



The President's Budget: Select Investments In Education and Employment Pathways for Vulnerable Youth

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President Obama's Fiscal Year (FY) 2016 budget reflects the Administration's continued commitment to investments that help low-income individuals, children, youth, and vulnerable families access pathways to economic mobility.

Addressing Youth Unemployment and Challenges Faced by Out-of-School and Out-of-Work Youth

Of significant importance is the Administration's continued focus on improving education and workforce outcomes for disconnected youth and its recognition of persistent employment challenges among youth and young adults, especially those from low-income households. Employment is an important part of youth development and successful progression into young adulthood. A key predictor of consistent employment in adulthood is exposure to work in the teen and young adult years.

Youth unemployment remains unacceptably high. The youth summer employment rate has declined 40 percent over the past 12 years.¹ This situation is especially dire for low-income youth and [young people of color](#). In summer 2013, teens with a family income of less than \$20,000 were nearly 20 percent less likely to be employed than teens with a family income of \$60,000 or more. The data show that Black youth are the least likely to be employed; Black men ages 20 to 25 have a 29 percent unemployment rate. [Latino youth also struggle to find work and become attached to the workplace](#). Available data estimate that there are 6.7 million young people between ages 16 and 24

who are not connected to school or work. Research suggests that, given the opportunity, youth wish to continue their education. However, far too often, they face obstacles to returning to school, as well as accessing training and career pathways information, including where to enroll and what options are available to them.

Workforce Innovation and Opportunity Act (WIOA). To implement the Workforce Innovation and Opportunity Act (WIOA), which passed on a nearly unanimous bipartisan vote last year, the president's FY 2016 budget proposes \$3.4 billion for the WIOA Adult, Dislocated Workers, and Youth programs—a \$262 million increase over last year's enacted levels. An additional **\$42 million** is specifically allocated to WIOA Youth Investment Activities. [WIOA offers new opportunities to focus on the most vulnerable workers—low-income adults and youth](#) who have limited skills, lack work experience, and face other barriers to economic success. It requires that at least 75 percent of youth funds available to local areas be spent on workforce investment services for out-of-school youth. This is an increase from 30 percent under the previous law. The redirected funding gives states and local communities dedicated resources to implement effective employment, education, and youth development strategies for the most vulnerable young people in highly distressed communities. WIOA also requires that at least 20 percent of Youth formula funds be spent on paid and unpaid work experiences that incorporate academic and occupational education for both out-of-school and in-school youth.

Connecting for Opportunity. This proposal is a mandatory \$3 billion investment over 4 years to address the needs of low-income and disconnected youth. It has two components: (1) \$1.5 billion for summer and year-round job opportunities to provide an estimated 600,000 youth with critical work experience and jobs; and (2) a \$1.5 billion competitive grant program to reengage and create educational and workforce pathways for disconnected youth. The Administration proposes to leverage WIOA opportunities to strengthen services and partnerships for this youth population.

Apprenticeship Training Fund. The budget proposes a four-year, \$2 billion investment in an Apprenticeship Training Fund. The initiative is designed to expand apprenticeship opportunities by building partnerships between employers and training programs. This type of “earn and learn” strategy is proven to help individuals with barriers to economic success access pathways to the middle class and obtain stable employment with decent wages.

Continued funding in key Department of Labor youth-serving programs. The Department of Labor's YouthBuild program is funded at \$84.5 million—a slight increase over its current funding of \$79.7 million—with an emphasis on postsecondary education. Additionally, the Administration has requested \$1.7 billion for Job Corps; it remains committed to reforming the program to better serve and improve outcomes for disconnected and disadvantaged youth.

Strengthening services for court-involved youth through the Reintegration of Ex-Offenders Program. The budget request includes \$95 million for the Reintegration of Ex-Offenders program—a \$13 million increase. This funding reduces barriers to workforce participation for youth and adults. The proposal includes \$5 million to develop a youth law enforcement career pathway pilot

program, which would provide competitive grants to eligible youth-serving organizations.

Investments in national service. Through the Corporation for National and Community Service, the budget expands AmeriCorps by \$89 million to \$425 million. It also proposes more positions for disconnected and low-income youth; this would serve a record number of individuals during the summer months and provide pathways to higher education and employment. Additionally, the budget maintains funding for the Social Innovation Fund and requests that up to 20 percent of funds be made available for Pay For Success projects.

Performance Partnership Pilots. The budget would authorize up to 10 new [Performance Partnership Pilots](#) for disconnected youth to increase administrative flexibility and improve outcomes and accountability. This request, which builds on provisions in FY 2014 and FY 2015 appropriations bills, allows states and localities to [blend certain discretionary funding and receive waivers under multiple youth-serving programs](#).

Ensuring a Focus on Equity in Education

Recognizing large disparities in education quality, the budget proposes key investments through the Department of Education to help low-income youth and struggling students stay connected to school and [earn secondary and postsecondary credentials](#).

Title I Grants to Local Educational Agencies. The budget includes a \$1 billion increase to \$15.4 billion for the Title I program. Title I is a key federal investment designed to ensure poor and minority students have the resources necessary to excel in school and graduate from high school prepared for college and careers. The budget also

proposes an *Equity and Outcomes Pilot* for up to 10 participating Title I LEAs; this would promote more equitable and efficient use of funds by focusing on low-performing schools in high-poverty districts.

The Fund for the Improvement of Education. The request includes: \$5 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 to help communities link education and child welfare or other data systems to support early warning indicators for dropout prevention.

Native Youth Community Projects. This budget request includes \$53 million to support community-driven strategies to improve the college- and career-readiness of Native youth by focusing on the unique educational needs of American Indian and Alaska Native (AI/AN) children. This program builds on the Administration's interest in expanding opportunity and success for Native youth.

Supporting pathways to postsecondary and credential attainment. The budget proposes numerous investments to increase training and educational opportunities for low-income youth. In addition to continuing investments in [Promise Neighborhoods](#), the budget includes a new \$125 million request for *Next Generation High Schools*, which would create more challenging, career-connected academic options to help youth transition to postsecondary education and training. Further, the budget includes \$60.3 billion over 10 years for the [America's College Promise program](#), which would provide free community college to students who attend at least half time, maintain a 2.5 GPA, and have annual adjusted gross incomes below \$200,000. 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. And the budget requests \$7 billion over 10 years for a new [College Opportunity and Graduation Bonus program](#). This incentive program would reward colleges that enroll and successfully graduate higher proportions of low- and moderate-income students.

Increasing accountability for equitable school systems. The budget proposes \$131 million for the Office for Civil Rights (OCR)—an increase of \$30.7 million. This funding, earmarked for new staff, would increase OCR's capacity to respond to discrimination complaints and ensure that federal grantees follow civil rights laws regarding equitable education.

Advancing Opportunities for Youth

We are encouraged that the president's budget includes a specific focus on youth, especially those who are poor, are detached from school and work, and have unique barriers to economic security. For [poor and minority youth and young adults, it's a steep climb to get high-quality education, access career pathways, and secure good jobs that pay living wages](#).

The president's FY 2016 budget proposal is a powerful framework for improving economic and social mobility. We encourage Congress, business and policy leaders, state and local legislators, and community advocates to work together to ensure our current and future workforce can fully participate in the U.S. economy.

¹ <http://www.jpmorganchase.com/corporate/Corporate-Responsibility/document/54887-jpmc-summeryouth-aw2.pdf>