Workforce Investment Act Reauthorization May Move Youth Development Field Back a Decade

CLASP
policy solutions that work for low-income people

April 2012

Analysis of H.R. 4297 Through a Youth Advocacy Lens

Linda Harris and Kisha Bird

More than a decade ago, the Workforce Investment Act (WIA) of 1998 restructured the youth service delivery system in this country by enabling youth services organizations to provide more intensive services of longer duration; infuse the best of what was learned from research and practice into youth development programming; build the youth service delivery capacity in high-poverty communities; and, through youth councils, introduce more strategic and collaborative approaches to youth programming. As a result, during the last decade, many innovative practices and comprehensive interventions to meet the needs of low-income youth occurred within the local WIA system, through partnerships with education and other funding streams. The local workforce system enrolled nearly 250,000 low-income youth in 2011. Of the quarter million youth who exited WIA during 2010 and 2011, nearly two-thirds were minority youth, 45 percent were out of school, and 72 percent found employment or enrolled in postsecondary education or advanced training. Of those who were high school dropouts upon entry, 50 percent earned a high school diploma or GED.[1]

This is the time to be fortifying our local WIA youth delivery system and building on its strengths. The ongoing recession has been unforgiving for youth, and youth employment rates are at a 60-year low; fewer than one in five minority teens had a job at the height of last summer, and nearly half of youth in many of our poor and minority school districts are dropping out of school. For many low-income youth, WIA services are the only resources that provide a lifeline and an opportunity to get back on track, train for and get jobs, and earn wages.

On March 29, 2012, Rep. Virginia Foxx, Rep. Joseph J. Heck, and Rep. Howard P. McKeon introduced the Workforce Investment Improvement Act of 2012 (H.R. 4297), which, among other things, consolidates 27 federal employment and training programs into a single workforce investment fund, devolves more power and decision making to state and local workforce boards, eliminates many of the requirements and mandates that governed the now consolidated streams and increases the role of employers on state and local workforce boards. H.R. 4297, if enacted, would dissolve the local youth workforce and development system in the nation and its ability to respond to current and future education and employment challenges facing low-income youth. In short, the bill would result in a reduction of employment and training services for youth.

Analysis of H.R. 4279

In 2010, in anticipation of a WIA reauthorization, CLASP released a set of recommendations explaining how reauthorization could be a vehicle to create an even more robust youth delivery system to prepare low-income

[1] PY 2010 WIASRD Data Book (2011). Prepared by Social Policy Research Associates for the Office of Performance and Technology, Employment and Training Administration, U.S. Department of Labor, http://www.doleta.gov/performance/results/pdf/py_2010_wiasrd_data_book.pdf

and disconnected youth for opportunities in a twenty-first century economy. Our recommendations focused on five areas of concern: 1) increasing the focus on dropouts and high-risk youth: 2) strengthening the strategic role of youth councils and workforce boards; 3) building a comprehensive, integrated local youth delivery system; 4) removing from performance systems some disincentives to serving high-risk youth; and 5) increasing opportunities for youth to obtain work exposure. This paper analyzes the impact of the Workforce Investment Improvement Act of 2012 for youth services against the backdrop of these original recommendations.

1. Increasing the Focus on Youth in High-Risk Categories

Current WIA law provides a separate funding stream for youth activities and requires that a minimum of 30 percent of funds be expended on interventions directed to out-of-school youth without a high school diploma or those with a secondary school credential who have significant barriers to obtaining employment. The inclusion of this "set-aside" serves as a safeguard to ensure local areas plan and program for youth with significant barriers. Even with these provisions, youth in high-risk categories, such as dropouts and offenders, are underserved by the WIA system. WIA reauthorization provides the opportunity to strengthen priorities for serving these disconnected youth, who have few other options to connect to pathways to labor market credentials.

As it is currently drafted, however, H.R. 4297 moves in the opposite direction. The bill eliminates an estimated $2.6 billion of funding that was previously dedicated to serving the needs of low-income youth and consolidates it into the approximately $6 billion, adult-focused "Workforce Investment Fund." Although the youth funding streams that were consolidated into this single fund account for 42 percent of the total fund amount, there is no language in the bill that requires expenditures for youth programming and no accountability measures that would ensure equitable and comprehensive services are provided to youth. While the bill does allow governors to set aside up to 18 percent of the fund for "Youth Challenge Grants," this is at a governor's discretion and, because many competing workforce priorities exist, governors might choose much reduced levels of service to youth instead.

Current WIA law recognizes that the low-income youth population needs services and supports that are differentiated from those targeted to adult and dislocated worker groups. There is much to lose by consolidating the youth funds into the "Workforce Investment Fund" and no value added. Simply folding youth into the broad pool of unemployed adults to be served by the "Workforce Investment Fund" ignores decades of practice, experience, and research about what works best to prepare youth for labor market success.

Recommendation: Maintain a separate WIA youth funding stream that is allocated by formula to local areas to serve youth ages 16 to 24. Require that at least 50 percent of those served with formula funding be in the high-risk category, to include dropouts along with homeless youth, young offenders, disabled youth, low-income pregnant and parenting teens, and youth in the foster care system.

2. Strengthening the Role of Youth Councils and Workforce Boards as Focal Points for Strategic Coordination of Youth Service Activity

H.R. 4297 would eliminate youth councils. The establishment of youth councils was a key component of the original WIA legislation, designed to bring strategic focus to youth programming in local areas around the country. In communities like Los Angeles, San Diego, Seattle, Hartford, Philadelphia, Boston, and many others, youth councils, in conjunction with workforce boards, work to bring stakeholders together and leverage resources from multiple sources and systems to support programming for vulnerable youth. This function should be encouraged, built upon, and expanded, rather than disabled. The elimination of youth councils would be a significant step backwards and result in the loss of expertise and leadership at the local level on behalf of youth.

H.R. 4297 would also change requirements for local board membership by requiring a two-thirds business majority and removing requirements for representation on the board of other types of relevant stakeholders, including education entities, community-based organizations, and others with a record of working with disadvantaged populations, including youth. There is also no requirement that local boards develop a strategic youth plan.

Together, these changes raise many concerns. The elimination of the strategic planning body, weak requirements relating to youth in the local plan, the limitation of participation of key stakeholders on local boards, and the lack of a floor for youth services in the "Workforce Investment Fund" together make it easier for states and local areas to retreat from investing in a youth population, which is more complicated to serve and whose interventions are much more costly.

Recommendation: Reauthorization legislation should maintain youth councils or require an alternative entity—designated by local elected officials in consultation with the local Workforce Investment Board that assembles the stakeholders in the field of youth policy and practice, leadership from key education and youth-serving systems, employers, and youth—to advise on programs, strategies and cross-system alignment. Youth councils and workforce boards should be charged with identifying how vulnerable youth populations will be served in the local area and how WIA resources will work in conjunction with education, other funding streams, and youth-serving systems to meet the needs of vulnerable youth populations. The current WIA statute is overly prescriptive about board membership, responsibilities, and authority. New language is needed in the reauthorization legislation to allow local areas the flexibility to configure youth council membership, roles, and responsibilities appropriate for their areas—as long as the council consists of experts and stakeholders in the local youth arena, including youth.

3. Building a Comprehensive, Integrated Local Youth Delivery System

H.R. 4297 would eliminate the 10 youth program elements authorized in WIA. The required elements are based on research-driven youth development principles and support a comprehensive framework to serving youth, including integrated approaches that consist of blended education and basic skills instruction, career preparation, work exposure and work experience, leadership, mentoring opportunities, and strong case management, to deliver a variety of support services—such as mental and physical health services, transportation, financial support and housing assistance. The bill assumes existing one-stop centers will have the expertise, knowledge base, and capacity to serve youth. This is not likely, given the fact that under the current WIA system youth are not typically provided comprehensive services through the one-stop system. The elimination of both the youth program elements and the youth council would stifle a community's ability to ensure the quality of youth program design or coordinate across systems to promote data sharing, quality improvement, and partnerships with other youth-serving systems—justice, child welfare, and education.

As mentioned, H.R. 4297 does include a statewide "Youth Challenge Fund," which is targeted to youth ages 16 to 24 and is designed to support five primary program activities: training and internships for out-of-school youth in high-demand industries; dropout recovery activities that lead to a secondary school credential; interventions specific to special youth populations, including foster care and homeless youth, court-involved youth, young parents, and youth with disabilities; contextualized learning strategies that link to postsecondary education opportunities and career pathways; and operating a residential center, such as Job Corps. The inclusion of a "Youth Challenge Fund" and the five program activities are laudable. The construction of this fund, however, is problematic for several reasons: (1) its 18 percent funding cap is less than current dedicated spending levels, and the amounts to be spent in this fund are at a governor's discretion, which could jeopardize continuous and consistent funding for innovation; (2) there are no real requirements to target the most vulnerable youth, as this fund can serve any low-income youth ages 16 to 24 without regard to education status or barriers; thus, college students and college graduates are also eligible, and no priority is assigned to youth with greater needs; and (3) the "Youth Challenge Fund" is the only funding stream made available to fund the national youth programs that were repealed by this legislation. The U.S. Department of Labor national youth programs, including YouthBuild and Job Corps, will only continue to be funded through the "Youth Challenge Fund" and at the discretion of the state. This pits local programs against national program models to compete for a very limited pool of dollars.

Recommendation: Retain the existing 10 WIA youth program elements and include a "Youth Challenge Fund" that is not subject to a governor's discretion for funding. Specifically:

- Require local plans to identify the vulnerable youth populations that will be served, how the 10 program elements will be built into service delivery, and how WIA dollars will be used to leverage other resources, including education and other youth-serving systems, to provide more comprehensive programming for youth.
- Eliminate the current funding mechanism for "Youth Challenge Grants" and establish a set funding stream for them. Strengthen the fund and direct funding to local, cross-system partnerships, led by existing youth councils or other appropriately designated entities, in high-poverty areas, and assign priority to youth in high-risk categories.

4. Removing Disincentives to Serving High-Risk Youth that Currently Exist in the Performance System

H.R. 4297 establishes a performance accountability system of core indicators which apply to the employment and training activities in the "Workforce Investment Fund," adult education and literacy program authorized under Title II and much of the vocational and rehabilitation programs for individuals with disabilities authorized in Title I, and is presumably designed to assess outcomes for the entire workforce system. Yet, there are no specific performance measures established for youth within the "Workforce Investment Fund". This represents a stark departure from current law, which takes into account age-appropriate factors and includes measures for both older and younger youth. Instead, the bill includes youth-specific measures that only apply to the "Youth Challenge Fund".

Both funds have six similar measures related to 1) entered employment rates 2) retaining employment 3) wage gains 4) credential attainment 5) interim academic progress, and 6) obtaining training related employment. The measures for the "Youth Challenge Fund" allow entrance in unsubsidized employment and enrollment in education, training, or the military upon exit to count in the calculation of the first two outcome measures. This is not the case for youth served in the "Workforce Investment Fund," which only counts those individuals who obtain unsubsidized employment in the first two measures. Thus, local areas that use the "Workforce Investment Fund" to serve young dropouts and transition them to postsecondary education and training may experience a negative impact on their performance outcomes on the two entered employment measures. It also means that there will be different performance standards for youth across the various WIA funding streams, making it more difficult to integrate programming.

Though H.R. 4297 presents deficits in terms of appropriately assessing youth outcomes within the larger "Workforce Investment Fund," it does incorporate important changes that represent a step in the right direction and an improvement over current measures. The bill includes a measure of interim progress toward achieving a credential or employment. This is an important addition to the performance system because providing adequate interventions for out-of-school youth and those with limited basic skills may require longer and more intensive services. The bill also requires a governor to ensure that standards are adjusted to take into account differing economic factors of the local area and demographic characteristics of populations served. This is important because it helps remove disincentives to serving difficult populations.

Recommendation: Draw from the existing youth performance measures incorporated in the "Youth Challenge Fund" and establish one set of youth performance measures to be administered across the various funds within the bill for youth ages 16 to 24. It is recommended that further adjustments to these measures be added that take into account the challenges associated with the multiple barriers vulnerable youth can face, including being a high school dropout, teen parent, or criminal offender, living in foster care, or having limited English proficiency.

5. Increasing Opportunities for Youth Work Exposure

Youth have been hit particularly hard by the economic recession and slow job growth. The rate of joblessness in our low-income and minority communities is of great concern. The development of appropriate work skills and a work ethic is best learned through exposure to the workplace and consistent, progressive work experiences. At a time when youth employment is at a 60-year low, the role of the workforce system in brokering opportunities for youth work experiences, summer jobs, and internships should be paramount. WIA reauthorization should provide the mechanisms for local areas to provide low-income youth with access to summer jobs and year-round work experiences. When funding was made available through the American Recovery and Reinvestment Act of 2009 for summer jobs, the local workforce system responded by putting over a quarter million youth to work, demonstrating that the capacity exists to implement quality efforts. Research studies have shown that early work experience correlates with labor market success and higher earnings.[2] Thus, this type of investment would pay off in the long run in terms of a better equipped pool of new entrants into the workforce.

Recommendation: Establish a separate funding stream for work experience and work exposure activities, including summer and year-round jobs, apprenticeships, internships, youth corps, transitional jobs, and on-the-job training to serve low-income youth ages 14 to 24.

[2] Sum, Andrew, Joseph McLaughlin, and Ishwar Khatiwada. 2006. *Still Young, Idle, and Jobless: The Continued Failure of the Nation's Teens to Benefit from Renewed Job Growth.* Boston: Center for Labor Market Studies, Northeastern University.