



WIA Reauthorization

January 27, 2010

Recommendations for WIA Reauthorization (Updated)

Title I Youth Provisions

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More than a decade ago the Workforce Investment Act of 1998 restructured the youth service delivery system in this country to provide more intensive services of longer duration; to infuse the best of youth development programming; to build the youth service delivery capacity in communities of high poverty; and through youth councils, to introduce more strategic and collaborative approaches to youth programming. These are very important and well intentioned principles that should be retained and strengthened in a reauthorized bill. However, the WIA youth system, for many reasons, has fallen short of what is needed to prepare youth for the 21st century economy.

In the decade since passage of WIA legislation we have seen a continuation of high dropout rates with nearly one half million youth dropping out annually. Youth employment has been steadily declining with current rate or youth unemployment at lowest level in 60 years. The current economic and unemployment crisis, and slow pace of job recovery suggests that the employment situation for youth Consider that there is an estimated 3.5 to 5 million youth – age 16 to 24- that are out of school and out of work. Yet, in 2007, only 108,418 youth exited WIA title I youth programs. Of those who exited only 27,681 were dropouts. Less than 10% of youth who exited went on to postsecondary education or advanced training. Only 5% of youth who were high school dropouts went on to postsecondary education or advanced training.

Given the skill demands required for economic competitiveness, more than ever we need a robust youth service infrastructure in this country that will: 1)work in tandem with the secondary system to keep youth who are in high risk situations attached to school, 2) work in concert with other youth serving systems –i.e. Child welfare, juvenile justice – to coordinate transition support for vulnerable youth, 3) outreach to youth who have disengaged from education and labor market pursuits and facilitate their reconnection, and 4) convene workforce, public education, labor, employers, and CBO's to craft pathways to postsecondary and labor market success.

WIA Reauthorization provides the opportunity to build such a system and to advocate for the level of investment necessary to make a substantial impact on the quality of our young entrants into the labor force. Specifically, we recommend:

Preserve youth councils, or an appropriately designated alternate entity, to serve as the focal point for strategic coordination of youth service activity. Provide incentives and technical support to move state and local councils toward innovative, strategic programming across systems.

Maintain mandatory youth councils; but refocus their role on strategic planning, oversight, and coordination. Provide for the establishment of a youth council—or a committee of the local workforce investment board, or an alternative entity designated by the local elected official(s) in consultation with the 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 to best serve the



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needs of vulnerable youth in the community. Charge these councils with convening across systems and funding streams to create a comprehensive approach to the youth challenge in their area and to develop multiple pathways to postsecondary credentials.

Rationale: The establishment of youth councils under WIA was designed to bring focus and strategic action around youth programming to local areas around the country. This is an important function since the role of focusing priority and coordinating services on behalf of youth, in particular, disadvantaged youth does not by statute rest with any other body. Abandoning this requirement would likely lead to the continued patchwork of fragmented, uncoordinated interventions which fall short of the comprehensiveness and scale necessary to make a difference. Addressing the disconnected youth challenge is beyond the capacity of a single system or program model. It requires attention to amassing multiple resources and to effectively supporting the transitions that these youth must make across multiple systems and into the labor market. A well supported youth council with effective leadership can play that role. Youth councils have been hampered in playing this role, not only because of the continuous retrenchment in federal funding, but 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 these items, as appropriate in their areas. Creating a strong and credible youth council function within WIA and incorporating youth councils in other related youth legislation would strengthen the state and local ability to coalesce around policy, resources, and programmatic interventions to better prepare youth, especially youth with multiple labor market barriers, for adult success.

Require the state and local boards to submit strategic youth plans detailing how multiple systems will engage to provide education, training, and transition support to out-of-school youth and high-risk in-school youth.

As a contingency for receipt of funding, state and local areas should be required to submit plans which identify how the secondary, postsecondary, workforce, juvenile justice, and child welfare systems will coordinate to advance the education and labor market outcomes of youth in high risk categories – dropouts, foster care, offenders, homeless, and vulnerable in-school youth. This should include at the state level how Governor's discretionary funds will be used to support this work and what state and local policies will be pursued to promote dropout recovery and effective transition support.

Rationale: With dropout rates exceeding 30% nationally, and 50% for minority youth and youth in high poverty communities, effective recovery and transition interventions are exceedingly important. The WIA system should be playing a pivotal role in high school reform, re-entry, and other reforms of youth serving systems. Since these span all levels of jurisdiction – local, county, and state – WIA reauthorization could greatly enhance the collaboration by requiring the states and local recipients of funding to formally address how these relationships will be formed and how the policies will be addressed.

Require a greater focus in the formula funding on dropouts and youth in high risk categories.

Require that 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, and youth in the foster care system, regardless of their school status. Recalibrate the distribution formula to take into account other youth risk factors like dropout rates.

Rationale: In 2006, only 22.6 percent of youth ages 16 to 21 exiting the WIA system were high school dropouts. Only 8.2% were youth with limited English proficiency and only 8.9 percent were offenders. These numbers suggest that WIA resources are not reaching those youth in greatest need of service. Many reasons account for the low participation – these youth require much more expensive and comprehensive intervention, impact negatively on the performance measures, and outreach is much more difficult. Directing the formula funds to where the need is greatest, requiring a greater share of resources be devoted to this population along with adjustment of performance measures, as mentioned in previous sections, could greatly increase participation of high risk youth in WIA programming.

Remove the bureaucratic eligibility certification requirements, which deter youth from accessing services and make coordination across systems and funding streams more difficult.

A reauthorized WIA legislation should include ways to target eligible youth for service without the onerous certification requirements that are in present law. Congress should consider allowing eligibility for school lunch program or other means tested programs sufficient for WIA services. Out-of-school youth in certain target groups—dropouts, youth who are in foster care, homeless, runaways, and offenders—should be eligible for service without regard to income.

Rationale: A GAO report to Congress indicates that overly restrictive income requirements and burdensome certification processes have served as barriers to receipt of services for many youth.ⁱ 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, it is difficult to assemble the necessary papers to document income, residency, welfare status, and other such requirements. For in-school youth, the process can be stigmatizing. Competing eligibility requirements are a daunting challenge to efforts to integrate services across systems, and the process is burdensome for service providers.

Continue targeted funding to economically distressed communities via Youth Opportunity (YO) grants to focus on building comprehensive and integrated youth delivery systems in communities of high youth distress.

Congress both through the reauthorization and appropriations process should reactivate the Youth Opportunity Grant provisions of WIA. There is a critical need to rebuild the capacity and infrastructure of the youth delivery systems in communities where 50 to 60 percent of youth are dropping out of school and where youth unemployment is at perilous levels. These YO grants should focus on the cross-system and cross sector collaboration to build efforts at scale to put youth back on track to successful education and labor market outcomes. Reauthorized legislation should specify that YO grants are to be targeted to areas of high youth-poverty or dropout rates and equitably distributed among urban, rural, and Native American communities. The legislation should require the Secretary of Labor to consider factors reflecting youth distress when awarding YO grants – such as youth economic distress, dropout rates, youth unemployment, youth poverty, post-secondary attendance rates, and other need-related factors. Applicants for YO grants should be required to identify how the various youth-serving systems –including WIA, secondary, and postsecondary institutions - will coordinate in the planning and implementation of services under this grant including the establishment of multiple pathways to postsecondary credentials connected to growing sectors of the regional

economy. They should also specify the role that business will play in the planning and in providing access to work experience, internships, apprenticeships, training, and placement of youth.

Rationale: Youth Opportunity Grants were introduced in the WIA legislation as the vehicle to get the resources to high-poverty communities to build the youth delivery system capacity to address youth challenge at a scale and make a difference in the education and labor market outcomes for the community's youth as a whole. They were meant to be comprehensive, intensive, and cross system. More than 150 communities applied for grants, with 36 being selected in the initial and only round of awards. These grants were highly successful in building delivery capacity in these communities. However, the level of appropriations was insufficient to allow the continuance of such grants. More than 90,000 mostly minority youth were enrolled in programs in 36 communities; and 48 percent of these youth were out of school. The programs had tremendous drawing power. The YO communities were particularly successful in making educational connections, post-secondary connections, and short- and long-term placements for these youth. DOL recently released the research findings from the YO evaluation which indicated that these grants achieved unprecedented success in getting youth, particularly out-of-school youth, engaged in youth development activity, reconnected to education, and an increased level of receipt of Pell grants.ⁱⁱ Similar findings were documented in a CLASP report, "*Learning from the Youth Opportunity Experience: Building Delivery Capacity in Distressed Communities*".ⁱⁱⁱ DOL played a significant role in providing technical assistance, training, including leadership and management training, coaching, and dissemination of best practice. This level of focused energy and support needs to be expanded to address the youth challenge confronting so many communities.

Revamp the performance system to remove the disincentives to serving those with most barriers. Create a system of performance measures that can be adjusted to reflect differences in populations served and labor market conditions yet retain the expectations of high quality education and labor market outcomes.

Rationale: The current system of performance measures does not allow for adjusting the standards to take into account barriers associated with serving more difficult populations or difficult labor market situations. Thus, those administering the programs have more incentive to serve those who are easiest to achieve positive outcomes. If individuals are enrolled in longer training there isn't much opportunity to take credit for interim benchmarks of progress. The ultimate behavior of the WIA system will be determined by the set of performance measures that are imposed on the system.

Establish a separate title for work experience and community service.

Create a separate title with separate funding stream to increase access to paid work experience opportunities, including summer jobs for youth, transitional jobs for vulnerable populations such as re-entering offenders, and year-round work experience and service corps programs for out-of-school youth in high-risk categories.

Rationale: In areas of high unemployment and during times of economic recession, youth suffer tremendously in the job market. Studies from Northeastern University's Center for Labor Market Studies (CLMS) document the ongoing tremendous decline in labor market opportunities for youth to the lowest level of teen employment in 60 years with employment rates for black teens at just 22 percent.^{iv} Early work experience is critical to the development of work ethic and appropriate workplace skills, and it correlates with higher earnings in later

years. A 2006 CLASP report found supported work experience to be a critical component in most of the successful programs for youth returning from confinement.^v An evaluation by Abt Associates of service corps found higher rates of employment and higher wages for corps participants, especially for minority male participants. It is important to reintroduce actual hands on CLASP, work experience as a tool for imparting workplace skills that cannot be taught in a classroom or workshop setting.

ⁱ U.S. General Accounting Office, *Workforce Investment Act: Youth Provisions Promote New Service Strategy, but Additional Guidance Would Enhance Program Development*, April 2002.

ⁱⁱ Evaluation of the Youth Opportunity Grant Initiative, Employment and Training Occasional Paper 2008 12. ETA, United States Department of Labor, http://wdr.dol.gov/research/FullText_Documents/YO%20Summary%20and%20Implication.pdf

ⁱⁱⁱ Harris, L, *Learning From the Youth Opportunity Experience: Building Delivery Capacity in Distressed Communities*, Center for Law and Social Policy, 2006, http://clasp.org/publications/youthopportunity_report.pdf

^{iv} Sum,A, McLaughlin, J, Khattuwada, I, *The Collapse of the 2008 Summer Teen Job Market: A Record 60 Year Employment Low for the Nation's Teens*, Center for Labor Market Studies, Northeastern University, August 2008.

^v Harris, L with Modiano, C., *Making the Workforce – Juvenile Justice Connection for Re-entering Young Offenders: A Guidebook for Local Practice*, Center for Law and Social Policy, 2006.