



Date: February 20, 2023

To: Wanda S. Page, City Manager
Through: Bertha T. Johnson, Deputy City Manager
From: Robert D. Morales, Senior Grants Manager
Subject: American Recovery Plan Act (ARPA) Project – Durham Children’s Initiative’s ConnectEd to Career Pipeline

Executive Summary

On November 3, 2021, Durham Children’s Initiative (DCI) submitted proposal “DCI’s ConnectEd to Career Pipeline” requesting \$200,000 from the American Rescue Plan Act (ARPA) funds to ensure that DCI youth have the assets they need to overcome barriers on the path to post-secondary credentials and living wage employment. On May 18, 2022, City Council approved \$140,000 funding for this entity. Staff has reviewed the revised proposal and recommends funding.

Motion

To authorize the City Manager to execute an ARPA subrecipient grant agreement with Durham Children’s Initiative in an amount not to exceed \$140,000.

Background

The original proposal from Durham Children’s Initiative (DCI) requested \$200,000 from the ARPA funds under core category of Negative Economic Impacts. Residents served by DCI live in the most economically underserved areas of Durham and attend the lowest performing schools. DCI serves 47 % Black; 43% Hispanic; 4% non-Hispanic white; 1% Asian; 5% Other/not-reported youth. Most participants live (or formerly lived in East Durham). Median income is approximated at \$20,000 vs. \$53,276 for Durham County (as a whole) with 46.2% of area residents living below the federal poverty line; 57% of families are headed by a single parent or grandparent. Approximately 22.5% of residents own their homes, 63.7% rent, and more than a third did not graduate from high school (34.2%). Additionally, less than a quarter of adults are employed in professional or management occupations. The schools served by DCI have literacy proficiency rates under 40%. This is well below the district and state average with high rates of student criminal acts, referrals to law enforcement, English Language Learners, and students retained based on poor academic performance. The pandemic and resulting social distancing requirements severely exacerbated challenges. According to surveys collected by DCI data collection resources, 90% of DCI families suffered reduced or lost work; 70% needed food assistance; and 70% needed educational resources.

Issues and Analysis

DCI’s youth asset building strategy was designed to ensure that youth have the assets they need to overcome barriers on the path to post-secondary credentials and living wage employment. As revealed in research from Harvard’s Opportunity Insights, growing up in neighborhoods most harmed by histories of systemically racist disinvestment has drastic effects on the opportunities and barriers one will encounter in life. By combining this research with DCI internal data, DCI can predict impact to DCI youth: the barriers against DCI youth results in

them earning less than \$21,000 in income in adulthood, with a 27% unemployment rate. This is over 50% less than the county average with projected income being both the lowest of any urban county in North Carolina and not a living income. Investments into DCI youth are a highly targeted and impactful way of building long-term socio-economic equity in Durham. Postsecondary credentials remain key to economic sustainability as youth aged 25-29, earn between 25% and 67% more with 2- and 4-year degrees. Current research by economists, Darrick Hamilton and William Darity, has shown that the structural inequity of the student debt system in the United States often cancels the benefits of education as an appreciating asset for young people impacted by the wealth gap, who are 33% less likely to complete their degrees due to financial precarity.

The “ConnectED to Career Pipeline” is built on the foundation of Durham residents and businesses to provide support, training, mock interviews, internship, and job placement opportunities for DCI youth. Local businesses express to DCI consistently the need for a high quality, well educated, local work force. Durham youth are the primary recipients and beneficiaries of this program. Job and soft skills training are paramount for Durham youth to be competitive.

For this project, DCI will partner with Durham Public Schools (including with administration and individual teachers) to identify youth for these programs and report on school and academic achievement (test scores, behavior, passing rate, grades) progress. For asset-building, DCI will partner with The Latino Community Credit Union to set up individual savings accounts for each student, administer them, and report data about savings rate and amounts to DCI. For project internships, DCI will partner with local employers (including for-profit and non-profit entities) which will employ participants, pay a livable wage, regularly report on work performance and earnings, and provide mentorship. For project seminars on career-building, resume writing, job search, etc., DCI will partner with local experts and volunteers. When participants are found to have other needs (i.e., food insecurity, other basic needs, English language classes, social services, or health care provision) DCI will connect them to over 65 partners within the DCI pipeline of service providers.

Alternatives

The City Council can choose not to accept the staff recommendation.

Financial Impact

\$140,000 is available for this purpose from the funding source of the ARPA federal funds. The City of Durham received \$51,881,733 in two distributions; the first distribution was received on June 1, 2021, in the amount of \$25,940,866.50; the remaining amount was received May 2022. The City will have until December 2024 to obligate the funds. Recipients have until December 2026 to spend the funds.

Equal Business Opportunity Summary

Due to the nature of this agenda item, a review by the Finance Department was not required.

Contractor Workforce Diversity & Hiring Practices

Due to the nature of this agenda item, obtaining Contractor Workforce Diversity & Hiring Practices information would not be applicable.

Attachments

Durham Children’s Initiative Subrecipient Grant Agreement