



Vulnerable Youth: Issues in the Reauthorization of the Workforce Investment Act

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November 18, 2009

Congressional Research Service

7-5700

www.crs.gov

R40930

CRS Report for Congress
Prepared for Members and Committees of Congress

R11173008

Summary

The Workforce Investment Act of 1998 (WIA, P.L. 105-220) is the primary federal law that provides job training and related services to unemployed and underemployed individuals, including vulnerable young people with barriers to employment. All youth job training programs and related services are authorized under Title I of WIA and administered by the Department of Labor (DOL). These programs include the WIA Youth Activities (Youth) formula program, Job Corps, YouthBuild, and the Youth Opportunity Grant (YOG) program. Under the pilot and demonstration authority in Title I, DOL has also carried out the Reintegration of Ex-Offenders program for both youth and adults. Together, these programs make up the federal job training and employment system for disadvantaged youth. Although the programs have distinct activities and goals, each of them seeks to connect eligible youth to educational and employment opportunities, as well as leadership development and community service activities.

WIA authorized funding through September 30, 2003; however, WIA programs continue to be funded through annual appropriation acts. In the 111th Congress, policymakers have signaled that the law may be reauthorized in the near future. A focus of recent congressional hearings and forums on reauthorization has been the WIA Youth Activities formula program. The Youth program provides funding for a coordinated system of youth employment and training services overseen by a state workforce investment board (WIB) and the governor, in coordination with local WIBs and community organizations. The program targets youth ages 14 through 21 who are low-income and have one or more barriers to employment.

This report provides an overview of issues that have been raised by stakeholders about the Youth formula program. Since the start of the program, stakeholders have discussed the extent to which youth have had to prove their eligibility for the program, and separately, how much of an emphasis the program should place on serving older youth. In addition, policymakers and others have raised issues about the youth population in the Youth Activities program; specifically, whether the program should focus more on out-of-school youth, including those who are not working. Related to this is the age of youth who ought to be eligible for the program. The American Recovery and Reinvestment Act (ARRA, P.L. 111-5) has temporarily enabled youth ages 22 through 24 to access WIA Youth services. Whether WIA ought to target these older youth, particularly in light of the possible cost of doing so, could be addressed in any reauthorization legislation.

Another reauthorization issue is the perceived lack of coordination between the workforce system and other systems that serve youth, such as the education system. Stakeholders have suggested that greater coordination can help meet the multiple needs of youth, as intended by WIA, and that existing WIA infrastructure can facilitate better coordination. Finally, Members of Congress and others have continued to inquire about the effectiveness of the Youth formula grant in meeting its objectives and serving the most at-risk youth. To date, an impact evaluation of the Youth program has not been completed; however, DOL recently awarded a contract to a private research organization to conduct an evaluation of the WIA Youth, Adult, and Dislocated Worker formula grant programs authorized under Title I of WIA.

This report accompanies two CRS reports—CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, and CRS Report R40830, *Vulnerable Youth: Federal Funding for Summer Job Training and Employment*—and will be updated as significant legislative activity occurs.

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Introduction

Since the 1930s, federal job training and employment programs and policies have sought to connect vulnerable youth to work and school. Generally, these young people have been defined as being vulnerable because they are low-income and have a barrier to employment, such as having dropped out of school or spent time in foster care. The Workforce Investment Act of 1998 (P.L. 105-220) is the most recent federal law to provide job training and related services to unemployed and underemployed individuals, including youth. WIA includes titles that authorize programs for job training and related services (Title I), including for youth, adults, and dislocated workers; adult education and literacy (Title II); employment services (Title III); and vocational rehabilitation (Title IV).

All youth job training programs and related services are authorized under Title I of WIA and are carried out by the Department of Labor (DOL). These programs include the WIA Youth Activities (Youth) formula program, Job Corps, YouthBuild, and the Youth Opportunity Grant (YOG) program. Under the pilot and demonstration authority in Title I, DOL has carried out the Reintegration of Ex-Offenders program. Together, these programs make up the federal job training system for youth. Although the programs have distinct activities and goals, each program seeks to connect youth to educational and employment opportunities, as well as leadership development and community service activities.

WIA authorized funding through September 30, 2003; however, WIA programs continue to be funded through annual appropriation acts. In the 111th Congress, policymakers have signaled that the law may be reauthorized in the near future. A focus of recent congressional hearings and forums on reauthorization has been the WIA Youth Activities formula program. The Youth program provides funding for a coordinated system of youth employment and training services overseen by a state workforce investment board (WIB) and the governor, in coordination with local WIBs and community organizations. The program targets youth ages 14 through 21 who are low-income and have one or more barriers to employment. Relevant reauthorization issues are the population of youth served, including issues related to eligibility and out-of-school youth; coordination with other systems that serve youth, particularly the education system; and the measures used to assess the performance of the program, and whether they adequately capture progress made by youth.

Youth Programs Authorized Under Title I of the Workforce Investment Act

Job training and employment services for youth under WIA include

- *WIA Youth Activities*, a formula grant program that includes employment and other services that are provided year-round;
- *Job Corps*, a program that provides job training and related services primarily at residential centers maintained by contractor organizations;
- *YouthBuild*, a competitive grant program that emphasizes job training and education in construction;

- *Reintegration of Ex-Offenders*, a demonstration program for juvenile and adult offenders that provides job training and other services and is authorized under WIA's pilot and demonstration authority; and
- *Youth Opportunity Grants (YOG)*, a multi-site demonstration program funded through FY2003 that created centers in low-income communities where youth could receive employment and other services.

Although WIA's authorization of appropriations expired at the end of FY2003, Congress continues to appropriate funds, including those for youth job training programs—except for the YOG program, which has not been funded since FY2003. All of the programs, except Job Corps, are (or were) carried out by the Division of Youth Services in DOL's Employment and Training Administration (ETA), Office of Workforce Investment. The Office of Job Corps is under the Office of the Secretary, although DOL has signaled that it intends to transfer the office to ETA, where it was previously housed.¹

Table 1 summarizes key features of the five youth programs. Each of the programs has a similar purpose—to connect youth to educational and employment opportunities, and to offer similar services for doing so. All of the programs offer employment, job training, and educational services. However, these services are carried out differently and by distinct entities. For example, local areas must provide 10 specific elements, including mentoring and follow-up, to youth who receive services under the Youth Activities formula grant program. YouthBuild program participants engage in employment and other activities primarily related to housing and other types of construction work. Job Corps is the only one of the programs that provides residential services, where youth can live onsite and receive health care services, child care, and other supports. As with Job Corps, the YOG program established centers, albeit non-residential, where youth could receive employment and other services.

The programs generally serve vulnerable youth, but some have more targeted eligibility criteria. Participants in the Youth Activities formula grant program, YouthBuild, and Job Corps must be low-income and have specific employment barriers. The Youthful Offender component of the Reintegration of Ex-Offenders serves youth who have become involved in the juvenile justice or criminal justice system or youth at risk of becoming involved. When the YOG program was in operation, youth automatically qualified for the program if they lived in low-income communities. Finally, the programs are funded somewhat differently. DOL allocates funding for Youth Activities to states based on a formula, while Job Corps enters into agreements with nonprofit and for-profit organizations and other federal agencies. The other programs competitively award grants to nonprofit and other organizations and local communities.

For further information about the programs, see CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes.

¹ DOL expects the transfer to take place prior to the start of PY2010 (July 1, 2010). U.S. Department of Labor, Office of Job Corps, *Budget Justification of Appropriation Estimates for Committees on Appropriations, FY2010*, vol. III, p. OJC-16.

Table I. Features of Youth Programs Authorized Under Title I of WIA

Key Feature	Youth Activities Formula Program	Job Corps	YouthBuild	Youthful Offenders (Reintegration of Ex-Offenders) ^a	Youth Opportunity Grants (no longer funded)
Purpose	To provide eligible youth with assistance in achieving academic and employment success through activities that improve educational and skill competencies and foster effective connections to employers; ensure ongoing adult mentoring opportunities for eligible youth; provide opportunities for training, continued supportive services, and participation in activities related to leadership, citizenship, and community service; and offer incentives for recognition and achievement to eligible youth.	To provide disadvantaged youth with the skills needed to obtain and hold a job, enter the Armed Forces, or enroll in advanced training or higher education.	To enable disadvantaged youth to obtain the education and employment skills necessary to achieve self-sufficiency; foster leadership skills; provide work and service opportunities; and expand the supply of permanent affordable housing for the homeless.	Among other purposes, to assist adults and youth returning from prison or juvenile justice facilities with pre-release, mentoring, housing, case management, and employment services; to reduce violence within “persistently dangerous” schools through a combination of mentoring, educational, employment, case management, and violence prevention strategies; and to provide alternative education and related services for youth at risk of involvement with the justice system.	To increase the long-term employment of youth who live in enterprise communities, empowerment zones, and high-poverty areas.
Target Population	Youth age 14 through 21 who are low-income and have one or more of the following barriers: (1) deficient in basic literacy skills; (2) a school dropout; (3) homeless, a runaway, or a foster child; (4) pregnant or parenting; (5) an offender; (6) or require additional assistance to complete an educational program or to secure and hold employment. At least 30% of funds are to be used for out-of-school youth.	Youth ages 16 through 24 who are low-income and meet one or more of the following criteria: (1) basic skills deficient; (2) homeless, a runaway, or a foster child; (3) a parent; or (4) an individual who requires additional education, vocational training, or intensive counseling and related assistance in order to participate in regular schoolwork or to secure and maintain employment.	Youth ages 16 through 24 who are members of low-income families, in foster care, offenders, disabled, the children of incarcerated parents, or migrants; and are school dropouts.	Generally, youth ages 14 through 28 who have been involved in the juvenile justice or criminal justice systems; have been involved with or have a high risk of involvement in gangs or the juvenile justice system; or reside in “persistently dangerous” school districts.	Youth ages 14 through 21 who reside in enterprise communities, empowerment zones, and high-poverty areas and who seek assistance.

Key Feature	Youth Activities Formula Program	Job Corps	YouthBuild	Youthful Offenders (Reintegration of Ex-Offenders) ^a	Youth Opportunity Grants (no longer funded)
Funding Mechanism	Funds are allocated by formula to state workforce investment boards (WIBs), based on a formula that accounts for a state's relative share of unemployment and economically disadvantaged youth. In turn, state boards make awards to local WIBs using certain factors. Local WIBs competitively contract with local entities, such as nonprofit organizations and community colleges, to provide services.	DOL enters into an agreement with a federal, state, or local agency; an area vocational education school or residential vocational school; or a private organization to operate Job Corps centers.	Grants are competitively awarded to community-based organizations, community action agencies, state or local youth service or conservation corps, and other organizations that provide the services directly.	Grants are competitively awarded to local governments, state and local government partnerships, schools, and community-based organizations.	Grants were competitively awarded on a one-time basis to 36 low-income communities who established one or more centers where youth could participate in activities and receive services.
Types of Activities for Youth	Each local WIB must provide 10 "elements," which include academic activities, summer employment opportunities, supportive services, follow-up services and other activities.	Youth generally live at the Job Corps centers, which provide youth with a program of education, vocational training, work experience, recreational activities, physical rehabilitation and development, and counseling.	Grantees may carry out a number of activities, including education and employment activities, supervision in rehabilitating or constructing housing and facilities; adult mentoring; provision of wages or other benefits; and follow-up services.	Grantees carry out a variety of youth activities, including employment services, mentoring, case management, education services, restorative justice projects, and efforts in the community to reduce violence.	Grantees carried out a number of activities, including education and workforce investment activities; and leadership development, citizenship, community service, and recreational activities.
Youth Served	108,418 (PY2007) ^b	60,900 (PY2008)	2,401 (PY2007)	6,898 (across all programs in PY2007)	92,263 (cumulative FY2000-FY2005)
Authorized Funding	Such sums as necessary for FY1999-FY2003.	Such sums as necessary for FY1999-FY2003.	Such sums as necessary for FY2007-FY2012.	Such sums as necessary for FY1999-FY2003 (for pilot and demonstration programs, generally).	Such sums as necessary for FY1999-FY2003.

Sources: Congressional Research Service, based on correspondence with the U.S. Department of Labor, Employment and Training Administration; the Workforce Investment Act (P.L. 105-220), as amended; U.S. Department of Labor, Employment and Training Administration, "Workforce Investment Act; Final Rules," 65 *Federal Register*, August 11, 2000; U.S. Department of Labor, *Budget Justifications of Appropriation Estimates for Committee on Appropriations*, FY2010 (for the Reintegration of Ex-Offenders program); U.S. Government Accountability Office, *Youth Opportunity Grants: Lessons Can Be Learned from Program, but Labor Needs to Make Data Available*, GAO-06-53, December 2005; and Decision Information Resources, Inc., *Youth Opportunity Grant Initiative: Impact and Synthesis Report*, December 2007.

- a. The Youthful Offenders component of the Reintegration of Ex-offenders program is authorized under WIA's pilot and demonstration authority. Prior to FY2008, the program was a stand-alone program. It is now part of the Reintegration of Ex-Offenders program, which includes funding for juvenile and adult activities.

- b. This is the number of youth who exited the program. An exiter is a participant who received a service funded by WIA or a partner program, has not received the service for 90 consecutive calendar days, and is not scheduled to receive future services.

Issues

The 111th Congress has begun to take steps toward reauthorizing WIA.² In April 2009, the Senate Health, Education, Labor, and Pensions (HELP) Committee held a series of listening sessions to address the positive aspects of WIA and to increase understanding of the issues that can be addressed as part of any reauthorization legislation. One of the listening sessions focused on the Youth formula grant program. Youth advocates, researchers, and other stakeholders spoke about the ways the committee could consider refining the law to improve the program. The Senate HELP Subcommittee on Employment and Workplace Safety subsequently conducted a hearing in July 2009 to discuss how WIA can be updated to help workers and employers meet the demands of a changing economy.³ In October 2009, the House Education and Labor Committee held a hearing on declining youth employment.⁴

A primary focus of these forums has been the Youth Activities program. The WIA Youth Activities formula grant program is arguably the centerpiece of the federal youth job training and employment system. As specified in the law, the program has several purposes: to provide assistance in achieving academic and employment success through activities that improve educational and skill competencies and foster effective connections to employers; to ensure ongoing adult mentoring opportunities for eligible youth; to provide opportunities for training, continued supportive services, and participation in activities related to leadership, citizenship, and community service; and to offer incentives to youth for recognition and achievement. Employment and training services for youth are overseen by a state workforce investment board and the governor, in coordination with local WIBs and community organizations. The program targets youth ages 14 through 21 who are low-income and have one or more barriers to employment.

Issues surrounding reauthorization of the program are the eligibility and populations of youth served; coordination among the workforce and other systems, including the education system, and entities that ought to coordinate workforce services; and the accountability of the program and performance of youth participants.⁵

² The 108th, 109th, and 110th Congresses considered legislation to reauthorize WIA: H.R. 1261 and S. 1627 (108th), H.R. 27 and S. 1021 (109th), H.R. 3747 (110th). For further information, see CRS Report RL32778, *The Workforce Investment Act of 1998 (WIA): Reauthorization of Job Training Programs in the 109th Congress*, by Blake Alan Naughton and Ann Lordeman; and CRS Report RS21484, *Workforce Investment Act of 1998 (WIA): Reauthorization of Title I Job Training Programs in the 108th Congress*, by Ann Lordeman.

³ U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment and Workplace Safety, *Modernizing the Workforce Investment Act (WIA) of 1998 to Help Workers and Employers Meet the Changing Demands of a Global Market*, 111th Cong., 1st sess., July 16, 2009.

⁴ U.S. Congress, House Committee on Education and Labor, *Ensuring Economic Opportunities for Young Americans*, 111th Cong., 1st session, October 1, 2009.

⁵ For information on summer youth employment issues, see CRS Report R40830, *Vulnerable Youth: Federal Funding for Summer Job Training and Employment*, by Adrienne L. Fernandes.

Youth Served by the Program

Since the start of the Youth program, stakeholders have discussed the extent to which youth have had to prove their eligibility for the program, and separately, how much of an emphasis the program should place on serving out-of-school youth and older youth.

Eligibility

A youth is eligible for the Youth Activities formula grant program if he or she is age 14 through 21,⁶ a low-income individual, and has one or more of the following barriers:

- deficient in basic literacy skills;
- a school dropout;
- homeless, a runaway, or a foster child;
- pregnant or parenting; or
- requires additional assistance to complete an educational program or to secure and hold employment.⁷

An ongoing point of discussion about the WIA Youth program is the extent to which youth should be required to prove their eligibility—particularly, that they are low-income. Although dated, the Government Accountability Office's (GAO) 2002 research on the implementation of the program found that a majority of state and local officials who were interviewed or visited told GAO that documenting a youth's income eligibility was challenging. State and local officials reported that many potentially eligible youth were unable or unwilling to provide pertinent documentation of their eligibility, such as their parents' paycheck stubs or tax returns.⁸ The officials said obtaining necessary documentation diverted financial and staff resources away from direct service delivery. More recently, GAO has examined how states and localities are carrying out their WIA Youth program and nine other federal programs using funding appropriated under the American Recovery and Reinvestment Act (ARRA, P.L. 111-5). According to GAO, state and local workforce officials commented that youth had difficulty providing the documents required to prove WIA program eligibility, and that the income eligibility requirements for the program may exclude some needy youth.⁹

⁶ ARRA effectively authorizes programs funded by Youth Activities via the law to temporarily extend the age of eligibility from 21 to 24.

⁷ These terms are defined in CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes. Up to 5% of youth participants in a local area may be individuals who do not meet the income criteria, but have at least one barrier to employment, some of which are not identical to those listed above: (1) deficient in basic literacy skills; (2) a school dropout; (3) homeless or a runaway; (4) an offender; (5) one or more grade levels below the grade level appropriate to the individual's age; (6) pregnant or parenting; (7) possess one or more disabilities, including learning disabilities; or (8) face serious barriers to employment as identified by the local WIB (20 C.F.R. 664.220).

⁸ U.S. General Accounting Office, *Workforce Investment Act: Youth Provisions Promote New Service Strategies, but Additional Guidance Would Enhance Program Development*, GAO-02-413, April 2002, pp. 20-21, <http://www.gao.gov/new.items/d02413.pdf>. (GAO is now now as the Government Accountability Office.) (Hereafter, Government Accountability Office, *Workforce Investment Act: Youth Provisions Promote New Service Strategies, but Additional Guidance Would Enhance Program Development*, April 2002.)

⁹ U.S. Government Accountability Office, *Recovery Act: States' and Localities' Current and Planned Uses of Funds* (continued...)

Separately, youth may also face challenges in obtaining documentation to prove that they are eligible under other WIA criteria, such as documentation that they are or were involved in foster care or the juvenile justice or criminal justice system, or were runaways or homeless youth.¹⁰ For example, youth may be reticent to furnish their previous criminal records. Youth who have run away or are homeless may not be connected to family, and may have difficulty in providing their records.

Some states have appealed to DOL to waive certain eligibility criteria for youth. Under WIA, DOL is authorized to waive certain statutory or regulatory requirements for states or local areas (Section 189 (i)(4)(A)(i)). However, DOL cannot allow waivers for participant eligibility, among other categories. Therefore, this would not be an option for the states and localities that wish to waive certain eligibility criteria. It appears that DOL has denied requests from at least four states (Indiana, Louisiana, Massachusetts, and Ohio) to waive the youth eligibility requirements related to income. Nonetheless, DOL allows states to have some flexibility in documenting eligibility. For example, in its letter to Louisiana, DOL pointed to the regulations (20 CFR 661.120) that give states and local governments authority to establish their own policies and guidelines relating to verifying and documenting eligibility.¹¹

Still, stakeholders have asserted that WIA does not allow flexibility in documenting income and other eligibility factors. As part of GAO's work in 2002, some states and localities reported that they preferred using certain eligibility criteria under WIA's predecessor, the Job Training Partnership Act (JTPA).¹² In-school youth were eligible if they qualified for the federal free lunch program or they participated in a program authorized under Title I of the Elementary and Secondary Education Act, which is targeted to low-income school districts. Alternatively, youth were eligible if they met the definition of "economically disadvantaged," which was nearly the same as the current definition of "low-income" under WIA. Out-of-school youth were eligible if they met the definition of "economically disadvantaged."

Other stakeholders support adding eligibility based on a youth's residency in a high-poverty census tract.¹³ Youth who lived in Youth Opportunity grant program sites were automatically

(...continued)

While Facing Fiscal Stresses, GAO-09-829, July 2009, p. 61.

¹⁰ Written Statement of Mary Sarris, Executive Director of the North Shore Workforce Investment Board, U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions (HELP), Subcommittee on Employment and Workplace Safety, *Modernizing the Workforce Investment Act (WIA) of 1998 to Help Workers and Employers Meet the Changing Demands of a Global Market*, 111th Cong., 1st sess., July 16, 2009.

¹¹ U.S. Department of Labor, Employment and Training Administration, *LA 2005 Governor's Letter*, July 20, 2005, http://waivers.doleta.gov/lettersState_pdfview.cfm.

¹² Government Accountability Office, *Workforce Investment Act: Youth Provisions Promote New Service Strategies, but Additional Guidance Would Enhance Program Development*, April 2002. The eligibility criteria for in-school and out-of-school youth were under Section 263 of JTPA.

¹³ Jobs For the Future, *WIA Reauthorization Policy Principles and Recommendations First Edition—Youth Activities*, last updated March 29, 2009. (Hereafter, *Jobs for the Future, Reauthorization Policy Principles and Recommendations First Edition—Youth Activities*); Linda Harris, *Recommendations for WIA Reauthorization Legislation: Title I Provisions*, Center for Law and Social Policy (CLASP), July 19, 2007, <http://www.clasp.org/admin/site/publications/files/0217.pdf> (Hereafter, *Linda Harris, Recommendations for WIA Reauthorization Legislation: Title I Provisions*); National Youth Employment Coalition (NYEC), *NYEC Recommendations for Reauthorization of the Workforce Investment Act*, February 13, 2003, http://nyec.org/content/documents/NYEC_WIA_Position_Statement_Final.pdf (Hereafter, *NYEC, NYEC Recommendations for Reauthorization of the Workforce Investment Act*); and Sandra Kerka, *WIA Reauthorization and Youth Programs*, Ohio Learning Work Connection, 2004, <http://cle.osu.edu/lwc-publications/youth-information-briefs/downloads/WIA-Reauthorization.pdf>.

eligible based solely on their residency in low-income communities. Some stakeholders have also suggested that certain groups of at-risk youth—such as dropouts, youth in foster care, homeless and runaway youth, and youth who are not working or in school—should be categorically eligible without regard to income.

It is unclear the extent to which changing the eligibility requirement to make it based on a means tested program (such as the free lunch program), residency of youth, or certain risk factors would change the number of youth who would be eligible.

In-School and Out-of-School Youth

Stakeholders have raised another issue about the youth population in the Youth Activities program; specifically, whether the program should focus more on out-of-school youth, including those who are not working. WIA requires that at least 30% of all Youth Activities funds must be used for activities for out-of-school youth, *or* youth who have dropped out or received a high school diploma or its equivalent but are basic skills deficient, unemployed, or underemployed. Yet, GAO found, as part of its 2002 and 2004 reports, that while local youth programs may meet this goal, they still reported challenges in recruiting and retaining out-of-school youth.¹⁴ GAO cited a DOL estimate that serving an out-of-school youth under the program is about twice as costly as serving an in-school youth. In addition, local officials reported that they had more difficulty maintaining contact with out-of-school youth. These youth also faced particular difficulties with transportation.

Some stakeholders have suggested that a greater share of WIA Youth funding should be devoted to dropouts, and other youth in high-risk categories, even those youth who are in school.¹⁵ For example, one policy organization that focuses on workforce development issues has asserted that youth who are not in school, and in-school youth who are overage or under-credited, should be the first priorities for use of WIA funds.¹⁶ Past legislation in Congress would have required local WIBs to serve primarily out-of-school youth; the accompanying conference reports to some of these bills cite that several federal programs already serve in-school youth.¹⁷ Others have argued for maintaining the current share of funding for out-of-school youth but increasing technical assistance to states and localities to meet the needs of these youth.¹⁸ Some observers have asserted that localities need flexibility in determining the optimal share of funding.¹⁹

¹⁴ See for example, U.S. General Accounting Office, *Workforce Investment Act: Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services*, GAO-04-308, February 2004, pp. 17-19. (GAO is now known as the Government Accountability Office.) (Hereafter, Government Accountability Office, *Workforce Investment Act: Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services*, February 2004.)

¹⁵ Jobs For the Future, *WIA Reauthorization Policy Principles and Recommendations First Edition—Youth Activities*, Linda Harris Recommendations for WIA Reauthorization Legislation: Title I Provisions.

¹⁶ Jobs for the Future, *Reauthorization Policy Principles and Recommendations First Edition—Youth Activities*.

¹⁷ For example, see U.S. Congress, House Committee on Education and the Workforce, H.Rept. 109-9, *Report to Accompany the Job Training Improvement Act of 2005*, 109th Cong., 1st sess., February 25, 2005.

¹⁸ NYEC, *NYEC Recommendations for Reauthorization of the Workforce Investment Act*.

¹⁹ Written Statement of Mary Sarris, Executive Director of the North Shore Workforce Investment Board, U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment and Workplace Safety, *Modernizing the Workforce Investment Act (WIA) of 1998 to Help Workers and Employers Meet the Changing Demands of a Global Market*, 111th Cong., 1st sess., July 16, 2009.

DOL has provided some guidance to states and localities about serving out-of-school youth and in-school youth who are at risk of dropping out. In direct response to the concerns raised in the 2004 GAO report about recruiting and retaining out-of-school youth, DOL issued what is known as a Training and Guidance Letter (TEGL) recommending that WIBs provide strong alternative education programs for out-of-school youth, including dropouts and youth at risk of dropping out.²⁰ Separately, DOL is funding the Multiple Education Pathways Blueprint Grants under WIA's pilot and demonstration authority. In FY2007, DOL provided \$3.4 million to seven midsize cities to "blueprint" and implement a system that can reconnect youth who have dropped out to multiple education pathways. These projects may provide insight into the ways that WIA, as a whole, can address the needs of out-of-school youth.

Finally, a 2004 contracted report from DOL addressed the implementation of WIA programs and identified the ways that local areas were successful in serving out-of-school youth.²¹ For example, some states provided technical assistance to local areas through a training and technical assistance network. Minnesota prepared a list of resources for out-of-school youth, which included relevant articles and guides and a brief description of strategies used by Job Corps centers to attract these youth. Further, some local areas reported contracting with service providers who had experience working with out-of-school youth, and their services focused on a GED or high school diploma program and vocational training.

Older Youth

Currently, youth are eligible for WIA if they are ages 14 through 21 and meet other criteria. The temporary changes made to the program by the American Recovery and Reinvestment Act enable youth through age 24 to access WIA Youth services for the first time. Extending the program to this older age appears to reflect the growing amount of research literature that suggests that many young people are taking much longer to transition to adulthood. Multiple factors—including the delayed age of the first marriage, the high cost of living independently, and additional educational opportunities—have extended the period of transition from adolescence to adulthood.²² For vulnerable youth populations, the transition to adulthood is further complicated by a number of challenges, including family conflict or abandonment and obstacles to securing employment that provides adequate wages and health insurance. The research literature has shown that older youth are more likely to be disconnected—that is, not working or in school—than their younger counterparts.²³ Whether WIA ought to target these older youth, particularly those who are disconnected, could be addressed in any reauthorization legislation.

On the other hand, increasing the age of youth in the program could strain the program's resources if funding remains stable (at least in nominal dollars), as it has over the past several

²⁰ U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter No. 3-04 ("The Employment and Training Administration's (ETA's) new strategic vision to serve out-of-school and at-risk youth under the Workforce Investment Act (WIA)"), July 16, 2004; and U.S. Department of Labor, Employment and Training Administration, *Youth Services Section, WIA Planning Guidance Training*, no date.

²¹ Social Policy Research Associates, *The Workforce Investment Act After Five Years: Results from the National Evaluation of the Implementation of WIA*, June 2004.

²² For additional information about the transition to adulthood, see CRS Report RL33975, *Vulnerable Youth: Background and Policies*, by Adrienne L. Fernandes.

²³ CRS Report R40535, *Disconnected Youth: A Look at 16- to 24-Year Olds Who Are Not Working or In School*, by Adrienne L. Fernandes and Thomas Gabe, pp. 17-20.

years.²⁴ According to a recent report by GAO on oversight of Recovery Act activities, 7% of the approximately 300,000 youth participating in the Youth program as funded by ARRA are ages 22 through 24.²⁵ This translates to about 21,000 youth. In other words, the usual Youth program might see an influx in the number of youth who would like services if the age is expanded.

As allowed under WIA, DOL has advised workforce investment systems that they may co-enroll older youth in both the Youth program and Adult program (also authorized under Title I) to meet their individual needs. For example, older youth can receive mentoring services under the Youth program and can be eligible under the Adult program for what is known as an individual training account (ITA), from which they can fund occupational skills training.²⁶ DOL has also offered webinars on the topic, including one that addresses how to transition older youth into workforce activities, including the Adult program, after they have participated in the Youth program during the summer.²⁷

It is unclear the extent to which youth ages 18 through 21 self-select or are encouraged to participate in the Youth program, Adult program, or both. Exiters ages 18 through 21 in the Youth program have increased from about 30% to 45% of all youth exiters.²⁸ This is compared to youth ages 18 through 21 in the Adult program, who have made up 10% of the program's exiter population during the same time period (although in terms of numbers, there are generally more older youth in the Adult program than in the Youth program, as based on exiter data). Major distinctions between the programs appear to be that the Youth program includes more opportunities for academic services, such as tutoring and alternative secondary school services, although the Adult program provides individuals with information about available dropout services during the core phase, which involves job search assistance.²⁹ The Adult program also provides programs that combine workplace training with related instruction, including "cooperative education programs" (not defined), during the training phase. The Youth program also focuses on developing the leadership skills of youth in the program and engaging them in community service activities. The Adult program does not have this same emphasis.

While both programs provide opportunities for occupational skills training and links to employment, these activities tend to be available only to those Adult program participants who are in the training component of the program. Training activities include on-the-job training, programs that combine workplace training with related instruction, training programs operated by

²⁴ For further information about funding, see CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes.

²⁵ U.S. Government Accountability Office, *Recovery Act: Funds Continue to Provide Fiscal Relief to States and Localities, While Accountability and Reporting Challenges Need to Be Fully Addressed*, GAO-09-1016, September 2009, <http://www.gao.gov/new.items/d091016.pdf>, pp. 62-79

²⁶ U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 3-99, ("Program Guidance for Implementation of Comprehensive Youth Services Under the Workforce Investment Act During the Summer of 2000"), January 31, 2000.

²⁷ U.S. Department of Labor, Employment and Training Administration, "Strategies to Transition Older Youth Into Workforce Activities After Summer 2009 (ARRA)," August 26, 2009, webinar on <http://www.Workforce3One.org>.

²⁸ U.S. Department of Labor, PY2007 *Workforce Investment Act Standardized Record Data (WIASRD) Data Book*, Table IV-1, http://www.doleta.gov/performance/results/pdf/PY2007_WIASRD_Data_Book.pdf.

²⁹ To receive "intensive" services (e.g., individual career planning and job training), an individual must have received core services and need intensive services to become employed or to obtain or retain employment that allows for self-sufficiency. To receive training services (e.g. occupational skills training), an individual must have received intensive services and need training services to become employed or to obtain or retain employment that allows for self-sufficiency.

the private sector, skill upgrading, and entrepreneurial training. And while the Youth program provides supportive services, such as child care and transportation, the Adult program provides referrals to these services. Finally, the Youth program focuses on adult mentoring and job and other counseling, including drug and alcohol abuse counseling. This is compared with the Adult program's primary focus on job counseling, which tends to occur during the intensive phase.

Coordination with Other Systems

An issue raised at the Senate HELP Committee's listening session on WIA youth and elsewhere has been the perceived lack of coordination between the workforce system and other systems that serve youth, such as the education system.³⁰ Stakeholders have suggested that greater coordination can help meet the multiple needs of youth, as intended by WIA, and that existing WIA infrastructure (youth councils and one-stop centers) can facilitate coordination.

The 2004 GAO report documented some of the ways in which the workforce and education systems have collaborated, and where improvements are needed. Among other items, the report examined the entities that local WIBs contract with to provide services to youth. The report found that about half of all youth received Youth services through community-based organizations, secondary schools, and colleges or universities.³¹ (A smaller share of youth received services through one-stop centers for adults or youth and other entities, such as local or state governments and private employers.) Nonetheless, GAO found that education entities in some locations were cautious about partnering.³² According to GAO, some educators believed WIA's vision for providing comprehensive youth development services to at-risk youth was inconsistent with the mission of schools to provide academic services to all youth. For example, in Wisconsin, some schools were hesitant to allow WIA youth services to be provided on school grounds because of the perceived stigma associated with WIA being targeted to at-risk youth and not all youth generally.

Some stakeholders at the Senate HELP listening session presented options for promoting collaboration between workforce and education entities, and other systems. These stakeholders suggested that WIA Youth funds could be used to bring in partners from the school systems, employer and industry groups, the criminal justice system, and the mental health system.³³ Specifically, they would be responsible for developing a local "youth plan" that sets goals and benchmarks, coordinating activities, and allocating funds for different populations of disadvantaged youth. Localities would be encouraged to consolidate multiple funding streams where possible.

³⁰ For further information about collaboration among federal workforce and education programs, see CRS Congressional Distribution memorandum, *Intersection of the Youth Workforce System and the Education System*, by Adrienne L. Fernandes and Rebecca R. Skinner, coordinators. Available upon request.

³¹ The report found that in-school youth were most likely to receive services through—in this order—community organizations, secondary schools, colleges or universities, youth one-stop centers, adult one-stop centers, and other providers, such as local or state governments. Out-of-school youth were most likely to receive services through—in this order—community organizations, colleges or universities, secondary schools, adult one-stop centers, youth adult one-stop centers, and other providers, such as local or state governments. U.S. Government Accountability Office, *Workforce Investment Act: Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services*, February 2004, pp. 17-19.

³² *Ibid.*, p. 23.

³³ Peter Edelman, Mark Greenberg, and Harry Holzer, Georgetown Center on Poverty, Inequality and Public Policy, *Youth Policy Proposals, Working Draft*, April 2009.

Separately, at the July 2009 hearing conducted by the Senate HELP Subcommittee on Employment and Workplace Safety, Assistant Secretary of Labor Jane Oates and Under Secretary of Education Martha Kanter testified that the Department of Labor and Department of Education are committed to working together to better ensure that youth—whether in-school or out-of-school—receive the services and supports they need.³⁴ A past example of collaboration between DOL and ED on education and workforce activities is the School-to-Work program, which authorized a variety of competitive and non-competitive grants. A joint STW office was administered by both agencies. The grants supported the development of programs that combined work-based learning in schools, school-based learning in the workplace, and job training. Congress could look to lessons from the STW program to learn more about the successes and challenges associated with partnerships between the school and work systems.³⁵

Role of Youth Councils

Related to the issue of greater coordination among various systems are questions about the body that would be charged with facilitating this coordination. Currently, each local WIB has a youth council, which is responsible for developing parts of the local workforce plan related to eligible youth and coordinating services on behalf of eligible youth, in consultation with the local board.³⁶ Members of the youth council include members of the local board with special interests or expertise in youth policy; representatives of youth service, juvenile justice, and local law enforcement agencies; representatives of local public housing authorities; and parents of eligible youth seeking assistance through WIA's formula grant programs for adults and dislocated workers.

The National Youth Employment Coalition (NYEC), a nonpartisan national organization that represents the interests of youth employment and youth development organizations, has documented that some youth councils have experienced difficulty developing beyond being advisory bodies to their WIBs.³⁷ Also in its 2002 report, GAO identified challenges with establishing youth councils.³⁸ The report found that some councils could not get youth or parents to participate due to a lack of transportation or conflicting work and school schedules. For these reasons, reauthorization legislation from previous Congresses would have made youth councils optional.³⁹

³⁴ U.S. Congress, Senate Committee on Health, Education, Labor, and Pensions, Subcommittee on Employment and Workplace Safety, *Modernizing the Workforce Investment Act (WIA) of 1998 to Help Workers and Employers Meet the Changing Demands of a Global Market*, hearing on WIA reauthorization, 111th Cong., 1st sess., July 16, 2009.

³⁵ For additional information, see Mathematica Policy Research for the U.S. Department of Education, *Schooling in the Workplace: Increasing the Scale and Quality of Work-Based Learning, Final Report*, January 2001, http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/29/cb/3a.pdf.

³⁶ For further information about youth councils and the local workforce plan, see CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by Adrienne L. Fernandes.

³⁷ NYEC, *NYEC Recommendations for Reauthorization of the Workforce Investment Act*.

³⁸ Government Accountability Office, *Workforce Investment Act: Youth Provisions Promote New Service Strategies, but Additional Guidance Would Enhance Program Development*, April 2002, pp. 14-15.

³⁹ See, for example, U.S. Congress, House Committee on Education and the Workforce, H.Rept. 109-9, *Report to Accompany the Job Training Improvement Act of 2005*, 109th Cong., 1st sess., February 25, 2005. According to GAO's survey of local WIBs for its 2004 report, almost two-thirds of local WIBs reported that they would keep their youth council even if it became optional. Of those who reported that they would not keep their council, 73% would use a youth committee of the local WIB to perform the functions of a youth council. See Government Accountability Office, *Workforce Investment Act: Labor Actions Can Help States Improve Quality of Performance Outcome Data and* (continued...)

NYEC and others have recommended that changes to WIA ought to facilitate stronger linkages between the workforce system, education system, and business community by promoting the inclusion of education and business representatives on the council, among other related changes. Similarly, stakeholders have suggested a stronger role for the youth councils that would enable them to have greater flexibility in configuring their partners and priorities.⁴⁰ Stakeholders have also recommended that the councils be required to develop a comprehensive youth plan that coordinates activities and consolidates multiple funding streams for youth.⁴¹

Regardless of whether Congress decides to make youth councils optional, it may wish to look to best practices for developing youth councils that provide strong leadership. A 2002 report prepared for DOL identified “enabling conditions” that have allowed innovative youth councils to develop a more comprehensive system for carrying out youth activities under the Youth program.⁴² Some of these conditions include the presence of an established intermediary organization that has built a strong reputation with critical stakeholders and has an infrastructure to facilitate youth, provider, and business engagement; a strong school-to-career partnership that creates connections between K-12 institutions, businesses, and institutions of higher education; and a pre-existing, community-wide planning process that has mapped key players and initiatives in a community, identified key indicators around which stakeholders might coalesce, and then determined how WIA dollars can leverage other funds to address relevant issues.

Role of One-Stop Centers

Congress may also wish to consider the role of one-stop centers in facilitating greater coordination, if this should, in fact, become a goal of WIA. One-stop centers are intended to facilitate connections to job training, employment, and other services for all youth in a community, even those who are ineligible for the WIA Youth program. Nearly 20 federal programs must provide services through the one-stop system, either by co-location, electronic linkages, or referrals. Generally, one-stops provide services to youth, as discussed in the 2002 GAO report. These centers reported using a variety of methods to attract youth to the centers, such as actively recruiting youth (75% of local WIB directors polled by GAO), placing youth program staff at the one-stop (64%), training one-stop staff in youth programs (45%), and making the facility more attractive to youth (35%).⁴³ Yet GAO found that some local areas face challenges attracting youth to one-stop centers. In some areas, youth did not typically come into the centers on their own, unless they were referred or brought to them by schools or other service providers. As part of the April 2009 Senate HELP listening session on the WIA Youth program,

(...continued)

Delivery of Youth Services, February 2004, p. 20.

⁴⁰ Linda Harris, Recommendations for WIA Reauthorization Legislation: Title I Provisions.

⁴¹ Ibid and statement of Harry Holzer, Georgetown Center on Poverty, Inequality and Public Policy at the April 15, 2009, WIA Listening Session on Youth, conducted by the Senate Committee on Health, Education, Labor, and Pensions (HELP).

⁴² Jobs for the Future and John J. Heldrich Center for Workforce Development, *Evaluation of the Transition to Comprehensive Youth Services Under the Workforce Investment Act*, for the U.S. Department of Labor, Employment and Training Administration, 2002, http://www.heldrich.rutgers.edu/uploadedFiles/Publications/Youth_Council_Evaluation.pdf; and Richard Kazis, *Youth Councils and Comprehensive Youth Planning: A Report from Eight Communities*, Jobs for the Future, Issue Brief, May 2001, http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/19/1d/6e.pdf.

⁴³ U.S. Government Accountability Office, *Workforce Investment Act: Youth Provisions Promote New Service Strategies, but Additional Guidance Would Enhance Program Development*, April 2002.

one stakeholder explained that one-stops should cater more to youth and do a better job of training service professionals on youth matters.⁴⁴

DOL has encouraged one-stop centers to target youth by providing funding to support planning projects for local WIBs and youths to enhance youth connections to the one-stop delivery system, and providing guidance on this topic.⁴⁵ Through written guidance, DOL has explained that local areas can enhance youth access through methods such as co-locating youth program staff at the one-stop center or designating staff to coordinate outreach and services for youth, including cross-training youth program and one-stop staff; and customizing one-stop centers for youth to make the facilities more “youth-friendly,” for example, by establishing separate satellite centers for youth at places where youth tend to frequent.

Youth Opportunity Grants

One youth program authorized under WIA, the Youth Opportunity Grant program, focused on coordinating services among multiple providers in a community to meet the needs of youth in those communities. The ways in which they partnered were documented in a 2005 GAO study.⁴⁶

Accountability

Congress and other stakeholders have continued to inquire about the effectiveness of the Youth formula grant in meeting its objectives and serving the most at-risk youth.

Impact Evaluation

Section 172 of WIA requires DOL to continuously evaluate programs and activities authorized under Title I of WIA. The evaluations are to address several aspects of these programs and activities, including their effectiveness relative to their cost. The law also required that DOL conduct at least one multi-site control group evaluation by the end of FY2005.

To date, an impact evaluation of the Youth program has not been completed; however, DOL awarded a contract in 2008 to Mathematica to conduct an evaluation of the WIA Youth, Adult, and Dislocated Worker programs. According to DOL, the complete evaluation will be conducted over seven years, and an initial set of evaluation data on the Youth program will be available in 2012.⁴⁷

⁴⁴ Statement of Mala Thakur, National Youth Employment Coalition (NYEC), at the April 15, 2009, WIA Listening Session on Youth, conducted by the Senate Committee on Health, Education, Labor, and Pensions (HELP).

⁴⁵ U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 16-00, (“Availability of Funds to Support Planning Projects that Enhance Youth Connections and Access to the One-Stop System”), March 19, 2001.

⁴⁶ U.S. Government Accountability Office, *Youth Opportunity Grants: Lessons Can Be Learned from Program, but Labor Needs to Make Data Available*, GAO-06-53, December 2005.

⁴⁷ This is based on Congressional Research Service correspondence with the U.S. Department of Labor, Employment and Training Administration, September 2009.

Performance Measures

Section 136 of WIA sets forth performance measures as part of the accountability system to determine whether states and localities are “achieving continuous improvement of workforce investment activities” funded under the Youth, Adult, and Dislocated Worker programs. Of the 17 measures, or “core indicators,” three are for youth ages 14 through 18 and four are for youth ages 19 through 21. Both sets of measures address educational attainment and employment, except that the measures for older youth focus more on employment. For each of the core indicators, the states negotiate with DOL to establish a level of performance. That is, the measures are identified in WIA Section 136, but the levels are determined by negotiation between states and DOL.⁴⁸ Measures are reported as part of the Workforce Investment Act Standardized Record Data (WIASRD), which also collects demographic and other information about youth, adults, and dislocated workers who exit their respective programs.

ETA implemented a “Common Measures” policy for several workforce programs and revised the reporting requirements for WIA Title I programs.⁴⁹ Specifically, ETA introduced three youth measures that address education and employment gains, and are applicable to younger and older youth. It is important to note, however, that ETA specifically indicated that the Common Measures were not to supersede the existing statutory performance reporting requirements for WIA. Despite this, DOL has granted waivers to more than half of all states to permit implementation of and reporting on only the Common Measures rather than on the current fuller array of measures in WIA for youth, adults, and dislocated workers.⁵⁰

The seven statutory WIA performance measures and three Common Measures for youth are used to evaluate youth outcomes after participants leave the Youth program. Each state is required to establish a “state adjusted level of performance” for each measure.⁵¹ WIA itself is not detailed about the process of negotiation, however, DOL guidance indicates that states should negotiate performance level goals that keep in mind factors such as economic conditions, customers served, and workforce solutions that contribute to the regional economic competitiveness of their state and sub-state areas.⁵² While ETA encourages states to serve “at-risk” populations—including the

⁴⁸ In their state plans, states must identify the expected (adjusted) level of performance for each of the core indicators for the first three program years of the plan, which covers five program years. In order to “ensure an optimal return on the investment of Federal funds in workforce investment activities,” the Secretary and the governor of each state shall “reach agreement on the levels of performance” for all youth and other indicators identified in Section 136(b)(2)(A). This agreed-upon level then becomes the “state adjusted level of performance” that is incorporated into the plan. Section 136(b)(3)(A)(i) of WIA specifies that the state adjusted levels of performance must (1) be expressed in an “objective, quantifiable, and measurable form”; and (2) show the state’s progress toward “continuously improving” performance.

⁴⁹ U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 18-04 (“Announcing the Soon-to-be Proposed Revisions to Existing Performance Reporting Requirements ...”), February 28, 2005.

⁵⁰ See U.S. Department of Labor, Employment and Training Administration, “Workforce Investment Act (WIA) Waiver Summary Report: WIA Inception—December 16, 2008,” http://www.doleta.gov/waivers/pdf/WIA_Waivers_Summary.pdf.

⁵¹ Local areas must report to the state on these same core indicators. The local WIB must negotiate with the governor and reach agreement on the local levels of performance for each indicator.

⁵² See, for example, U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 9-08, (“Negotiated Performance Goals of the Workforce Investment Act Title IB Programs and Wagner-Peyser Act Funded Activities for Program Year 2009”), June 29, 2009.

neediest youth⁵³—and to account for the effect that at-risk populations might have on performance outcomes, states ultimately have the discretion to choose the populations (among eligible youth overall) it will serve and the adjustments that will be made on the basis of the populations served.

Stakeholders have asserted that performance measures do not adequately capture the gains made by the most at-risk youth, and may in fact lead programs to serve only the highest-functioning eligible youth to ensure that the programs meet their performance targets. As part of a 2008 report on disconnected youth, GAO documented that some local programs funded with Youth Activities dollars only accepted young people who tested at a specific grade level so that youth can more readily meet the goals of the program.⁵⁴ GAO further reported that DOL officials are aware that WIBs have implemented program contracts in a way that may unintentionally discourage programs from working with lower-skilled youth. For example, some contracts are issued for 12 months, which may be an inadequate timeframe to assist youth in meeting the outcomes. DOL told GAO that it has taken steps to conduct some training for WIBs to explain the importance of a longer-term investment in youth so that they can reach the outcomes expected by the program. GAO pointed out that DOL has not provided technical assistance more broadly on this issue. More recently, DOL reported that it will issue guidance on serving youth at varying skill levels, and plans to issue this guidance, along with other possible assistance to local WIBs.⁵⁵

Stakeholders have proposed ways in which DOL and local boards can encourage programs to serve the most at-risk youth. GAO has suggested that the Common Measures may give local programs more flexibility to work with youth at different levels. The literacy or numeracy gains, one of the Common Measures, captures the share of youth who “increase one or more educational functional levels,” and not necessarily the share of youth who reach a certain level of proficiency.⁵⁶ Nonetheless, GAO cautions that it may be too early to determine whether these new measures have resulted in reduced incentives for programs to select higher-performing youth.

Others have suggested that even the Common Measures do not necessarily encourage WIBs to serve higher-risk groups. Some have recommended that the performance levels be adjusted downward for states and local areas choosing to serve more challenging youth populations.⁵⁷ WIA’s predecessor, JTPA, can provide insight into how adjustments may be made to account for local areas that serve the neediest youth, if this is in fact, a goal of WIA reauthorization. JTPA allowed for adjustments to national performance standards that were established by DOL for youth and other populations.⁵⁸ Governors adjusted the standards for service delivery areas (SDAs)

⁵³ DOL advises that states should be aware of ETA’s strategic vision of serving the neediest youth, including out-of-school youth, youth in foster care, youth in the juvenile justice system, children of incarcerated parents, migrant youth, youth with disabilities, and Native American youth. See TEGL 9-08 and TEGL 3-04.

⁵⁴ U.S. Government Accountability Office, *Disconnected Youth: Federal Action Could Address Some of the Challenges Faced by Local Programs That Reconnect Youth to Education and Employment*, GAO-08-313, February 2008, pp. pp. 31-33.

⁵⁵ This is based on Congressional Research Service correspondence with the U.S. Department of Labor, Employment and Training Administration, September 2009.

⁵⁶ See U.S. Department of Labor, Employment and Training Administration, “Workforce Investment Act (WIA) Waiver Summary Report: WIA Inception—December 16, 2008,” http://www.doleta.gov/waivers/pdf/WIA_Waivers_Summary.pdf.

⁵⁷ Center for Law and Social Policy and National Youth Employment Coalition, *Recommendations to USDOL on Guidance to States on Implementing Youth Activities in the Recovery Act*, February 25, 2009.

⁵⁸ The performance measures used for youth fluctuated over time, but generally youth were subject to three to seven measures each program year.

based on economic and demographic factors. (Each state was divided by the governor into geographic areas referred to as SDAs for purposes of carrying out activities under JTPA.) The process of adjusting national performance standards to state and local areas was premised on the logic of “leveling the playing field” across areas with different local conditions and took one of two forms under JTPA—use of DOL adjustment models or use of an alternative approach approved by DOL.⁵⁹

DOL provided adjustment models to states for the core performance measures for youth and other populations. The adjustment models were based on multiple regression analysis, which is a statistical technique for determining the relationship between outcomes (dependent variables) and explanatory factors (independent variables). In the context of JTPA (or any other program affected by locally varying populations and economic conditions), multiple regression allows analysts to estimate variations in an expected outcome (performance measure) across local areas (SDAs, in the case of JTPA) based on variations in characteristics of participants and local economic conditions. Each factor was assigned a weight (regression coefficient) that is used to adjust the differences among SDAs in explanatory factors. For example, multiple regression allows one to determine that, on average, a 10 percentage point increase in non-high school graduates participating in a JTPA program would lower the youth employment rate by 1.45 percentage points, all other characteristics being equal.⁶⁰ The adjustment models were thus used to determine the expected performance standard in any given SDA based on the mix of participants and economic conditions at the local level, with the goal of not penalizing those SDAs with harder-to-serve populations or more difficult economic conditions.

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⁵⁹ As noted in a DOL guide on JTPA, “performance standards are adjusted to ‘level the playing field’ by making the standards neutral with respect to who is served and to local economic conditions. For example, an SDA serving a hard-to-serve population would be given a lower standard than an SDA serving a less hard-to-serve population. Although set at different levels, meeting those two standards would require the same level of SDA effort.” See Social Policy Research Associates, *Guide to JTPA Performance Standards for Program Years 1998 and 1999*, February 8, 1999, pp. III-1. Despite the fact that JTPA allowed states to develop their own adjustment models, states had to follow strict criteria from DOL. In addition, developing an adjustment model requires a degree of expertise in statistical analysis. For these reasons, there is some question of whether or not states were actually discouraged from developing their own models. See Carolyn J. Heinrich and Burt S. Barnow, *One Standard Fits All? The Pros and Cons of Performance Standard Adjustments*, La Follette School of Public Affairs, Working Paper 2008-023, Madison, WI, November 18, 2008.

⁶⁰ This example is from the PY1998 and PY1999 national model. Social Policy Research Associates, *Guide to JTPA Performance Standards for Program Years 1998 and 1999*, February 8, 1999, Appendix A.