



# The President's Budget: New Investments, A Vision for Vulnerable Youth

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President Obama's Fiscal Year (FY) 2015 budget, released on March 4, reflects the Administration's commitment to helping low-income individuals and vulnerable families access pathways to economic mobility, healthy development, and high quality of life.

The budget proposal adheres to spending levels established in the Bipartisan Budget Act of 2013, but includes additional investments through the Opportunity, Growth, and Security Initiative that make concrete the President's vision for an economy that works for everyone. This includes a particular focus on investments for disadvantaged and disconnected youth across multiple federal agencies. The proposal calls for additional [resources to advance pathways for boys and young men of color](#) and connect communities of color to economic and educational opportunity. In addition, the budget highlights the Administration's strong support for helping low-income workers earn wages and income to better support themselves and their families. The President proposes [strengthening the EITC](#) and expanding eligibility to youth and childless adults, including 3.3 million working young adults ages 21 to 24. The budget also calls for [investments in paid leave and an increased minimum wage](#), as well as new resources to enforce the *current* minimum wage.

## Supporting Disconnected Youth

Of significant importance is the Administration's continued focus on improving education and workforce outcomes for disconnected youth, as

well as streamlining the federal programs that target this population. Available data estimates that there are 6.7 million young people between age 16 and 24 who are not connected to school or work.

***Performance Partnership Pilots.*** The [federal omnibus appropriations bill](#) for FY 2014 authorized up to 10 [Performance Partnership Pilots](#) designed to improve outcomes and accountability for disconnected youth by increasing administrative flexibility. The FY 2015 budget request proposes establishing up to 10 additional pilots and expanding the scope of funding to include programs in the Department of Justice, in addition to discretionary programs authorized through Labor, Education, and Health and Human Services appropriations.

***Cross-agency collaboration.*** The budget requests up to \$28 million to: strengthen cross-agency collaboration among the Departments of Labor and Education; support the development of performance partnership pilots and youth-focused [Pay for Success](#) projects; and improve the collection and use of youth outcome data.

## Addressing Youth Unemployment

The President's budget also acknowledges the employment challenges youth and young adults continue to face in our recovering economy. Youth unemployment remains unacceptably high. According to the most recent U.S. Bureau of Labor Statistics, 1.96 million young adults between ages 20 and 24 are unemployed, while another 6.7

million are not even in the labor force. Less than half (46.9 percent) of all black male young adults are likely to be employed, compared to two-thirds (65.8 percent) of their white peers. This isn't just an issue for the private sector. The federal government has a role to play, too, in ensuring low-income and vulnerable youth gain work experience, develop their skills, improve their education, and earn wages to support themselves and their families.

**Summer Jobs Plus.** This program is a one-time mandatory appropriation of \$2.5 billion (to be spent over two years) for summer and year-round employment for disadvantaged youth. It includes \$1 billion for a competitive innovation fund to test and replicate effective strategies that improve outcomes for low-income youth. [These proposals are complemented by a proposal to support subsidized employment at the Department of Health and Human Services for individuals with barriers to employment, including youth.](#)

**Workforce Investment Act (WIA) Incentive Grants.** This \$80 million competitive grant program provides incentives to states to improve service delivery to individuals facing significant barriers to employment, including out-of-school youth. It is meant to encourage states to improve alignment of their employment, training, and social services programs to better serve the vulnerable populations most likely to interface with multiple systems.

**Continued funding in key Department of Labor youth-serving programs.** Funding for WIA Youth Activities is maintained at \$820,430 million, including an 8.75 percent state-wide reserve. The Department of Labor's YouthBuild program is level-funded at \$77,534 million. Additionally, the Administration has committed to improving and reforming the Job Corps program to better serve and improve outcomes for disconnected and

disadvantaged youth, with an emphasis on older youth. The budget requests a slight increase to the [Workforce Innovation Fund](#) to 60 million—up from \$47.3 million in FY 2014.

**Strengthening services for court-involved youth through the Reintegration of Ex-Offenders Program.** The majority (\$50 million) of the \$80 million request will be used to fund activities to help prepare high school dropouts and young offenders for employment. Funding will also support competitive grants targeted at high-crime, high-poverty areas and collaborative efforts with the Department of Justice to support programs for youthful ex-offenders or youth at high risk of involvement in the juvenile justice system.

**Investments in work experience and national service.** The budget proposes a new National Parks Centennial Initiative (NPI) that would put thousands of veterans, youth, and others to work while upgrading the National Park System for its 100th anniversary in 2016. This investment calls for \$1.2 billion in mix of new and existing mandatory funding over the next three years for critical infrastructure projects, including youth hiring. In addition to a proposed \$50.6 million for its youth programs—a \$13.6 million (or 37 percent) increase from 2014—the Department of Interior's budget also highlights the [21st Century Conservation Service Corps](#) as a way to connect young people and veterans to training and career pathways while improving and protecting the Nation's natural, cultural, and historic resources. Through the Corporation for National and Community Service, it expands AmeriCorps and proposes more positions for disconnected and low-income youth that can serve as pathways to higher education and employment to serve a record number of individuals. Additionally, the budget maintains funding for the Social Innovation Fund, requesting that up to 20 percent of funds be available for Pay For Success projects.

## Access to Education and Creating Connection to School

There are also key investments proposed through the Department of Education to help low-income youth and struggling students stay connected to school and [earn secondary and postsecondary credentials](#).

***The Fund for the Improvement of Education.*** The fund includes: \$8 million to support interagency strategies to strengthen services to disconnected youth; \$1.3 million to continue the Data Quality Initiative, which helps ensure that program management decisions are based on sound information; and \$5 million for a Youth Data Pilot that would enhance communities' tracking of and performance on multiple outcomes for youth.

***Supporting multiple pathways to credential attainment.*** While the budget eliminates the High School Graduation Initiative, which focused on dropout prevention and recovery strategies, it proposes a \$74.8 million College Pathways and Accelerated Learning competitive grants program that would incorporate multiple approaches to advance high school and postsecondary credential attainment. This includes expansion of Advanced Placement and International Baccalaureate courses, dual-enrollment programs, early college high schools, and activities that reengage out-of-school youth or students who are not on track to graduate.

To accelerate learning and workforce entry for individuals without a high school diploma, the budget also requests restoration of [Pell Grant eligibility](#) to students who are co-enrolled in adult and postsecondary education as part of a career pathway program. Further, the budget includes a \$150 million investment in the High School Redesign program, which will award competitive

grants to school districts and community partnerships to help them: prepare students for postsecondary education and careers; implement innovations that include career exploration and competency-based learning strategies; and provide project-based learning and internships.

## Advancing the Youth Agenda

While we are encouraged that the President's budget has a targeted focus on youth—especially those detached from school and work—these proposed investments are just the tip of the iceberg. Youth living in high-poverty communities face an uphill climb to get a high-quality education, access career pathways, and secure good jobs that pay a living wage. We encourage Congress, state and local legislators, community advocates, and other policy leaders to use the Obama Administration's FY 2015 budget proposal as a framework for improving economic mobility for youth and young adults. It is incumbent upon us to ensure this generation is not the first in U.S. history to be worse off than their parents.