

CLASP

CENTER FOR LAW AND SOCIAL POLICY

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RECOMMENDATIONS FOR SENATE WIA REAUTHORIZATION LEGISLATION: TITLE I YOUTH PROVISIONS

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The Workforce Investment Act of 1998 (WIA) restructured the delivery of youth services in the workforce system. It introduced several new features, including a focus on more comprehensive year-round services, the addition of youth development elements, mandatory youth councils, Youth Opportunity Grants to distressed areas, and a requirement for post-program follow-up. Last session, the Senate's WIA reauthorization bill, S. 1627, passed the Senate with unanimous support. S.1627 would have made several positive changes to the youth provisions of WIA, especially related to relaxing income eligibility for certain youth in high-risk categories—drop-outs, offenders, and youth in foster care. The bill was never conferenced with the House WIA bill in the last session of Congress; thus, WIA reauthorization was left unfinished.

In January 2005, Senator Mike Enzi (R-WY), chairman of the Senate Health, Education, Labor and Pensions Committee, introduced S. 9, which builds upon S. 1627. While S. 9 has many positive provisions, CLASP recommends the following other changes that would enhance the delivery of services, especially to youth in high-risk categories.

1. TARGET THE FUNDS TO WHERE THE NEED IS THE GREATEST

Issue: Changes in the sub-state allocation formula and expansion of governors' discretion could result in shifting funds out of distressed areas.

The S. 9 sub-state allocation formula could potentially shift funds away from areas of high poverty and unemployment where youth distress is probably the greatest. This could happen for two reasons:

- The current WIA formula distributes youth funds at the sub-state level using three factors weighted equally: the relative number of unemployed individuals in areas of substantial unemployment; the relative number of excess unemployed individuals; and the relative number of disadvantaged youth. S. 9 proposes that WIA youth funding at the sub-state level be distributed so that one-third of the total funding is based on the distribution of the youth in the civilian labor force instead of excess unemployment. Changing the factor from excess unemployment to civilian labor force will distribute funding based on population and not on need. In addition, using the civilian labor force as a basis for distribution is problematic, since the labor force participation in poor urban and rural areas is significantly lower than in more affluent jurisdictions. These

changes will likely shift funds from distressed central cities and poor rural areas to less challenged jurisdictions.

- Current law requires that at least 70 percent of sub-state funds be distributed to local areas in accordance with the formula that applies to state allocations; the governor may distribute up to 30 percent based on factors that take into account excess poverty and excess unemployment. S. 9 would require that 80 percent of sub-state allocation be distributed by formula, but would give governors broad discretion in allocating the remaining 20 percent. For this 20 percent Youth Discretionary Allocation, the law would only specify that the governor distribute these funds to areas with a significant number of eligible youth, after consulting with the state and local boards.

Recommendation: Change the sub-state allocation formula for youth funds to distribute the funding to where the need is the greatest.

- Distribute 100 percent of sub-state youth funds by formula.
- Change the first factor from youth 16 to 21 in the civilian labor force to youth 16 to 21 in the non-institutional residential population.
- Revise the weights on the three factors, giving higher weight to the two factors that take into account unemployment and disadvantaged youth.

Issue: Factors for award of Challenge Grant do not require consideration of extent of youth distress.

Youth Opportunity Grants providing competitive grants to high-poverty urban and rural communities are authorized under current legislation. S. 9 replaces these grants with Youth Challenge Grants. Fairly broad discretion is given to the Secretary of the U.S. Department of Labor to distribute these grants competitively without taking into account indicators of need, such as high drop-out rates, high youth unemployment, or other indicators of economic distress. Applicants will not be required to submit any information related to the dimension of the youth problem in the community, the graduation or drop-out rates for the local school district, or any special groups to be targeted for assistance. Even if this information is provided, there is no provision for the Secretary to weight this information in making awards. Given the heightened attention to the unacceptably low graduation rates and the increased need to focus attention and resources on keeping youth, in particular high-risk youth, connected to school or appropriate alternatives, there should be some effort to assure the discretionary Youth Challenge Grants will be directed to serve these youth.

Recommendation: Require the Secretary to include factors reflecting youth distress in the award of Youth Challenge Grants.

- Include in the list of what eligible applicants must submit a description of:
 - the nature and magnitude of the situation, which would be addressed in the proposed community or communities;
 - the target population to be served;
 - how the project will address those needs; and
 - how the applicant will coordinate with other resources in the community to meet those needs.

- Require the Secretary to take into account such factors as youth economic distress, drop-out rates, youth unemployment, youth poverty, postsecondary attendance rates, or other such need-related factors when determining award of Youth Challenge Grants.

2. 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

Issue: Increasing the percentage of funding dedicated to out-of-school youth will force cuts in services to in-school youth unless overall funding is increased.

S. 9 increases the share of WIA youth funds that must be spent for out-of-school youth from 30 percent to 40 percent. The proposed Senate increase is less than that in H.R. 27, the House WIA reauthorization bill, which would require that 70 percent of youth funds be spent on out-of-school youth. The desire to increase focus on out-of-school youth is laudable but without any accompanying increase in funding, even the Senate's increase is problematic, because it will force reductions in services to in-school youth to meet the new out-of-school percentages. For economically distressed urban and rural communities with high drop-out rates, the need for intervention is substantial for both in-school and out-of-school youth. At the same time, many of these communities are suffering from reductions in youth funding resulting from population shifts, which affected allocations, and will soon lose Youth Opportunity Grant funding. Requiring such dramatic shifts in service to out-of-school youth, who are more costly to serve, could cause the abrupt termination of local programs that serve at-risk in-school youth.

In far too many communities youth are dropping out-of-school and disconnecting at an alarming rate. WIA resources need to continue to provide much needed intervention to keep at-risk youth connected to school and enriched labor market preparation activities.

Recommendation: Requirements for increased service levels to out-of-school youth should be triggered by increases in appropriations in youth formula funds.

- The increased amount (beyond current formula funding level) should be subject to an expenditure requirement that is heavily weighted towards out-of-school youth. This will transition the system to greater service for out-of-school youth without unduly disrupting the provision of much needed service and support for younger, in-school youth.
- If the decision is made to increase the share of funds for out-of-school youth, then percentages in current law should be retained for the first year to allow for adequate planning and appropriate transition of existing programs and participants.

3. KEEP YOUTH COUNCILS MANDATORY

Issue: S. 9 would eliminate requirements for youth councils.

The establishment of youth councils under WIA was designed to bring focus and strategic action around youth programming in local areas around the country. This is important since this role of focusing priority and coordinating services on behalf of

youth, in particular disadvantaged youth, does not by statute rest with any other body. It is too soon to abandon that provision in WIA. Youth Councils should continue to be mandated and the reauthorizing legislation should support their role as the focal point for blending funding streams and systems' supports in the delivery of comprehensive youth services. Youth Councils have been hampered in playing that role because the current WIA statute is overly prescriptive about Youth Council 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 areas.

Recommendations: Maintain mandatory youth councils but refocus their role on strategic planning, oversight, and coordination.

- Provide for the establishment of a youth council or committee of the local board, which will consist of experts and stakeholders in youth programs, **including youth**, to advise the local board on youth activities.
- Eliminate the overly prescriptive definition of Youth Council responsibilities and allow flexibility for local areas to determine the configuration of partners and priorities that works best for their local area.
- Require states to identify in their state plans specific actions 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.

4. REFINE THE ELIGIBILITY REQUIREMENTS FOR OUT-OF-SCHOOL YOUTH

Issue: A GAO report¹ to Congress indicated overly restrictive income requirements and burdensome certification processes have served as barriers to receipt of services for many youth.

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. S. 9 greatly improves this situation by making out-of-school youth in certain target groups—drop-outs, youth who are in foster care, homeless, runaways, or offenders—eligible for service without regard to income. However, the S. 9 language presents two concerns:

- S. 9 would narrow eligibility for youthful offenders by specifying that they must be subject to the juvenile justice system. By contrast, current WIA law defines an offender as any adult or youth who is or has been subject to any stage of the criminal justice process, for whom services under the Act may be beneficial; or who requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction. The narrower definition under S. 9 would leave out the many young people who may find themselves under the jurisdiction

¹ GAO. (April 2002). Workforce Investment Act Youth Provisions Promote New Service Strategy, but Additional Guidance Would Enhance Program Development. Washington, DC: Author.

of the adult correctional system or young offenders who are no longer under the supervision of the juvenile justice system.

- S. 9 may inadvertently create a situation in which emancipated college students would be considered eligible for youth services as out-of-school youth. In defining “out-of-school youth,” S. 9 identified seven categories for eligibility. In all but two categories the bill requires that the youth be a drop-out or “not attending school.” The two exceptions are for those “subject to the juvenile justice system” who can be counted in the out-of-school category regardless of their school attendance status and low-income youth who require additional assistance to complete an educational program or to secure or hold employment. The latter category is sufficiently broad to include youth who are low-income but attending college. This is probably not the intent of the bill nor would it be the appropriate targeting.

Recommendation: Modify the eligibility requirements for out-of-school youth by doing the following:

- Use the definition of the current law in defining eligibility for youthful offenders. All youth meeting the WIA definition should be eligible for service without regard to income.
- Define eligibility for service for youth with a high school diploma as available only to low-income youth, **who are not attending school**, who are either deficient in basic skills, including English proficiency, or who require additional assistance to complete an educational program or to secure or hold employment.

5. INCORPORATE ADJUSTMENT FACTORS INTO THE PERFORMANCE MEASURES

Issue: Unless performance standards adjust for characteristics of youth served, states and local areas will face disincentives against serving those most in need.

Current law has separate performance measures for older and younger youth. Under S. 9, there would be one set of measures for all youth. However, performance on these measures by a state or local area could be greatly impacted by the number of drop-outs and other difficult populations served. Without proper adjustments of performance levels, states and local areas that serve a higher proportion of drop-outs and harder-to-serve youth will be at a disadvantage in meeting performance standards. This would mean there would be a significant disincentive against serving more disadvantaged groups. S. 9 requires that standards be adjusted using objective statistical methods and provides a list of individual factors. However, it does not identify several key factors relevant to serving high-risk youth. To assure that youth programs that reach out to harder-to-serve groups are not penalized in the performance measurement process, there should be a requirement that certain characteristics of the hard-to-serve populations be included in the adjustment process.

Recommendation: State and local youth standards should be adjusted to take into account drop-out status, offender status, teen parenting, foster care status, and limited English proficiency of the participants enrolled.

Issue: Revised performance measures are inappropriate for younger, in-school youth. S. 9 proposes three performance measures: 1) entry into employment, advanced training, or military service; 2) attainment of secondary school diploma or equivalent and postsecondary equivalents; and 3) literacy or numeracy gains. The employment measure and the academic credential measure are appropriate for the out-of-school youth and the older in-school youth. However, they are inappropriate for the younger in-school participant. If a state or local area targets younger, in-school youth for whom job placement and postsecondary training are still years away, these youth will not be captured in these measures and may not even be captured in the literacy or numeracy gains measure. Since the intent of intervention with in-school youth is to increase their likelihood of staying in school and to support their development of basic academic and workplace skills, there should be a way to capture success beyond just the gain in literacy or numeracy skills.

Recommendation: Expand the literacy and numeracy gains measure.

- Replace the narrow literacy and numeracy gains measure with a category that measures academic progress more broadly. Gains on that measure should include literacy and numeracy gains, increase in grade point average, promotion to next grade, or mastery of an occupational or vocational skill.

6. ALLOW YOUTH TO ACCESS CORE SERVICES FROM THE ONE-STOP

Issue: Because of the eligibility requirements for Title I youth services, many youth, in particular, high school graduates who are not low-income, will not be eligible to receive assistance from the youth system or from the one-stops. Only youth meeting very specific eligibility requirements will be served under youth formula funding. To be eligible for adult employment and training services, individuals must be 18 or older. This leaves a substantial number of young people, who are new entrants into the workforce, without access to any assistance from the workforce system, not even the core services. Many of these young people will lack job search skills and will need access to career guidance and job and labor market information. They could benefit from the core services at the one-stop centers.

Recommendation: Include all youth 16 and older as part of the universal population eligible for core services at the one-stop centers.