed a superficial understanding of the program. They saw their responsibilities as lending public support and recruiting volunteer help. They were virtually unaware of allocation procedures, curricular decisions, and adverse audit findings.

Only occasionally did the committee have leaders who showed some political sophistication and influence. The staff assistant in 1981-82, for example, was knowledgeable and probably able to influence certain policy decisions, but she was appointed by the city, was widely perceived as an intermediary between district and parents, and never overtly championed the cause of parent and community groups.

The extremely politicized nature of the compensatory education program in Baltimore often deterred local school groups from taking assertive action. "They hold the federal dollars over our heads, and they can pull them back at any time," explained one principal. The school district not only played political games but also tended to release obfuscatory information on the program to the public: "Across the city, people don't know what's going on." An occasional parent group asked demanding questions, but a leading compensatory education administrator noted that these caused no problems and never resulted in any significant changes in policy. District program administrators consistently noted that their latitude in allocating funds was fairly large, particularly given the high proportion of Baltimore students who could be officially designated as disadvantaged and were thereby eligible for the program but did not automatically qualify. The long lists of eligible students and schools ensured substantial unmet needs, permitting discretion in the allocation of funds and (it was said by some critics) refusal to reward schools represented by outspoken professionals.

Parents of handicapped children even had a significant influence on the special education programs in Baltimore. In 1974 a suit brought by such parents led to a Baltimore County Circuit Court ruling that all Maryland children were entitled to a free public education regardless of handicap. Subsequently, many Baltimore parents exerted influence by working with the Maryland Advocacy Unit for the Developmentally Disabled.

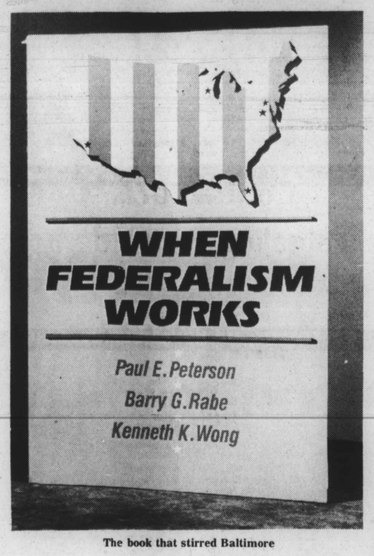
In Baltimore, for example, elected officials shape policy even on matters that in other cities have become highly professionalized. The Baltimore school system was much more closely integrated with city government and much more responsive to direction from the mayor's office than were the school systems in the other three urban areas. Redistributive federal education programs thus encountered more resistance in Baltimore than elsewhere.

In Baltimore, the most politicized of the cities, conflicts between local and federal officials were far more intense than in the other three cities. The all-encompassing influence of Baltimore's city hall permeated the city's housing department, whose head was known to be a follower of Mayor Schaefer. many top-level officials in the housing administration had been active in city politics, including one who was appointed after he had demonstrated unusual skill in organizing the 1972 George McGovern presidential campaign in the city. Patronage was allegedly a routinized part of the personnel practices of the 1,500-member agency.

Mayor Schaefer's political strategy governed the ways the rent subsidy program was implemented. Top-level housing officials, for example, instructed their staffs to give priority to those families displaced by private revitalization efforts. In this way, public controversy over the effects of the displacements from the mayor's renaissance was greatly reduced. Rent subsidy budgeting was worked out jointly between the program coordinator and city hall. This process was intended to make certain that the program was operated in ways consistent with the mayor's concerns for neighborhood stability. The mayor was, in effect, the housing boss. As one who was intimately familar with the city's housing efforts said, "There is no question that the mayor has the final say in all decisions in the housing department."

Rent subsidies were treated as a political resource, and professional control was notable for its absence. Many local staff members were political appointees deficient in understanding fair housing requirements, including handling of discrimination complaints and related equal housing opportunity regulations. Federal officials also charged mismanagement because funds being used for equipment purchases could not be accounted for. Neighborhood groups claimed that friends and supporters of city council members and state senators were given preferential treatment in their rent assistance applications without having to join the long waiting list.

As early as Baltimore's first program review in late 1976, federal officials found numerous violations of the required housing quality standards. Among other things, tenants were allowed to move into homes without any housing inspection ever having occurred, a city policy that remained unchanged as late as 1981. In a cover letter to a review written that year, federal officials concluded that the most significant corrective actions required were for violations of housing quality standards. Even though the federal inspectors found code violations in nineteen of twenty randomly selected units, city officials dismissed the findings as "purposefully microscopic," blaming Washington for excessive paperwork that consumed so much time it precluded adequate inspection of the housing stock."



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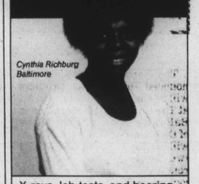

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Historical group is holding workshop

The Commission for Historical and Architectural Preservation (CHAP) is sponsoring a free Neighborhood Workshop to be held on Dec. 6 from 9 a.m. - 12 noon at the Church Home and Hospital Auditorium on the southwest corner of North Broadway and Fairmount Avenue.

Deborah Goodman, chairman of the commission, will be welcoming those in attendance. This year's workshop will include several speakers covering topics such as CHAP's role in preservation, the review process, guidelines, enforcement of the permit process, and an update on investment tax credits. The workshop will also provide pertinent information to assist homeowners in the restoration of their houses.

Speakers will include Dr. Julie Jeffrey - professor of History at Goucher College, Frank Gilbert, senior field representative of the National Trust for Historic Preservation, and Bill Pencek, administrator, Preservation Assistance Division at the Maryland Historical Trust.

CHAP was created in 1964 by the City of Baltimore to affirm its commitment to preserve Baltimore's historic past.

Free tours of Washington Hill will be offered after the workshop.

Second Class postage paid at Baltimore, Maryland.
Circulation audited by the Audit Bureau of Circulation (ABC).
Published every Tuesday, Wednesday and Saturday by the Afro-American Company, 628 North Eutaw Street, Baltimore, Maryland 21201. Telephone: (301) 728-8200; USPS 040-800.
John J. Oliver, Jr., Chairman of the Board/Publisher; Frances M. Draper, President; Benjamin M. Phillips, Secretary-Treasurer; Arthur W. Murphy; Senior Vice President; Robert W. Matthews, Executive Editor.
National Advertising Representatives: Amalgamated Publishers, Inc., 45 W 45th Street, New York, New York 10036.
Local Advertising Representative: Baltimore: Harriet Diles.
Local Editorial Directors: Baltimore: Paul Fairfax Evans, Ronald B. Jones.
Affiliated Publications:
Dawn Magazine
295 Madison Avenue
New York, New York 10017
(212) 679-5152

Baltimore
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Every Wednesday
Friday Plus
628 N. Eutaw Street
Baltimore, MD 21201
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Washington, D.C. 20001
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Afro-American
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National
Afro-American
(Philadelphia, New Jersey North & South Carolina)
628 N. Eutaw Street
Baltimore, Maryland 21201
(301) 728-8200

Subscription Rates:

6 months	$13.00
1 Year	$26.00
2 Years	$46.00
3 Years	$58.00

Rates are for One Edition
Checks for subscriptions should be made payable to the Afro-American Company. 628 N. Eutaw Street, Baltimore, Maryland 21201
EVENINGS AND SATURDAY TELEPHONE NUMBERS
News Room 728-8204
Circulation 728-8206

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People in the News

Dr. Thomas E. Malone heads UM research

Dr. Thomas E. Malone, deputy director at the National Institutes of Health since 1977, has been named the associate vice chancellor for research, University of Maryland at Baltimore and University of Maryland Baltimore County. The new position is within the purview of the recently merged graduate and research programs for the two campuses, UMAB and UMBC, under the direction of Dr. Barbara C. Hansen, vice chancellor for graduate studies and research.

"As I see it, my job is to promote, enhance and stimulate research in all schools at UMAB and all departments at UMBC," sayd Dr. Malone in describing his new position.

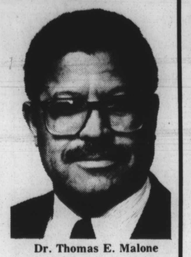
Dr. Malone has managing responsibility for all sponsored research and contracts on the two campuses. In FY '86, grants and contracts awards to components at UMAB totaled $43,582,196 and to UMBC, $3,534,408.

The recipient of many honors, Dr. Malone most recently received the 1985 Distinguished Service Award from the National Association of Medical Minority Educators.

Dr. Malone chaired the U.S. Department of Health and Human Services' Task Force on Black and Minority Health in 1984-85. The report represented a landmark effort in analyzing and synthesizing what is currently known about the factors which contribute to the health status of blacks, Hispanics, native Americans and Asian/Pacific Islanders.

Dr. Malone was associated with the National Institutes of Health since 1962 when he began as a grants associate in the division of research grants. From 1963 to 1972, he held positions in the National Institute of Dental Research, including deputy director of extramural programs.

He took a brief hiatus from 1967 to 1969 to serve as chairman and professor of biology at the American University of Beirut in Lebanon.



Dr. Thomas E. Malone

Included among the numerous professional societies to which Dr. Malone belongs is membership in the prestigious Institute of Medicine of the National Academy of Sciences. He is also a member of the American Association for the Advancement of Science, American Association for Laboratory Animal Science, American Society for Cell Biology, American Society of Zoologists, the Histochemical Society and Sigma Xi.

Dr. Malone earned his bachelor's and master's degrees at North Carolina College, and a doctoral degree in biology at Harvard University. His early professional career included 12 years as instructor in graduate and undergraduate courses in developmental biology and genetics.

Dr. Malone's avocations are varied and include flying, judo and a life-long interest in classical music. A holder of a second degree black belt, he is the chief instructor and founder of the NIH Judo Club and a national referee for the U.S. Judo Federation. He also has an FAA private pilot license.

Brooks Brothers is coming to Harborplace

The Rouse Company has announced that Brooks Brothers will be the primary retail tenant at The Gallery at Harborplace in Baltimore. Brooks Brothers, one of the country's leading retailers, will occupy 11,000 square feet on two levels of the mixed-use, retail, office and hotel complex located on the blocks bounded by Pratt, South, Lombard and Calvert Streets.

Brooks Brothers, with a full complement of menswear and furnishings and women's clothing and accessories, as well as boys clothing and clothing for young executives in the Brooksgate Department, will make its debut in the Baltimore market at The Gallery store.

"We are delighted that Brooks Brothers selected The Gallery at Harborplace for its Baltimore store," said Mathias J. DeVito, chairman and chief executive officer of The Rouse Company based in Columbia. "I think that Brooks Brothers, Baltimore and The Rouse Company are an excellent match."

Frank T. Reilly, president and chief executive officer of Brooks Brothers said, "When we reviewed this site as a possible location for an expansion, we were particularly impressed with the exciting growth in downtown Baltimore. The excellent reputation The Rouse Company has in the development and management of its centers was a key factor in selecting The Gallery at Harborplace as the site for our Baltimore store."

City schools need $157 million more if they are to achieve parity, Pinderhughes declares

The city school system needs 157 million to achieve parity with other school districts across Maryland, Superintendent Alice Pinderhughes says.

Pinderhughes told a group of black community leaders at Coppin State College that the $157 million is just an estimate, but more money is definitely needed to beef up nearly all aspects of the city's education system.

Pinderhughes did not say where the money would come from, and did not indicate whether the city would use the $157 million figure when it lobbies the General Assembly for funds during its 1987 session.

The superintendent told the black leaders that more money would go a long way toward reducing the city school system's problems.

She said funding is needed to expand instructional programs for younger students, increase teacher salaries, step up renovations and maintenance in school buildings and provide free transportation and additional security.

"Nothing I'm proposing is bizarre, nothing extravagant and nothing is a frill," Mrs. Pinderhughes said.

In her statement Tuesday, Pinderhughes used state - compiled figures to show that in fiscal 1984-85, Anne Arundel, Howard, Montgomery, Prince George's and Baltimore Counties all spent between $310 and $1,480 more per student than Baltimore did.

The improvements would be in addition to the school system's current $380 million budget, and increase expenditures by 46 percent. Per-pupil spending would rise to $1,372 — second only to Montgomery County.

Coppin State President Calvin Burnett said the plan was the "first and only blueprint" he had seen since coming to Baltimore 15 years ago.

J. Tyson Tildon, a pediatrics professor at the University of Maryland, said the calling for parity with surrounding areas is a "refreshing and honest point of view."

Contractor is sentenced for stealing from elderly consumers

(UPI) — A city judge last Friday sentenced a contractor who pleaded guilty to taking money from elderly consumers for home improvement work he did not complete to serve 60 days of a two-year jail term.

John Peton, 40, operator of the Baltimore Furnace Cleaning and Repair Co., was charged with theft and contracting without a license and was sentenced to two years in prison by Circuit Judge Edward Angeletti.

Angeletti, who suspended all but 60 days of the sentence, also ordered Peton to pay $22,000 to the victims and placed him on three years probation.

Citing the harm Peton caused the victims who were senior citizens on fixed incomes, Angeletti imposed the sentence saying, "Peton could not make promises to pay and then expect to walk out of the court house with just a slap on the wrist."

The judge noted that Peton took $7,400 for one home improvement job and used the money to go on vacation, but never completed the work.

Peton was sentenced earlier this year for another home improvement violation the state's attorney's office reported. At that time, Peton was placed on probation and was ordered to pay $23,000 of restitution to the victim.

Baltimore County officials had already cited Peton for the home improvement violation and ordered him to pay restitution in several cases.

In each of his cases, Peton received the total payment for work before he started, and then did a small amount of the work defectively, court officials said.

Peton was not licensed for home improvement when he did the work and he kept all the victim's money although he did not complete the projects, law enforcement officials said.

Elderly protest decision to raise rates for additional Medicare aid

(UPI) — Senior citizens in Maryland say they are angry about Blue Cross and Blue Shield's application to raise the monthly premiums for their Medicare supplemental policies.

"They're supposed to be helping people — not building an empire," Nathan Kantor, 68, said. "I think it's unfair to older people who have to live on fixed incomes."

The Blues proposed to raise the rates by 26 to 29 percent. Officials said half of the requested increase is necessary to cover higher Medicare deductibles and co-payments dictated by the federal program, while an additional quarter of the increase will be used to pay for mammograms which must be covered under a new state law.

The remainder of the rate increased will be used to break even on "medi-gap" policies, which are designed to pay out-of-pocket health expenses not covered by Medicare, company officials told a public hearing with state Insurance Commissioner Edward Muhl, whose office must approve the increase.

Blues officials said they expect to lose about $5.5 million on the Medicare supplements this year and would lose $10.3 million next year unless they get the rate increase.

"We're just piling up loss after loss after loss," said Joseph Pescrille, vice president and chief actuary for Blue Cross and Blue Shield.

Pescrille said the Blues had overall losses of $48 million through the end of September.

Monthly premiums on the standard or "low-option" plan would be raised from $26.74 to $34.60 and on their "high-option" plan from $94.78 to $119.10, officials said.

Only 20 senior citizens attended last Friday's public hearing but those who did attend said more would have attended if they had been notified.

The Sun reports Muhl's office, which announced the hearing, did not say when or where it was being held or include a telephone number for further information.

Muhl said because of that error, he will accept written comments for three weeks and then make his decision on the rate hike.

Author says more blacks need to enter business

Fact 1: Black America earns over $200 billion a year.

Fact 2: Black consumer spending power is growing at a faster rate than White consumer power.

Fact 3: Blacks remain the poorest group in America.

The preceding is an obvious economic paradox. Joel Kotkin, an editor of Inc. Magazine, says that the problem stems from the fact that blacks do not go into business.

On the upcoming edition of TONY BROWN'S JOURNAL, Mr. Kotkin previews the shocking results of his study on the economic breakdown in the black community ("The Reluctant Entrepreneurs" — September issue of Inc. Magazine) and tells a live studio audience that blacks are at the bottom because they concentrate on government and corporate careers. They do not take the path of upward mobility through independent businesses as do Asians, Hispanics, Jews and Italians.

Continued on Page 22

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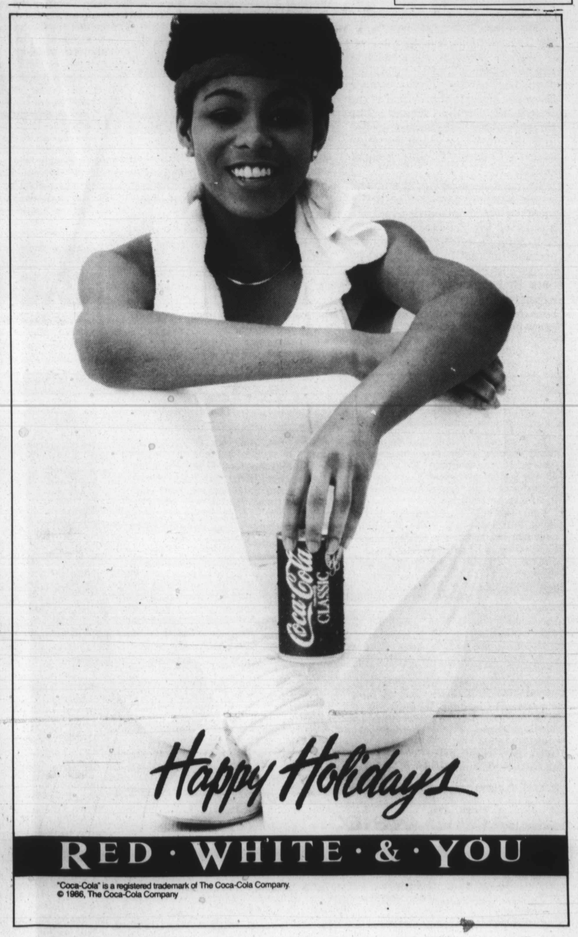

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