



## **Recommendations for Reauthorization of WIA Title I Formula Funds for Youth Activities July 2009**

The *Campaign for Tomorrow's Workforce* ([www.campaignfortomorrowsworkforce.org](http://www.campaignfortomorrowsworkforce.org)) is a coalition of over 40 New York based organizations and stakeholders interested in advancing solutions to reconnect our young people to education and career opportunities that support their livelihood and contribute to our economy. Nationally, there are approximately 5 million 16 to 24 year olds across the country who are neither in school, nor working. Nearly one million young people drop out of high school each year and face limited chances of success. These youth and young adults are disproportionately low-income and of color and come from communities where their early experiences in public education are considerably weaker than what they deserve.

This is unfair to the young people who do not get equal chances to succeed; it also imposes a huge *social and economic cost* on the U.S. in terms of crime, lost economic output, and increased public expenditures. While millions of youth lack employment, employers often have difficulty finding skilled workers to fill jobs in key economic sectors, resulting in higher costs and reduced economic productivity. The issue is preparing young people for the emerging economy, building their skills and readiness. In the coming decades, the combination of industry growth and an aging workforce will produce sizeable new labor market openings in industries such as healthcare and green jobs. Young adults with the skills to compete for these jobs will be well-positioned to become “tomorrow’s workforce”. With a national youth investment strategy, we can make this a reality.

This document offers recommendations from youth service providers about how the Workforce Investment Act (WIA) can best support out-of-school youth and young adults to succeed in tomorrow’s workforce. Other approaches – including early childhood and K-12 reforms – are necessary but not sufficient for addressing the challenge. Too many young people are already alienated from high school or have aged out of their eligibility to return to the K-12 system. While much of youth service delivery is and should be local in nature, the federal government has a key role to play in creating a vision for the system; providing resources; spurring coordination, planning, systems development, and innovation; and providing technical assistance and promoting proven and promising practices. The challenge is a national one, and it calls for a strong federal response.

***Reauthorization of the Workforce Investment Act should target a goal of reconnecting 50% of out-of-school youth ages 16 to 24 to education and careers by 2015.*** Reconnecting millions of young people will demand vigorous efforts and coordinated investment in both the education and workforce systems for youth. It is important to continue efforts within the K-12 education system to prevent young people from dropping out and re-engage those who do, and to expand programs operated by community-based organizations that offer pathways for youth who are already out of school and unlikely to return. While our recommendations focus specifically on WIA Youth formula funds, we also support the continuation and growth of other Youth Activities funding streams under WIA Title I that contribute to a comprehensive approach to preparing youth for the workforce.

### **The reauthorization of WIA Title I Formula Funds for Youth Activities should achieve the following:**

- **An increased overall investment** in youth workforce development and education;
- **Support for the transition to post-secondary education;**
- **A higher target for out-of-school youth** as a percentage of WIA participants;
- **Streamlined and more appropriate eligibility standards, program design guidelines, and required outcomes** that best support young people’s education and development, providers’ ability to achieve core goals, and offer incentives to serve those with the greatest barriers; and
- **Support for youth system performance**, including better data systems, pathways for youth, cross-system coordination, and innovation.

Our detailed recommendations for WIA Title I Formula Funds for Youth Activities are as follows:

### **1. Increase Overall Investment**

Overall WIA youth funding has dropped by more than a third since original WIA authorization over ten years ago. This has represented a corresponding cut in funding for out-of-school youth, despite the fact that the numbers in this population have increased over this period. We must make a renewed investment to serve the out-of-school youth population. Given that so many young adults ages 22-24 are ineligible to receive youth services, yet are often served by “adult” programs that are not designed for younger participants, this age group should be included in WIA youth services. This expanded target population will also require a greater overall service investment.

We recommend an increase in the overall investment in youth workforce development and education, through a steady growth plan that reaches the goal of reconnecting 50% of disconnected youth nationally by 2015. WIA reauthorization should authorize appropriation levels of *at least \$3 billion* for youth activities as follows:

- a. At least \$2 billion in WIA Title I formula funds to serve youth ages 14-24; plus
- b. At least \$1 billion for summer jobs program for individuals 14-24.

### **2. Target More Out-of-School Youth**

Given the high numbers of young people who are out of school and the shortage of other funding available to serve this population, we recommend increasing the portion of WIA funds targeted for out-of-school youth and high school non-completers:

- a. Require that *at least 60 percent of WIA Youth funds be used to engage out-of-school youth*, with at least half of this amount (30 percent of the total) for young people without a high school diploma or GED.
- b. In localities where the high school graduation rate is lower than the national average of 70 percent, the required portion of WIA spending on out-of-school youth should be set even higher.
- c. Create incentives, including increased per-participant funding, for engaging “hardest-to-serve” young people (e.g. high school non-completers, those with low skills, foster care youth, court-involved youth, pregnant/parenting teens and young adults, etc.).

### **3. Expand and Simplify Participant Eligibility**

The current system to determine participant eligibility is overly complex. It has resulted in the exclusion of young people who need opportunities and has become a drain on time and resources of providers at the expense of service. Eligibility certification should be effective and user-friendly for both participants and providers. We recommend:

- a. Expand eligibility to age 24.
- b. Automatic eligibility for the following groups: young people without a high school diploma, court-involved youth, individuals from the foster care system, youth with disabilities, those who qualify for TANF, free/reduced lunch, who attend/attended Title I school, or live in high poverty areas. Ensure that the systems and institutions with information that can certify a participant’s eligibility in these categories can share the necessary information with each other and with service providers in a confidential manner.
- c. Increase the income eligibility to at least 200 percent of the federal poverty guidelines.
- d. Increase the waiver of income eligibility from 5% to at least 15% of participants, giving providers more flexibility in engaging young people who need opportunities. A successful precedent is the 25% eligibility waiver that has been effective for YouthBuild programs, also under WIA.
- e. Allow self-certification as an acceptable method of documenting eligibility.

#### **4. Improve Career and College Pathways**

Ensure that the road on which young people can reconnect to success is coherent and continuous. WIA should support the development of career pathways and bridge programs that can support young people from wherever they are on the skills continuum to college and careers.

- a. Develop clearer WIA-funded pathways/pipelines that move young people from low literacy to secondary and post-secondary education credentials and opportunities, and to family-supporting careers.
- b. Include opportunities for older, out-of-school youth to reconnect to education and training through *multiple education pathways*.
- c. Connect education/career pipelines to labor market trends and emerging sectors.
- d. Engage colleges to collaborate with CBOs to actively support young people in the transition to and through post-secondary education. Examples of the types of support needed include financial aid, and academic and career counseling.

#### **5. Differentiate Services and Funding to Align with Varying Needs of Youth**

It is important that organizations that engage youth are incentivized to provide appropriate services to youth with distinct needs. Providers should be able to offer comprehensive programs that combine education, training, work experience, leadership development and community service, stipends, support services, and meaningful follow-up services. Programs should have the flexibility to cater their services to particular groups or a range of young people, as long as they meet required outcomes. WIA reauthorization must support program design as follows:

- a. For out-of-school youth, there are different service options for young people with distinct needs, skills, and developmental stages, for example:
  - Youth without a high school diploma or GED with low skills levels (below 8<sup>th</sup> grade)
  - Youth without a high school diploma or GED with skill levels of 8<sup>th</sup> grade or above
  - Youth with a high school diploma or GED with varying skill levels
- b. Providers should receive more funding to serve low-skilled youth and have the option to engage them for up to 2 years. WIA should strongly encourage states and localities to allow for service length as needed and not require program exit after only one year. To justify continued service, participants should demonstrate progress during year one. Allowing for a flexible period of engagement while tracking progress will ensure that participants at any level are able to achieve the outcomes needed to be successful in the workforce.
- c. Allow for individualized sequencing of program components and outcomes, without any prescribed order. Providers need flexibility to assist youth to achieve outcomes in the way that best meets their particular needs and interests. For example, some young people will need to increase basic skills before working, while others will need to work immediately and still others will pursue several program components at once.
- d. Allow for funding levels that support follow-up and transitional support after participants complete the program, as determined by providers. Participants should also be able to transfer between programs without service providers being penalized.
- e. Programs that work with the lowest skilled youth (below 8<sup>th</sup> grade levels) should be rewarded with a bonus payment of 25% of the cost per participant for each participant that achieves an education or workforce outcome. This strengthens a program's financial incentive to help youth and young adults most in need of services.

#### **6. Apply Interim Measures to Recognize Progress and Engage Lowest Skilled Youth**

WIA should apply outcome measures that recognize that educational skills are essential to workforce preparation and that encourage providers to serve youth with the greatest skills deficiencies. The system should recognize that young people need educational advancement, starting with basic literacy and numeracy skills as well as soft skills and work experience, in order to succeed in the labor market. A sensible evaluation structure would allow providers the flexibility to: 1) determine the appropriate sequence of activities and outcomes to match the needs and interests of each individual young person; 2) demonstrate participant success and progress toward education and/or employment outcomes, recognizing the value of both.

Many states have adopted the federal Common Measures. While the Common Measures reflect outcomes that all participants should achieve, lower skilled individuals will require more time to reach them. Programs should be able to offer services for more than one year to help low-skilled participants reach the common measure outcomes. Therefore, we recommend the following measures as indicators of progress and skills building attainment. This will encourage states/localities to pay/reimburse providers for attainment of certain interim educational outcomes.

Population	Interim Education Outcomes	Interim Workforce Outcomes
Out-of-school youth without a high school diploma or GED, with reading and math levels <b>below</b> 8 <sup>th</sup> grade	Any of the following: <ul style="list-style-type: none"> <li>a) Demonstrate literacy and or numeracy gains by at least one educational level at the end of the first year of WIA-funded programs and services.</li> <li>b) Re-enroll in high school for at least one academic year.</li> <li>c) Enroll in GED classes (if one has shown necessary literacy and/or numeracy gains).</li> <li>d) Attain an industry recognized credential.</li> </ul>	Participate in an internship or job (part-time or full-time) for at least 3 months; and Prepare a portfolio for use with employers in job attainment.
Out-of-school youth without a high school diploma or GED, with reading and math levels <b>above</b> 8 <sup>th</sup> grade	Any of the following: <ul style="list-style-type: none"> <li>a) Demonstrate literacy and or numeracy gains by at least one educational level at the end of the first year of WIA funded programs and services.</li> <li>b) Re-enroll in high school for at least one academic year.</li> <li>c) Attain a GED diploma within the first year of services.</li> <li>d) Attain an industry recognized credential.</li> </ul>	Participate in an internship or job (part-time or full-time) for at least 3 months; and Prepare a portfolio for use with employers in job attainment.
Out-of-school youth entering <i>with</i> a high school diploma or GED	<u>Common Measures</u> , redefined as follows: <ul style="list-style-type: none"> <li>a) Retention in paid employment or advanced/occupational skills training for at least 6 months;</li> <li>OR</li> <li>b) Retention in post-secondary education for at least two full semesters.</li> </ul>	

**7. Develop Geographic Strategies**

Provide for some (but not exclusive) focus on developing geographic models that saturate high-poverty areas with enough resources and a coordinated approach to significantly increase employment and education levels in these communities.

**8. Support Innovation**

A national fund (or a portion of each State allocation) should be earmarked to target and support programs models developed by providers to reach populations with exceptional barriers to success (e.g. youth in foster care), and which are not prescribed by State and local government. This offers flexibility in achieving desired program outcomes, while being attentive to the particular circumstances of young adults.

**9. Strengthen Governance and Increase Coordination**

WIA should continue to bring various actors together for local decision-making. Reauthorization should also incorporate stronger youth representation and more emphasis on combining usage of WIA Title I and Title II funds to support comprehensive programs. We support the following elements of WIA oversight:

- a. Youth Councils to coordinate cross-sector approach to youth system.
- b. Involve business, secondary education, and post-secondary education as core partners in the WIA youth system.
- c. Ensure youth participation in governance structure. Require Youth Councils to have several youth representatives with full membership.
- d. Examine how to coordinate and/or blend WIA Title I youth funding with WIA Title II (adult education) to allow for intensive literacy components to be part of young adult workforce programs.

**10. Link Summer Jobs to Year-Round Engagement**

WIA should include a summer youth employment program designed to work for older out-of-school youth by structuring it as a bridge to longer term engagement in employment, skills development and pathways to continuing education and careers. Out-of-school youth who participate in the summer jobs program should be able to transition to a year-round program at the end of their summer job experience, where they can remain engaged and continue to build their skills. Proper planning must occur to ensure that there are enough year round slots for older out-of-school youth to transition into after their summer job experience.

**Campaign for Tomorrow's Workforce Endorsers**

The following organizations are formal endorsers of the *Campaign for Tomorrow's Workforce*:

Arbor E&T	JFK, Jr. Institute for Worker Education, City
Building Blocs Foundation	University of New York
CAMBA	JobsFirst NYC
Center for Employment Opportunities	Neighborhood Family Services Coalition
Center for an Urban Future	New Heights Neighborhood Center
Children's Aid Society	New York City Employment and Training Coalition
Children's Defense Fund - NY	New York Immigration Coalition
Civic Strategies, Inc.	Opportunities for a Better Tomorrow
Claremont Neighborhood Center	Queens Community House
Coalition for Asian-American Children and Families	Reciprocity Foundation
Coalition of Behavioral Health Agencies, Inc.	Rockland County Youth Bureau
Community Service Society of New York	Safe Space
Covenant House New York	St. Nicholas Neighborhood Preservation Corporation
Cypress Hills Local Development Corporation	Turning Point
C3 Consulting	United Neighborhood Houses
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Exalt Youth	Workforce Professionals Training Institute
Federation of Protestant Welfare Agencies	Year Up, Inc.
FEGS Health and Human Services System	Young Gents Society
Good Shepherd Services	Youth Action Programs and Homes, Inc.
Henry Street Settlement	The Youth Development Institute
Hudson Guild	

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