

# EXTENSIONS OF REMARKS

## ACHIEVING A CIVIL SOCIETY IN THE UNITED STATES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 12, 1997

Mr. GINGRICH. Mr. Speaker, I want to encourage my colleagues to read the following report, "Achieving a Civil Society in the U.S." which was written by a nonprofit roundtable that I set up in my district to study the need to reform and improve the nonprofit sector.

Our Nation is the leading country on the planet, with both a successful economy and the greatest opportunities for success. However, our civilization is at the risk of decay. Poverty, crime, and drugs threaten the lives of countless citizens on a daily basis. Our mission must be to create an opportunity society where nonprofit organizations, businesses, and government work together to ensure everyone in this country can pursue the American dream of life, liberty, and the pursuit of happiness. All it takes to make a difference in the lives of those less fortunate, is to give a couple of hours, even just once a month. Such a commitment would make a tremendous difference in the quality of life of all Americans. The report follows:

### ACHIEVING A CIVIL SOCIETY IN THE UNITED STATES—JULY 5, 1996

Since September 1995, a group of executive directors and volunteer leaders from a cross-section of nonprofit organizations primarily in the Atlanta, Georgia, area with participation from Augusta, Dalton and Tifton, Georgia have been meeting periodically with the Speaker of the U.S. House, Rep. Newt Gingrich. The purpose of these meetings has been to begin a dialog about the role of the nonprofit sector in creating a civil society and the potential impact of federal policy on this sector.

Through the course of several meetings, Rep. Gingrich charged the group with the task of defining their vision for a transformational society, an ideal view of the future of America from the nonprofit standpoint.

A vision of a civil society is one on which most Americans can agree. It describes a country where the three sectors of society, nonprofit, business, government, cooperate to meet the needs of its citizens. In this ideal country, neighbors help neighbors, and the general populace is fed, housed, clothed, educated, and healed. In this civil society all citizens are actively engaged in their communities, dedicated to improving the quality of life for all.

The true challenge comes in trying to create a more concrete statement from this vision: a system by which individuals and their institutions—nonprofits, business and government—collaborate to create a civil society with the capacity to continually transform and reinvent itself as population needs change and new challenges arise.

Through a facilitated meeting, the group of nonprofit representatives developed several broad principles and recommendations on which to build such a system. This is only a start; there is much work and discussion

left. This document represents a beginning; it also represents a consensus in regard to the conditions necessary to create a society that works for all Americans and gives individuals and families the power to create the communities they want.

### HOW DO WE GET THERE: GROUNDWORK FOR ACHIEVING A CIVIL SOCIETY

1. Create a shared vision of the roles and responsibilities of each sector in building strong communities.

We are all in this together. Each of the three sectors—business, government and nonprofits—must understand our respective roles and responsibilities in keeping the "three legged stool" of a civil society upright. Our interdependence must be acknowledged, celebrated and undergirded through public policy, public relations, financing mechanisms and program development. Agreeing on relative roles and responsibilities of each sector is essential to achieving a civil society. And each sector must recognize and support the roles of the others in this society.

The nonprofit sector's unique role in the community is to be a model builder and pioneer for new social forms and human services. The flexible and entrepreneurial spirit which birthed most nonprofits is the appropriate environment in which experiments and innovative programs can be developed.

### ACTION ITEMS/GUIDING PRINCIPLES

Nonprofit organizations working on the front lines of issues must clearly define and articulate best practices and develop new models of impact.

Nonprofits must take responsibility for being the voice of their constituents to all aspects of the organization's work and to the public policy table.

The federal government must take responsibility for accomplishing welfare reform in a way that does not leave behind or punish our country's most vulnerable citizens. It must also recognize that the private sector cannot fill the gap in funding currently proposed by Congress.

All three sectors must share the risks of change and work to communicate the shared vision to the general public. Public discussion should focus on a tripartite model which clearly articulates the civil sector's role as an equal partner in the creation of a new vision of our society.

We must develop a shared definition of healthy communities that allows for local flexibility at the same time identifies common benchmarks against which to measure impact.

In developing power from the federal to local governments, Washington must take responsibility and leadership for managing the change and measuring the impact of devolution on communities, nonprofits and state and local governments.

Privatization efforts must take into account the role of private nonprofits in accomplishing the task of delivering high-quality, cost efficient services.

Nonprofits must have a voice in government and in the planning of our future as a nation. It is especially essential that they have a fair say with regards to issues and legislation that directly affects them.

Business must bear its responsibility, as corporate citizens of its communities, for supporting the creation of healthy commu-

nities and civil society by providing funding, leadership and volunteers.

2. Together, define short- and long-term needs of communities and create plans to meet them.

As a society, with all sectors at the table, we must assess where we share a collective vision for creating a civil society which will transcend separate purposes of each sector, and create plans and policies needed to structure a civil society.

### ACTION ITEMS/GUIDING PRINCIPLES

Nonprofits must move from a deficit-model approach to one that builds on existing strengths and assets in communities.

Government policy makers must look beyond this budget year or election year in planning for the future.

Nonprofits must develop long-term strategies that are focused on prevention and solutions while ensuring that basic human needs are met.

Nonprofits must learn to adopt the best practices of the corporate sector to sustain their community mission. They must know how to cost their services and bring greater efficiencies into their operations.

Funding sources—government and private—must allow for long-term solutions to be developed and implemented.

Government and nonprofits must work together to ensure that the process for transformation takes into account that this will be a time of great transition and develop ways to protect the most vulnerable in society during that time.

Planning must take place from a thorough understanding of past successes and failures.

3. Establish and promote true collaborations and partnerships within and among the sectors to work toward a civil society.

No single sector has the capacity, by itself to implement a vision for a civil society. No agency or business or department of government can bring about significant change unless it works with partners within its sector and the other two. Our success in transforming our society is dependent upon the three sectors working together. Collaboration must move beyond rhetoric to substantial action and must draw upon mutual respect, use of each sector's strengths and broad expertise.

### ACTION ITEMS/GUIDING PRINCIPLES

Nonprofits must work together to define problems and bring best practices to light in their respective fields.

Nonprofits should strive to create high-quality, cost effective integrated service delivery systems across the human services continuum.

Funding sources—government and private—should recognize and fund costs associated with collaborative efforts among nonprofits.

Government should recognize and support partnerships with nonprofits as a desirable method of providing services in the community.

Business must recognize that return on investment in the community through partnerships affects the corporate bottom line and the quality of life of its employees.

Each sector must actively seek partnerships to implement the shared vision.

4. Evaluate and implement financial reforms and incentives to support the shared vision. Provide revenue sources necessary to support the new vision.

• This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Undergirding the creation of civil society are a number of economic factors. Transformation must include financial reforms and appropriate incentives for government, business and the nonprofit sector. Incentivized strategies will allow for the most creative and unencumbered approaches toward development of a civil society. Resources are each sector's investment in the shared vision.

#### ACTION ITEMS/GUIDING PRINCIPLES

Congress must protect the current tax-exempt status of nonprofits and expand the charitable deduction to non-itemizers.

Business must encourage employees to give both money and time to their communities.

Congress should develop tax incentives for business to become more involved in their communities.

Business should seek ways to partner with nonprofit organizations to leverage human and financial capital for community needs.

Nonprofits should seek ways for their constituents to invest in their services to create new revenue streams as they are available.

Business and government should create incentives for displaced workers to join in creating a civil society by working in nonprofit causes.

5. Establish requirements and measurement systems that will ensure mutual accountability for community outcomes.

The focus of accountability and regulation must go beyond cost-effectiveness and highlight outcomes leading the realization of our vision. Currently, in both the nonprofit and government sectors, accountability often relates only to process. The ultimate accountability questions in a civil society are: "What impact did we have in the community? What benefits, and at what cost?"

#### ACTION ITEMS/GUIDING PRINCIPLES

Impact measurements should be developed using common benchmarks among all three sectors, by which progress and success may be measured and all involved may be held accountable for their work.

A system to measure efficiency and impact should be developed specifically for nonprofit organizations.

Government regulations of the nonprofit sector should be focused on outcomes rather than on processes. Government should be especially sensitive to the effect of regulations on small, grassroots organizations and the tradeoff of impact for efficiency that burdensome regulations can cause. There should be a balance of regulation that brings about meaningful accountability without sacrificing the ability of nonprofits to have significant impact.

Intermediate sanctions should be developed to allow the IRS to impose targeted and proportionate measures on a public charity's officers, directors or other individuals in cases of abuse in nonprofits.

The emerging field of business ethics and accountability should align itself with community outcomes for the shared vision.

### COMPUTER MODERNIZATION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 12, 1997

Mr. HAMILTON. Mr. Speaker, I am inserting my Washington Report for Wednesday, January 8, 1997 into the CONGRESSIONAL RECORD.

COMPUTER MODERNIZATION IN THE FEDERAL GOVERNMENT

During the past several months, President Clinton urged Americans to work together to

provide computers and an Internet link-up for every school and library in the country. The idea is to give every school child, indeed, every citizen, across the country the same access to information of every conceivable sort. This promises to expand greatly the educational and employment opportunities for all Americans. The President is surely right to focus on information technology as a key to education and opportunity in the 21st Century.

The federal government, however, has not been a model of successful computerization. The "reinventing government" effort has already resulted in a federal government that is smaller and cheaper in terms of proportion of our GDP than at any time since the early 1960's, but it has been hindered by the failure of the government to modernize its computer technology. While some agencies are doing a good job government cannot "work smarter" unless it has the best and most modern information tools.

*Outdated Technology:* The federal government spends about \$30 billion per year on information technology, but sometimes it is hard to see the benefits. A recent report by the General Accounting Office, Congress' investigative arm, documented failures in government acquisition and management of information technology. This report criticized in particular two agencies that have direct impact on all Americans: the Federal Aviation Administration (FAA) and the Internal Revenue Service (IRS).

The FAA began a comprehensive modernization of the nationwide air traffic control system in 1981. Today, 16 years and several billion dollars later, air traffic controllers are still using 1960's-vintage equipment. The men and women responsible for the safety of passenger airliners depend upon equipment using vacuum tubes so antiquated that replacements have to be imported from Poland. As might be expected, this equipment is prone to frequent breakdowns. Experts say that several fatal airplane accidents could have been prevented by better computers. The good news is that air traffic controllers will finally begin to receive new and more reliable equipment this year. But it has taken too long, and cost too much.

The IRS has spent vast sums on new computers—some \$4 billion to date—with only limited results. Most returns are still processed the old fashioned way, by hand, with error rates of as much as 16%. This waste is compounded by the fact that obsolete technology lets many tax cheats off the hook. The IRS itself has estimated that in 1995 it failed to collect \$170 billion owed the government. If better computers allowed the IRS to collect even a fraction of that amount, it would go a long way toward balancing the federal budget.

*Roots of the Problem:* Why has the government spent so much money but fallen so far behind in information technology? One reason is the complexity of tasks we ask the federal government to do for us. For instance, keeping track of dozens or hundreds of aircraft flying through a particular sector, or managing the tax returns for a nation of 260 million people, are tasks which overwhelm most sophisticated supercomputers. Faced with "downsized" staffs and increased workload, the FAA and IRS attempted to leap to "new generation" computer systems. Unfortunately, they did not have the proper management or technical skills to oversee creation of this advanced technology.

A lack of management expertise has hindered attempts to automate operations throughout the government. The political appointees who run our agencies serve for a few years at most (an average Cabinet Secretary, for example, serves about 2 years), and do not possess the specialized skills nec-

essary to oversee a multi-year technology project. The departure of many top managers from the government to the corporate sector makes a tough job even more difficult. The government, of course, cannot compete with the salaries offered by private companies. This loss of talent has been worsened in recent years by anti-government rhetoric, culminating in last winter's government shutdowns. This has hurt morale throughout the career civil service and prompted many of the best government professionals to seek other careers.

There are other reasons for the poor government track record on computer modernization. Congress, for example, has in some cases simply slashed budgets for technology, without providing alternative means for agencies to replace obsolete technology. In addition, government procurement rules have often impeded modernization efforts. These regulations were aimed at preventing waste and ensuring fairness in the purchasing of goods and services, but have often proved too restrictive and too cumbersome.

*Moving Toward Reform:* Fortunately, the situation is improving. In the past few years, Congress has passed new laws to improve procurement and the management of information, and to eliminate red tape. These new laws, drawing upon private sector models, have decentralized decision-making and made it easier for government agencies to act like private companies in negotiating the best deals when buying computers and other items. They have also mandated that agencies give higher priority to information technology modernization.

Early indications are that agencies are using their new administrative freedom well and making real gains. For instance, after implementing a new computer system, the Social Security Administration was ranked as offering the best telephone customer service in the nation. Also, the U.S. Postal Service, thanks to increased automation, achieved record on-time mail delivery in 1996. Congress must keep the pressure on so that we see more progress in the years ahead.

*Conclusion:* Hoosiers want government to work better and cost less. But as we ask government to do more with less by "working smarter", we have to make sure it has the proper tools to do the job. Congress and the President must work together to ensure that the federal government has the necessary management expertise and administrative flexibility to procure and effectively to use the best information technology. Only then can the government serve its customers better.

### MEXICAN BAILOUT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, February 12, 1997

Mr. PAUL. Mr. Speaker, President Clinton, in his State of the Union Address, proudly announced that "We should all be proud that America led the effort to rescue our neighbor, Mexico, from its economic crisis. And we should all be proud that Mexico repaid the United States—3 full years ahead of schedule—with half a billion dollar profit to us." The reporting of this payback and the State of the Union Address was all favorable, highly praising the administration. The bailout was bipartisan so leaders of both parties were pleased with the announcement. International finance, just as it is with international military operations, is rarely hindered by inter-party fights