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CENTER FOR LAW AND SOCIAL POLICY

## **WIA REAUTHORIZATION RECOMMENDATIONS ON TITLE I YOUTH PROVISIONS**

by Linda Harris

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The Workforce Investment Act of 1998 redirected the focus of youth programming from short-term programs to longer comprehensive interventions. Across the country, Youth Councils were established to focus strategic attention on youth programming. The legislation mandates the inclusion of 10 youth development activities that have proven most effective in preparing youth for the labor market, and it calls for case management and post-program follow-up to assure successful labor market transition. These are important advancements that must be preserved and strengthened in the reauthorization process.

Congress is scheduled to reauthorize the WIA legislation by September 30, 2003. The reauthorization of WIA provides the opportunity to define and refine the parameters of this country's youth development system and set the stage for increasing appropriations to a level commensurate with the need. It also provides the opportunity to strengthen the ability of states and local areas to implement comprehensive programs and systems as mandated by the legislation with a priority focus on youth who are disconnected, or most at risk of disconnecting, from the system and supports they need to be productive, self-sufficient, and responsible adults.

What follows is a short summary of the recommendations related to the youth provisions and a companion document that provides the background and rationale for the recommendations.

### **SUMMARY OF RECOMMENDATIONS RELATED TO THE YOUTH PROVISIONS OF WIA TITLE I.**

#### **1. INCREASE FUNDING LEVEL TO SUPPORT THE SHIFT TO SERVICING A MORE DIFFICULT TARGET.**

- At a minimum, retain the current \$1 billion level in youth funding that supports the formula funding to state and local areas.
- Increase appropriations as the required service level to out-of-school youth increases.
- Support Challenge Grant Funding (targeted grants to serve high-risk youth) only if it is above the current \$1 billion threshold.
- Target Challenge Grant Funding to communities that have the greatest need and demonstrate the capacity to mount an effective strategy.

- Retain the requirement in current law that requires governors to use poverty and unemployment factors in allocation formula that distributes 30 percent of the funds to the local areas.
- 2. REINSTITUTE FUNDING FOR SUMMER JOBS PROGRAMS TARGETED TO AREAS OF HIGH YOUTH UNEMPLOYMENT.**
  - 3. RETAIN SERVICE TO BOTH IN-SCHOOL AND OUT-OF-SCHOOL YOUTH. GREATER SERVICE TO OUT-OF-SCHOOL YOUTH SHOULD NOT BE AT THE EXPENSE OF IN-SCHOOL YOUTH.**
    - Retain the current service level requirement for out-of-school youth (at least 30 percent). Tie increases in the required service level for out-of-school youth to funding increases.
    - Allow high-school dropouts who have returned to alternative schools or programs to count as dropouts.
    - Retain 14- and 15-year-old youth as part of the eligible service population.
  - 4. RELAX THE OVERLY RESTRICTIVE ELIGIBILITY REQUIREMENTS AND PROCESS THAT DETER YOUTH PARTICIPATION AND ENCUMBER PROVIDERS.**
    - Remove income requirement for out-of-school youth who are dropouts or in-school youth who are offenders, in foster care, or learning disabled.
    - Increase the income eligibility from 70 percent lower living standard to at least 100 percent for in-school youth and allow eligibility for the school lunch program to serve as a proxy.
    - Institute a 10 percent window to serve in-school youth who do not meet the income criteria but meet the other barrier-related eligibility criteria.
    - Allow all individuals over the age of 16 to have access to One-Stop core services. Current law encourages the service of youth at the One-Stops but limits their access to WIA-funded universal core services.
  - 5. KEEP YOUTH COUNCILS MANDATORY.**
    - Keep Youth Councils mandatory, but eliminate the overly prescriptive definition of Youth Council responsibilities and allow flexibility for local areas to determine the configuration that works best for their local area.
    - Require states to identify in their state plans specific actions that will be undertaken to facilitate the work of the local Youth Councils.
    - Require local Youth Councils to develop a Comprehensive Youth Plan that identifies priorities, strategies to be employed, and funding streams.

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## WIA REAUTHORIZATION RECOMMENDATIONS ON TITLE I YOUTH PROVISIONS: BACKGROUND AND RATIONALE

By Linda Harris

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### 1. INCREASE FUNDING LEVEL TO SUPPORT THE SHIFT TO SERVING A MORE DIFFICULT TARGET.

- At a minimum, retain the current \$1 billion level in youth funding that supports the formula funding to state and local areas.
- Increase appropriations as the required service level to out-of-school youth increases.
- Support Challenge Grant Funding (targeted grants to serve high-risk youth) only if it is above the current \$1 billion threshold.
- Target Challenge Grant Funding to communities that have the greatest need and demonstrate the capacity to mount an effective strategy.
- Retain the requirement in current law that requires governors to use poverty and unemployment factors in allocation formula that distributes 30 percent of the funds to the local areas.

**Background:** With the enactment of the Workforce Investment Act of 1998 came the expectation that with the restructuring of the youth activities, the addition of the youth development features, and the creation of youth councils, the stage was set for substantially increased appropriations. Based on these major changes, many people anticipated that Congress would follow up with increased funding. The current funding level of \$1 billion in formula funding is simply inadequate given the intent of the legislation to promote comprehensive, sustained programming for youth most at risk. At a minimum, the current \$1 billion funding level in youth formula funding to states and local areas should be retained. As required service levels for out-of-school youth increase, funding should also increase because the costs of serving out-of-school youth are substantially greater than the costs of serving in-school youth. Serving out-of-school youth requires more intense and longer service interventions. Thus, without a commensurate increase in funding, there will be a dramatic reduction in the overall number of youth served.

Proposed Challenge Grant funding should provide discretionary funding for targeted grants to serve youth in high risk communities (similar to Youth Opportunity grants under current WIA legislation.) Funds for the Challenge Grant should be above (not a subset of) the current \$1 billion funding level. These grants should:

- Be directed to communities with the greatest needs.
- Give priority to youth who are out-of-school and disconnected.
- Require communities that apply to demonstrate that they are coordinating with other systems (justice, welfare, education, foster care) to recover, connect, and serve youth and that they are bringing multiple funding streams together.
- Require applicants to demonstrate active participation of employers and a strong linkage with the employer community around transition and placement of youth.
- Be awarded with the expectation of 5 years of sustained funding, based on successful performance.

Increased appropriations should be sought in subsequent years to increase the number of communities with comprehensive interventions for troubled youth. Challenge Grant funding should be used to provide technical assistance and system building support to communities and to promote the replication of best practices.

## **2. REINSTITUTE FUNDING FOR SUMMER JOBS PROGRAMS TARGETED TO AREAS OF HIGH YOUTH UNEMPLOYMENT.**

In areas of high unemployment or during times of economic recession, youth suffer tremendously in the job market. Studies from Northeastern University's Center for Labor Market Studies show that youth unemployment is at the highest level since 1965 and that the gap in employment rates for white and black youth is increasing—summer employment rates in 2002 were 53.2 percent for white youth and 29.8 percent for black youth. In past years, the federal summer jobs program served to lessen that gap. In absence of the summer jobs program, communities are losing what once served as a valuable opportunity to instill work skills and career exposure for youth whose access to the private job market has been limited. A separate title for summer jobs should be established with annual appropriations, and with allocations tied to the areas of substantial youth unemployment.

## **3. RETAIN SERVICE TO BOTH IN-SCHOOL AND OUT-OF-SCHOOL YOUTH. GREATER SERVICE TO OUT-OF-SCHOOL YOUTH SHOULD NOT BE AT THE EXPENSE OF IN-SCHOOL YOUTH.**

- Retain the current service level requirement for out-of-school youth (at least 30 percent). Tie increases in the required service level for out-of-school youth to funding increases.
- Allow high-school dropouts who have returned to alternative schools or programs to count as dropouts.
- Retain 14- and 15-year-old youth as part of the eligible service population.

**Background:** The Administration has proposed that 100 percent of youth funds be spent on out-of-school youth. The House bill, H.R. 1261, would require that 70 percent of funds be spent on such youth. The 100 percent approach should be rejected because it is important that local areas continue to have the capacity to serve in-school youth. While allowing some level of service for in-school youth, the House approach represents too drastic a shift, especially in absence of

increased appropriations. These proposals are dramatic, would require at least a doubling of the level of service to out-of-school youth, and would cause the abrupt termination of local programs that serve at-risk in-school youth. In terms of effective youth policy, discontinuing service to high-risk in-school youth to serve out-of school youth is not the appropriate direction. WIA services to in-school youth must be continued, including to those who are 14- and 15-years-old. In far too many communities, youth are dropping out-of-school and disconnecting at an alarming rate. Many of those who complete are inadequately prepared for the labor market. WIA resources have provided much-needed intervention to keep at-risk youth connected to school and engaged in career exposure and work preparation activities

If the decision is made to increase the share of funds for out-of-school youth, then the percentages in current law should be retained for the first year to allow for adequate planning. This percentage should then increase incrementally to allow a gradual transition so that local areas aren't forced to abruptly terminate existing programs and participants.

#### **4. RELAX THE OVERLY RESTRICTIVE ELIGIBILITY REQUIREMENTS AND PROCESS THAT DETER YOUTH PARTICIPATION AND ENCUMBER PROVIDERS.**

- Remove the income requirement for out-of-school youth who are dropouts or in-school youth who are offenders, in foster care, or learning disabled.
- Increase the income eligibility from 70 percent lower living standard to at least 100 percent for in-school youth and allow eligibility for the school lunch program to serve as a proxy.
- Institute a 10 percent window to serve in-school youth who do not meet the income criteria but meet the other barrier-related eligibility criteria.
- Allow all individuals over the age of 16 to have access to One-Stop core services. Current law encourages the service of youth at the One-Stops but limits their access to WIA-funded universal core services.

**Background:** Overly restrictive income requirements and burdensome certification processes have impeded service delivery in many local areas, as documented in GAO's report to Congress in April 2002. Many out-of-school youth are in tenuous living situations without easy access to parent or guardian income information. For many out-of-school youth, assembling the necessary papers to document income, residency, welfare status, etc., is difficult. For in-school youth, the process can be stigmatizing. For integrating services across systems, the competing eligibility requirements are daunting. For service providers, the process is burdensome.

The expansion of the eligibility window and the streamlining of the process will greatly enhance the ability of systems to coordinate their resources and activities on behalf of youth who are being served by multiple systems.

## 5. KEEP YOUTH COUNCILS MANDATORY.

- Keep Youth Councils mandatory, but eliminate the overly prescriptive definition of Youth Council responsibilities and allow flexibility for local areas to determine the configuration that works best for their local area.
- Require states to identify in their state plans specific actions that will be undertaken to facilitate the work of the local Youth Councils.
- Require local Youth Councils to develop a Comprehensive Youth Plan that identifies priorities, strategies to be employed, and funding streams.

**Background:** The establishment of youth councils under WIA was an important provision of the legislation designed to bring focus and strategic action around youth programming in local areas around the country. It is too soon to abandon that provision. Youth Councils should continue to be mandated, and the reauthorizing legislation should support their role as the focal point for blending funding streams and system supports in the delivery of comprehensive youth services. The current WIA statute is overly prescriptive about membership, responsibilities, and authority. Reauthorized legislation should allow local areas the flexibility to configure the youth council membership, roles, and responsibilities as appropriate for their area—as long as the council consists of experts and stakeholders in the local youth arena, including youth.