



# Vulnerable Youth: Federal Policies on Summer Job Training and Employment

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## Summary

For decades, the federal government has played a role in helping vulnerable young people secure employment and achieve academic success through job training and employment programs, including summer youth employment opportunities. The enactment of the Workforce Investment Act (WIA, P.L. 105-220) in 1998 marked the first time since 1964 that states and localities did not receive funding specifically designated for summer employment programs for vulnerable youth. Although WIA does not authorize a stand-alone summer program, the law requires that local areas funded under its Youth Activities (Youth) program provide summer employment opportunities as one of 10 elements available to eligible low-income youth with barriers to employment. Together, these elements are intended to provide a comprehensive year-round job training and employment program for youth. Approximately one-quarter of youth in the program participate in summer employment activities, which are required to be directly linked to academic and occupational learning. Funding authorization for WIA expired in FY2003, but Congress has continued to appropriate funds for WIA, including the Youth program.

The December 2007 to June 2009 economic recession increased focus on the role of the summer employment element, particularly given recent evidence that summer youth employment is at record lows. On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (P.L. 111-5, ARRA, or Recovery Act). One of the stated purposes of ARRA was to preserve existing jobs and create new jobs. To this end, the law appropriated \$1.2 billion for grants for the WIA Youth program. In the accompanying conference report, Congress specified that funds should be used for both summer youth employment and year-round employment opportunities, particularly for youth up to age 24. ARRA additionally established a role for the Inspectors General of various federal agencies and the U.S. Government Accountability Office (GAO) in overseeing use of ARRA funding.

Under ARRA, a total of 374,489 youth participated in summer employment opportunities, and approximately 40% of ARRA dollars for the Youth Activities program was used for employment during the summer months. In its guidance on funding provided for the Youth Activities program, the Department of Labor (DOL) emphasized that local areas had flexibility in carrying out certain aspects of the summer employment component as funded under ARRA. For example, local areas could determine whether follow-up was required for youth served with ARRA funds during the summer months only. This is compared to WIA's normal requirement that all youth receive follow-up services. As part of its ARRA oversight efforts, GAO conducted reviews on the use of funds for select federal programs by selected states, including the WIA Youth program. According to GAO, localities in these states used Youth Activities funds to expand summer employment opportunities for youth, both in the public sector and private sector, and in nonprofit organizations.

This report provides an overview of efforts under ARRA to secure job training and employment for youth during the summer months, and addresses issues related to these efforts. For example, some of DOL guidance on ARRA is distinct from previous guidance provided under WIA, in that it is tailored to the requirements of the Recovery Act. Further, with increased focus on the summer jobs component, policymakers may consider, as part of any efforts to reauthorize WIA, whether the law should place greater emphasis on summer employment. Past evaluations of federally funded programs have shown mixed results in the achievement of goals, although these programs are not necessarily comparable to the summer youth opportunities currently offered by states and localities.

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## Introduction

The federal government has long played a role in helping vulnerable young people secure employment and achieve academic success through job training and employment programs, including summer youth employment opportunities. These programs have sought to increase youth employment, educational attainment, and other positive outcomes. In some years, hundreds of thousands of youth have participated in the programs.

The enactment of the Workforce Investment Act (WIA, P.L. 105-220) in 1998 marked the first time since 1964 that states and localities did not receive funding explicitly for summer employment programs for vulnerable youth. However, the law requires that local areas funded under its Youth Activities (Youth) program provide summer employment opportunities as one of 10 elements available to low-income youth with barriers to employment. The economic downturn that began in December 2007 increased focus on the summer employment component, especially given recent evidence that employment for youth during the summer is at record lows. In February 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (P.L. 111-5, ARRA, Recovery Act). One of the stated purposes of ARRA was to preserve existing jobs and create new jobs. To this end, the law appropriated \$1.2 billion for the Youth program. The law emphasized that funds should be spent on summer youth employment opportunities, as well as year-round employment activities for older youth.

This report provides an overview of efforts to employ youth during the summer months, particularly under the Recovery Act, and the issues surrounding these efforts. **Appendix A** provides descriptions of terms applicable to the WIA Youth program and **Appendix B** discusses evaluations of past stand-alone summer youth programs that were federally funded.

## Background

### History

Since 1964, the federal government has funded job training and employment programs for youth, including programs specifically targeted at youth during the summer months.<sup>1</sup> The purpose of these summer programs was often both to employ youth and to assist them in maintaining the academic gains they made during the previous school year. Generally, these young people were eligible to participate if they were economically disadvantaged and had a barrier to securing employment or completing their education. Four laws that preceded WIA provided funding specifically for summer youth employment programs (see **Appendix B** for a summary of research on these programs). The enactment of WIA in 1998 marked the first time in decades that states and localities did not receive funding for stand-alone summer employment programs for vulnerable youth. However, all local areas must provide summer employment opportunities as part of their WIA Youth programs.

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<sup>1</sup> For further information, see CRS Report R40929, *Vulnerable Youth: Employment and Job Training Programs*, by (name redacted).

## Summer Youth Employment Declining

The economic recession of December 2007 through June 2009 heightened attention about the role of the federal and state governments in supporting workers who have been laid off or are at risk of being laid off. Youth are particularly vulnerable to problems with securing and retaining jobs during downturns in the economy.<sup>2</sup> Labor market participation by youth, as well as adults, is the most readily available and reliable indicator of interest in working.<sup>3</sup> Generally, increasing labor force participation indicates greater interest in working, while decreasing labor force participation indicates declining or non-interest in working. Changes in labor force participation rates, however, are not perfect indicators of individual or collective interest in working. For example, labor force participation may decline because individuals become discouraged about job prospects and give up looking for work.

During the summer, when teens are most likely to have jobs, the rate of employment has decreased steeply in recent years. In July 2000, just under half (44.1%) of all teens were employed, compared to 26.8% in July 2012.<sup>4</sup> The July 2012 employment rate is the third lowest it has been during the post-World War II period. According to the research literature, the declining rate of teen employment overall appears to be attributable to rising levels of joblessness and not to a declining interest in employment among teens.<sup>5</sup> Possible consequences of reduced work among teens are reduced employment, earnings, and labor productivity in the future, and less output in the economy.

Similarly, the employment rates of young adults ages 20 through 24 have declined steadily. Among males ages 20 through 24, the average employment rate was 61.2% in July 2012, which represents about a 17% decrease from July 2000 when the employment rate was 71.7%.<sup>6</sup>

## WIA Youth Activities Program

The Youth Activities program is authorized by WIA<sup>7</sup> and is the primary source of federal funding for youth employment and job training activities, including summer employment opportunities,

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<sup>2</sup> Theresa L. Morisi, "The Early 2000s: A Period of Declining Teen Summer Employment Rates," vol. 133, no. 5 (May 2010).

<sup>3</sup> The U.S. Department of Labor's Bureau of Labor Statistics, which maintains official records of employment and unemployment, counts employed and unemployed youth (beginning at age 16) and adults (no upper age limit) as part of the labor force. BLS considers individuals to be employed if they work at all for pay or profit during a week that they are surveyed. This includes all part-time and temporary work, as well as regular full-time, year-round employment. Individuals are still counted as employed if they have a job at which they did not work during the survey week, even if they were not paid, because they were on vacation, experiencing child care problems, on maternity or paternity leave, or some other reason. The employment rate, or the employment-to-population ratio (E/P ratio), is the proportion of individuals in the population as a whole who are employed.

<sup>4</sup> U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey*, <http://data.bls.gov/pdq/querytool.jsp?survey=ln>. (Hereinafter U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey*.)

<sup>5</sup> Andrew Sum et al., *The Historically Low Summer and Year Round Teen Employment Rate: The Case for an Immediate National Public Policy Response to Create Jobs for the Nation's Youth*, Center for Labor Market Studies, Northeastern University, September 15, 2008, [http://www.nyec.org/content/documents/The\\_Historically\\_Low\\_Summer\\_2008\\_Teen\\_Employment\\_Rate.pdf](http://www.nyec.org/content/documents/The_Historically_Low_Summer_2008_Teen_Employment_Rate.pdf). (Hereafter, Sum et al., *The Historically Low Summer and Year Round Teen Employment Rate*.)

<sup>6</sup> U.S. Department of Labor, Bureau of Labor Statistics, *Labor Force Statistics from the Current Population Survey*.

targeted to vulnerable youth.<sup>8</sup> A youth is eligible for Youth Activities if he or she is age 14 through 21,<sup>9</sup> is a low-income individual, and has one or more of the following barriers: he or she is deficient in basic literacy skills; a school dropout; homeless, a runaway, or a foster child; pregnant or parenting; or an offender; *or* in need of additional assistance to complete an educational program or to secure and hold employment.<sup>10</sup> 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 have received a high school diploma or its equivalent but are basic-skills deficient, unemployed, or underemployed.<sup>11</sup>

The purpose of the Youth Activities program is to facilitate job training, employment, and educational attainment for select youth. The Youth Activities formula grant is distributed by the Department of Labor (DOL) to state workforce investment boards (WIBs), based on the unemployment and poverty status of youth in each state.<sup>12</sup> State WIBs coordinate workforce services for a state. As part of their oversight of these services, the state WIB creates a five-year state plan that addresses several items related to employment and training needs and activities, as well as performance and accountability.

State WIBs distribute Youth Activities funds to local WIBs, which oversee workforce services in a particular area of a state. Among other activities, each local board must establish what is known as a “youth council,” comprised of representatives that assist the WIB in awarding grants or contracts to providers that carry out youth workforce activities. WIA is silent on the types of entities that may be contracted to provide services for youth.<sup>13</sup> However, local WIBs tend to award grants or contracts to a number of entities, including secondary schools, colleges or universities, and community organizations to carry out a local youth program for each local area overseen by a WIB.

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<sup>7</sup> Title I, Chapter 4 of the Workforce Investment Act.

<sup>8</sup> Older youth (ages 18 through 21) may also receive services through programs funded by Adult Activities or Dislocated Worker Activities, separate grant programs for adults. These youth can either be enrolled in one of these programs or they can be co-enrolled in one of the programs and Youth Activities as long as they receive services under both funding streams. For an overview of these other programs, see CRS Report RL33687, *The Workforce Investment Act (WIA): Program-by-Program Overview and Funding of Title I Training Programs*, by (name redacted).

<sup>9</sup> ARRA extends the age of eligibility to 24 for activities funded pursuant to the law.

<sup>10</sup> These terms are defined under **Appendix A**. 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 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 workforce investment board (WIB) (20 CFR 664.220).

<sup>11</sup> Section 101(33) of the Workforce Investment Act.

<sup>12</sup> Under current law, of the funds appropriated for Youth Activities, not more than 0.25% is reserved for outlying areas and not more than 1.5% is reserved for Youth Activities for Native Americans. The remainder of funds are allocated to states by a formula based one-third on the relative number of unemployed individuals residing in areas of substantial unemployment (an unemployment rate of at least 6.5%), one-third on the relative “excess” number of unemployed individuals (an unemployment rate more than 4.5%), and one-third on the relative number of low-income youth.

<sup>13</sup> The state WIB identifies the criteria to be used by local boards in awarding grants for youth activities, including criteria that the governor and local WIBs will use to identify effective and ineffective youth activities and providers of such activities (Section 112(a)(18) of the Workforce Investment Act).

Workforce programs carried out by local WIBs must provide 10 activities or “elements” to youth. The elements pertain to summer employment, educational achievement, employment services, leadership development activities, additional support for youth services, and follow-up services for 12 months.<sup>14</sup> The 10 program elements are summarized in **Table A-2** of **Appendix A**. Local WIBs have the option of also providing “other elements and strategies as appropriate to the needs and goals of the participants.”<sup>15</sup>

Separately, a one-stop system is established by a local WIB to coordinate employment and training services for adult job seekers, dislocated workers, and youth.<sup>16</sup> Approximately 20 federal programs must provide services through the one-stop system, either by co-location, electronic linkages, or referrals. The local youth program is a required partner, and must use a portion of its funds to create and maintain the one-stop delivery system. The local program enters into a memorandum of understanding with the local WIB relating to the operation of the one-stop, among other requirements.<sup>17</sup>

## Funding

Congress has appropriated funding for Youth Activities since FY2000, the first year WIA was implemented. Authorization for funding WIA programs expired with the end of FY2003; however, Congress has continued to appropriate funds for the programs since this time.

As shown in **Table 1**, funding for Youth Activities has ranged from about \$824.4 million to \$1.1 billion in each of FY2000 through FY2012, except in FY2009. The total appropriation for FY2009 was \$2.1 billion, including \$924.1 million plus \$1.2 billion appropriated under the Recovery Act. In the accompanying conference report to ARRA, Congress specified that funds should be used for summer youth employment and to expand year-round employment opportunities for youth up to age 24 (from age 21, as generally required under WIA).

Funding for FY2013 is provided under the Continuing Appropriations Resolution, 2013 (P.L. 112-175) through March 27, 2013. This six-month extension generally provides an increase of 0.612% over the FY2012 level for most discretionary programs. As required under P.L. 112-175, DOL submitted the department’s operating plan to the House and Senate Appropriations Committees

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<sup>14</sup> Local programs that receive Youth Activities funding need not provide all 10 program elements if certain services are already accessible for all eligible youth in the area; however, these other services must be closely coordinated with the local programs. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 9-00, (“Workforce Investment Act of 1998, Section 129—Competitive and Non-competitive Procedures for Providing Youth Activities Under Title I”), January 23, 2001, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1253](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1253); and Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 18-00 (“Program Guidance for Implementation of Comprehensive Youth Services Under the Workforce Investment Act”), April 23, 2001, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1286](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1286).

<sup>15</sup> 20 CFR 664.600(b).

<sup>16</sup> A small number of one-stop centers have been established exclusively for youth. See 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. (GAO is now known as the Government Accountability Office.)

<sup>17</sup> Department of Labor, Employment and Training Administration, 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, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1271](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1271).



for funding FY2013 programs through March 27, 2013.<sup>18</sup> DOL did not calculate funding for Youth Activities because funds appropriated for FY2012 cover program operations through March 30, 2013. FY2013 funding that is available beyond March 30, 2013, will be used to fund the program from April 1, 2013, through March 30, 2014.

**Table 1. FY2000-FY2012 Appropriations for WIA Youth Activities**  
(dollars in thousands)

Fiscal Year	Youth Activities
FY2000	\$1,000,965
FY2001	1,127,965
FY2002	1,127,965
FY2003	994,459
FY2004	995,059
FY2005	986,288
FY2006	940,500
FY2007	940,500
FY2008	924,069
FY2009	2,124,069 (924,069 + 1,200,000 under ARRA)
FY2010	924,069
FY2011	825,914 <sup>a</sup>
FY2012	824,353

**Source:** Congressional Research Service presentation of U.S. Department of Labor (DOL), Employment and Training Administration, *State Statutory Formula Funding*, available at <http://www.doleta.gov/budget/statfund.cfm>; and U.S. Congress, House Committee on Appropriations, *Departments of Transportation and Housing and Development, and Related Agencies Appropriations Act, 2010*, report to accompany H.R. 3288/P.L. 111-117, 111<sup>th</sup> Cong., 1<sup>st</sup> sess., December 8, 2009, H.Rept. 111-366; DOL, *All Purpose Table FY2011 Full-Year Continuing Resolution*, <http://www.dol.gov/dol/budget/2012/PDF/2011OperatingPlanTable.pdf>; and U.S. Congress, Conference Report to Accompany H.R. 2055, *Military Construction and Veterans Affairs and Related Agencies Appropriations Act, 2012* Division F, 112<sup>th</sup> Cong., 1<sup>st</sup> sess., December 15, 2011, H.Rept. 112-331.

**Note:** The program year for Youth Activities is July 1 through June 30, although funds may be made available on April 1, pursuant to Section 189(g)(1)(B) of the Workforce Investment Act. Funds for the program are available in the program year in which the funds are appropriated and for two subsequent program years. ARRA funds were appropriated in PY2008; these funds were available for the balance of PY2008 and all of PY2009 and PY2010, which extended through June 30, 2011.

- a. The Department of Defense and Full-Year Continuing Appropriations Act, 2011 (P.L. 112-10) includes a 0.2% across-the-board rescission.

## Funding Under ARRA

Of the \$1.2 billion that Congress appropriated for the WIA Youth program under ARRA, \$1.182 billion was available for youth programming and \$12 million was available for administrative

<sup>18</sup> See, Letter from Hilda L. Solis, Secretary of Labor, to The Honorable Daniel K. Inouye, Chairman, Committee on Appropriations, November 6, 2012.

purposes. (Another \$5.8 million was made available to the Department of the Interior for grants for Native American Youth.) According to DOL, of the \$1.182 billion, all of the funds have been expended.<sup>19</sup> States are not required to report costs related to summer youth employment; however, according to an audit by the DOL Inspector General, approximately 40% of ARRA funds expended through September 30, 2010, was for summer employment opportunities.<sup>20</sup>

Funds made available for the WIA Youth program under ARRA were available through PY2010 (June 30, 2011).<sup>21</sup> For the purposes of the summer youth component, youth were eligible to participate in summer activities from May 1 through September 30<sup>22</sup> (except in 2011, when youth could participate through the month of June). DOL has stated that it was the intent of both Congress and the department to have used a majority of the ARRA funds within the first year after they were made available.<sup>23</sup>

## Summer Youth Employment Opportunities

Summer 2000 marked the first time since 1964 that a stand-alone summer youth employment program was not authorized or funded. Unlike previous federal legislation, WIA sought to provide a comprehensive job training and employment system for youth throughout an entire year by addressing their employment, education, and related needs, such as social supports.<sup>24</sup> Specifically, local WIBs must provide “summer employment opportunities that are directly linked to academic and occupational learning.”<sup>25</sup> According to the WIA regulations, the summer youth element is not intended to be a stand-alone program, and local programs are encouraged to integrate a youth’s participation in summer youth opportunities within an overall strategy that meets the youth’s employment and training needs.<sup>26</sup> Youth who participate in summer activities are to receive a minimum of 12 months of follow-up, as with any other youth who participates in the local program.<sup>27</sup> Local WIBs may determine how much of the available youth funds will be used for summer and for year-round youth activities.

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<sup>19</sup> Congressional Research Service correspondence with the Department of Labor, Employment and Training Administration, September 2011. DOL does not separately track the administration funds for Youth Activities from other program administration funds.

<sup>20</sup> The DOL IG has collected data on the amount of funding expended for summer employment opportunities, as of September 2010. See below for further information.

<sup>21</sup> The program year for Youth Activities is July 1 through June 30.

<sup>22</sup> Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 14-08, “Program Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009,” March 18, 2009, p. 23, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2728](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2728). (Hereafter, Department of Labor, Employment and Training Administration, TEGL No. 14-08.)

<sup>23</sup> *Ibid.*, p. 9.

<sup>24</sup> 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, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1202](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1202). (Hereafter, Department of Labor, Employment and Training Administration, TEGL No. 3-99, January 31, 2000.)

<sup>25</sup> Section 129(c)(2)(C) of the Workforce Investment Act.

<sup>26</sup> 20 CFR 664.600.

<sup>27</sup> Section 129(c)(2)(I) of the Workforce Investment Act and 20 CFR 664.450. The types of services provided and the duration of services must be determined based on the needs of the individual. The scope of these follow-up services may be less intensive for youth who have only participated in summer youth employment opportunities.

In 2000, DOL's Employment and Training Administration (ETA) issued an advisory, known as a Training and Employment Guidance Letter (TEGL), to the state and local workforce investment communities about implementing the summer youth employment element for the first time.<sup>28</sup> ETA advised that local areas could choose different approaches for providing summer youth employment opportunities. Summer employment participants could be transitioned into year-round services to assist youth in attaining positive academic and employment outcomes. Local areas could alternatively provide follow-up activities for youth who do not continue with year-round activities. Such follow-up activities could include job shadowing, a "Youth Day" career exploration activity organized at a one-stop center, periodic telephone calls to inform youth of ongoing activities such as job fairs, and mentoring and tutoring by adults. ETA advised that youth who were determined to be deficient in basic skills should continue to be served until they become proficient. ETA went on to say that local workforce areas and schools should collaborate on summer programming efforts to ensure that youth achieve these skills. Further, because local areas anticipated decreases in funding for summer youth employment opportunities, ETA suggested that local WIBs leverage resources to adequately carry out the summer program with private sector and other funding sources. Among other resources, ETA directed state and local WIBs to educate local business leaders about the use of the Work Opportunity Tax Credit (WOTC) in order to encourage others in the business community to hire youth with barriers to employment.<sup>29</sup>

A 2004 report on the implementation of WIA found that local areas appeared to use three approaches to carry out summer opportunities: (1) many local areas maintained a fairly traditional summer youth program, although on a smaller scale than in the past, with a new emphasis on academic and occupational learning, such as competency-based instruction provided at the work site; (2) a smaller number of local areas substantially revamped their summer program by linking summer and year-round activities that are similar; and (3) several local areas decided to supplement their WIA summer opportunities with non-WIA funding to compensate for the loss of a large-scale program.<sup>30</sup>

## **Participants in Summer Youth Activities**

The data on participation in WIA are based on the concept of program "exiters." An exiter is a participant who had received a service funded by WIA but had not received the service for 90 consecutive calendar days prior to data collection, and is not scheduled to receive future services. Thus, the date on which an individual has finished his or her participation in WIA determines the program year for which data are generated on the exiter. The most recent data on youth participants (i.e., exiters) are for April 1, 2010, through March 31, 2011.<sup>31</sup> Nearly 130,000 youth ages 14 through 21 exited the program, of whom 27.4% participated in summer employment opportunities in the summer of 2010. A slightly higher share (55.5%) of youth who participated in

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<sup>28</sup> Department of Labor, Employment and Training Administration, TEGL No. 3-99, January 31, 2000.

<sup>29</sup> For additional information, see CRS Report RL30089, *The Work Opportunity Tax Credit (WOTC)*, by (name redacted).

<sup>30</sup> Social Policy Research Associates, *The Workforce Investment Act After Five Years: Results from the National Evaluation of the Implementation of WIA*, prepared for U.S. Department of Labor, June 2004, pp. VIII-9 and VIII-10, [http://www.doleta.gov/reports/searcheta/occ/papers/SPR-WIA\\_Final\\_Report.pdf](http://www.doleta.gov/reports/searcheta/occ/papers/SPR-WIA_Final_Report.pdf).

<sup>31</sup> Department of Labor, Employment and Training Administration, *PY2010 WIASRD Data Book*, [http://www.doleta.gov/performance/results/pdf/py\\_2010\\_wiasrd\\_data\\_book.pdf](http://www.doleta.gov/performance/results/pdf/py_2010_wiasrd_data_book.pdf). Although inconsistent with the program year (July 1-June 30), these data are the most recent available.

summer activities were female (53.5%). Youth engaged in summer employment activities generally identified with one of three racial or ethnic groups: Hispanic (36.5%), African American (35.4%), or white (23.2%). Each eligible age category was represented: ages 14 to 15 (16.8%), ages 16 to 17 (47.4%), age 18 (16.5%), and ages 19 to 21 (19.3%). The most common barrier was that youth participating in summer employment activities were deficient in basic skills (53.9%).

Of the 426,606 youth who participated in WIA Youth program activities funded by ARRA, 374,489 (87.8%) participated in summer employment opportunities.<sup>32</sup>

## Summer Employment Opportunities Funded by ARRA

Congress encouraged that funds appropriated under ARRA be made available specifically for summer youth employment opportunities, as well as year-round activities for older youth. The law's accompanying conference report (H.Rept. 111-16) stated

The conferees are particularly interested in [WIA Youth] funds being used to create summer employment opportunities for youth and language applying the work readiness performance indicator to such summer jobs is included as an appropriate measure for those activities. Year-round youth activities are also envisioned and the age of eligibility for youth services provided with the additional funds is extended through age 24 to allow local programs to reach young adults who have become disconnected from both education and the labor market.<sup>33</sup>

The conference report referenced an existing WIA Youth Activities' measure—the work readiness indicator, which is part of the basic skills performance indicator—for purposes of evaluating performance of the summer youth component. The work readiness indicator measures the number of work readiness skills goals attained by youth divided by the number of work readiness skills goals set overall.<sup>34</sup>

This next section of the report discusses DOL guidance for implementing the summer youth employment component, as funded by ARRA. This discussion is followed by an overview of efforts to monitor the implementation and performance of the program by both DOL and the Government Accountability Office (GAO).<sup>35</sup>

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<sup>32</sup> Congressional Research Service correspondence with the Department of Labor, Employment and Training Administration, September 2011.

<sup>33</sup> ARRA extends the age of eligibility through 24 for activities funded pursuant to the law.

<sup>34</sup> The Workforce Investment Act of 1998, Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 7-99 ("Core and Customer Satisfaction Performance Measures for the Workforce Investment System"), March 3, 2000, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1201](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1201); and Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No 17-05 ("Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues," Attachment D), February 17, 2006, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2195](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2195).

<sup>35</sup> For an overview of oversight activities required by ARRA, see CRS Report R40572, *General Oversight Provisions in the American Recovery and Reinvestment Act of 2009 (ARRA): Requirements and Related Issues*, by (name redacted).

## Guidance on Implementation of ARRA

On March 18, 2009, ETA issued a TEGL on implementation of WIA funds under ARRA.<sup>36</sup> The TEGL provided specific instructions on the WIA Youth program. Although Youth Activities funds appropriated under the Recovery Act were available for any of the 10 program elements, the guidance emphasized that the funds should be targeted to summer employment opportunities, particularly during the summer of 2009, as well as activities to serve youth who were not working or in school. The TEGL also provided guidance to local WIBs on implementing summer youth employment models. Local WIBs were advised to use DOL's interactive website<sup>37</sup> for information about using ARRA funds.<sup>38</sup> The TEGL provided examples of summer employment experiences that involved "green" jobs (defined as those involving solar, geothermal, wind power design, and the use of environmentally friendly building materials); registered apprenticeship programs, which provide hands-on training and experience needed in a potential career field; and integration of work-based and classroom-based learning opportunities.

According to the TEGL, local boards that carried out summer youth employment opportunities were to ensure they included "work experience," as defined in regulation. "Work experience" refers to planned, structured learning experiences that take place at a worksite for a limited period of time, and experiences designed to enable youth to gain exposure to the working world and its requirements, including service learning, paid or unpaid community service, internships and job shadowing, and integration of basic academic skills into work activities, among other activities.<sup>39</sup> (Table A-3 in Appendix A includes a more detailed definition of the term.)

All states and local areas were advised to ensure that worksites participating in the summer employment program introduce and reinforce the "rigors, demands, rewards, and sanctions associated with holding a job." Further, work experience during the summer was to be structured to impart measurable communication, interpersonal, decision-making, and learning skills. The TEGL went on to state that work experience arrangements for youth should not have unfavorably impacted current employees or existing contracts for services or collective bargaining agreements. State and local areas were encouraged to provide summer employment activities in the public sector and private sector, including nonprofit entities.

## Differences Between Implementation Under WIA and ARRA

The March 2009 TEGL on ARRA emphasized that local areas had flexibility in carrying out certain aspects of summer employment models. First, local areas could determine whether follow-up would be required for youth served with ARRA funds during the summer months only. Under current law, local programs must provide follow-up for youth who participate in one or more of the 10 program elements, and this follow-up must be for at least 12 months.<sup>40</sup> Second, local areas

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<sup>36</sup> Department of Labor, Employment and Training Administration, TEGL No. 14-08.

<sup>37</sup> The website, <http://www.workforce3one.org>, is maintained by Workforce Three One, a training and technical provider for the program,

<sup>38</sup> Among other resources, the website includes tools and resources dealing with worksite agreements, methodologies for measuring work readiness, training materials for staff and workforce supervisors, and past technical assistance materials developed under the Job Training Partnership Act (JTPA) summer employment program. JTPA directly preceded WIA and funded a stand-alone summer program.

<sup>39</sup> 20 CFR 664.460.

<sup>40</sup> 20 CFR 664.450.

had flexibility under ARRA in determining the type of assessments and individual service strategies (ISS) used for youth served during the summer months only. Specifically, local areas could conduct *some* level of assessment and development of ISS. This is in contrast to the WIA requirement that local programs provide a *full* objective assessment, which includes an assessment of basic skills, and comprehensive ISS.<sup>41</sup> Third, local programs that used Recovery Act dollars for summer youth employment opportunities could determine whether it was “appropriate” that academic learning be directly linked to these activities. As discussed above, summer youth employment opportunities as enacted under WIA refers to activities that are to be “directly linked to academic and occupational learning.”<sup>42</sup>

## **State Plan**

Each state submits a five-year state plan that describes the workforce development activities to be undertaken by the state and how the state will implement key requirements of WIA. State plans include a section to address strategies for serving youth. As set forth in the TEGL, DOL required that all states submit a modification to their state plan by June 30, 2009, because of changes to WIA as a result of the Recovery Act, and due to the economic downturn’s effect on states’ workforces and economies.<sup>43</sup>

The state plan was to address specific questions related to youth services provided with ARRA funds, including

(1) Describe the anticipated program design for the WIA Youth funds provided under the Recovery Act. Include in this description a program design for both younger, in-school and older or out-of-school youth (including the 22-24 year olds that can be served with Recovery Act funds). (2) Will the state use the Recovery Act funds to fund only 2009 summer youth activities or some combination of activities in 2009 and 2010? If using the funds over two summers, what percentage of funds does the state anticipate using the first summer? (3) If using the funds for summer employment opportunities, describe how the state will deliver summer employment opportunities. (4) Describe any policies or strategies the state is implementing to ensure that local areas implement activities that support out-of-school youth during summer and/or non-summer months, such as supportive services, needs-based payments, or day-care.

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<sup>41</sup> Local areas must “provide an objective assessment of the academic levels, skill levels, and service needs of each participant, which assessment shall include a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes (including interests and aptitudes for nontraditional jobs), supportive service needs, and developmental needs of such participant, except that a new assessment of a participant is not required if the provider carrying out such a program determines it is appropriate to use a recent assessment of the participant conducted pursuant to another education or training program.” In addition, local areas must, “develop service strategies for each participant that shall identify an employment goal (including, in appropriate circumstances, nontraditional employment), appropriate achievement objectives, and appropriate services for the participant taking into account the assessment conducted [as required under this section]” Section 129(c)(1)(A) of the Workforce Investment Act.

<sup>42</sup> Section 129(c)(2)(C) of the Workforce Investment Act.

<sup>43</sup> In anticipation of WIA reauthorization, ETA originally required states to submit a state plan for the first two years of the five-year planning cycle, or PY2005 and PY2006. However, due to uncertainty about WIA reauthorization, ETA directed states to submit a modification request to extend the life of the state plan for two additional years, PY2007 and PY2008. In the March 2009 TEGL, ETA requested all states to submit by April 15, 2009, a request to extend the current plan into PY2009. In addition, states were also asked to separately submit, by June 30, 2009, a state plan modification describing strategies to respond to the economic downturn and to implement the Recovery Act.

## **Use of Waivers**

Section 189(i)(4) of WIA permits DOL to grant waivers to states or local areas pursuant to a request submitted by the state. Waivers may be granted for any of the statutory or regulatory requirements, except those relating to wage and labor standards.<sup>44</sup> Since WIA was enacted, DOL has issued waivers for youth-related matters.

The March 2009 TEGL on ARRA advised states and local boards about three waivers for expedited and emergency procurement procedures for carrying out activities funded by ARRA.<sup>45</sup> These waivers were to be submitted with the state plan (see above) and expired on March 31, 2010. When submitting these waiver requests, states were to provide detailed justifications and assurances. First, states were authorized to seek a waiver for procurement requirements for youth summer employment providers. Under WIA, providers of youth services must be awarded a grant or contract on a competitive basis. Alternatively, states could have applied for a waiver to conduct an expedited, limited competition to select service providers. The waiver applied only to ARRA funding used for the summer employment program element in the summer of 2009. Second, states were eligible to seek a waiver requesting that ETA waive the youth performance measures for older youth (ages 18 through 24) served with ARRA beyond the summer months who participated only in work experience. The waiver permitted states to use the work readiness indicator as the only indicator, and the waiver would be applicable for six months following the summer period. Third, ETA allowed a waiver to apply to the design of a local program (e.g., follow-up services, assessments of the youth), if the program design was modified only for those older youth who participated in work experiences beyond the summer.<sup>46</sup>

## **Coordination with the Temporary Assistance for Needy Families (TANF) Program**

ARRA created a \$5 billion Emergency Contingency Fund (ECF) within the Temporary Assistance for Needy Families (TANF) block grant to help states, Indian tribes, and the territories pay for additional economic aid to families during the current economic downturn.<sup>47</sup> DOL and the Department of Health and Human Services, which administers TANF, encouraged states to leverage ARRA resources from TANF and the WIA Youth program to serve low-income youth. The agencies issued a joint letter in January 2010 that discussed the extent to which WIA Youth funds could be used to provide training and employment services, among other services, and the

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<sup>44</sup> The law specifies that the wage and labor standards include non-displacement protections, worker rights, participation and protection of workers and participants, grievance procedures and judicial review, nondiscrimination, allocation of funds to local areas, eligibility of providers or participants, the establishment and functions of local areas and local boards, and procedures for review and approval of plans.

<sup>45</sup> Such waivers would need to be included as part of the state's submission of its state plan. As mentioned above, states were required to submit a new state plan given the current economic downturn and the availability of funds under ARRA.

<sup>46</sup> For a list of states that have sought these waivers, see Department of Labor, Employment and Training Administration, "Workforce Investment Act Waiver Summary Report," available at <http://waivers.doleta.gov/>.

<sup>47</sup> The ECF was a temporary fund for two years, FY2009 and FY2010, and expired on September 30, 2010. All of the available \$5 billion was awarded by the fund's expiration date to states, tribes, and territories. For further information, see CRS Report R41078, *The TANF Emergency Contingency Fund*, by (name redacted).

extent to which TANF Emergency funds could be used for subsidized employment for youth. The letter went on to emphasize that youth can be co-enrolled in both programs.<sup>48</sup>

While much of the ETA's summer youth employment funding under the Recovery Act has been expended, significant TANF Emergency Contingency funding remains and TANF agencies can choose to commit some of those funds to subsidized employment programs for low-income youth. Several State and local TANF agencies and WIBs across the country have already created partnerships and have used TANF funds to support subsidized employment opportunities for low-income youth during previous summers...When appropriate, we strongly encourage co-enrollment of youth in the TANF and applicable WIA programs so that participants in the TANF-funded subsidized employment opportunities can benefit from additional WIA services such as supportive services, occupational skills training, and other relevant services.

In separate guidance from DOL to state workforce boards, DOL stated that it would consider waivers for youth co-enrolled in TANF and WIA for summer youth employment activities in 2010 under certain circumstances.<sup>49</sup> Waivers could be issued to give flexibility to local programs to use the work readiness indicator as the only performance measure (for the WIA Youth program only) for co-enrolled youth and for local programs to modify certain program design elements (specifically, follow-up services and assessments of youth) for these youth.<sup>50</sup>

## **Performance**

### **Work Readiness Performance Measure**

As enacted, WIA sets forth state and local performance measures as part of the accountability system to assess the effectiveness of state and local areas in continuously improving workforce investment activities.<sup>51</sup> The measures for youth ages 14 through 18 are different than those for youth ages 19 through 21 in the program. The measures for younger youth focus on basic skill attainment, attainment of a high school diploma or its equivalency, and retention in an academic or employment placement. The older youth outcomes focus on employment; specifically, entry into employment, retention, change in earnings, and academic or employment placement.

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<sup>48</sup> Department of Labor, Employment and Training Administration, Training and Employment Notice (TEN) 24-09, "Joint Letter from the Employment and Training Administration (ETA) and the U.S. Department of Health and Human Services Administration for Children and Families (ACF) regarding youth subsidized employment opportunities under the Temporary Assistance for Needy Families (TANF) Emergency Contingency fund," <http://wdr.doleta.gov/directives/attach/TEN/ten2009/ten24-09acc.pdf>, January 19, 2010.

<sup>49</sup> Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 26-09, "Waivers and Waive Policy Decisions for PY2009 and 2010", May 21, 2009, <http://wdr.doleta.gov/directives/attach/TEGL/TEGL26-09acc.pdf>[http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2760](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2760).

<sup>50</sup> For a list of states that have sought these waivers, see Department of Labor, Employment and Training Administration, "Workforce Investment Act Waiver Summary Report," available at [http://www.doleta.gov/waivers/pdf/WIA\\_Waiver\\_Summary\\_Report1-25-2011.pdf](http://www.doleta.gov/waivers/pdf/WIA_Waiver_Summary_Report1-25-2011.pdf).

<sup>51</sup> Section 136 of the Workforce Investment Act describes the "performance accountability system" for WIA. For each of the core indicators, each state is required to establish a "state adjusted level of performance." That is, the "measures" are identified in WIA Section 136, but the "levels" are determined by negotiation between states and DOL. Measures are reported as part of the Workforce Investment Act Standardized Record Data (WIASRD), which also collects demographic and other information about youth, adult, and dislocated workers who exit the program.



ARRA directed DOL to measure the performance of local programs that carry out summer employment opportunities through the work readiness indicator, which is one part of the basic skills performance indicator for younger youth. In a May 2009 TEGL on performance indicators for WIA programs funded by ARRA, DOL advised that states and/or local areas were to establish a methodology for determining work readiness skills upon beginning and completing the summer experience, and were to choose from a variety of assessment tools, including worksite supervisor evaluations, work readiness skills checklists administered by program staff, portfolio assessments, and other relevant forms of assessing work readiness skills.<sup>52</sup>

As part of its May 2010 guidance to states on PY2010 WIA Youth program funding, DOL stated that it would provide additional guidance on the work readiness indicator. This was in response to concerns raised by the Government Accountability Office (GAO) in September 2009 (see below) about how the performance measure was used to measure gains made by youth participating in the program as funded under ARRA (see below).<sup>53</sup> DOL issued this additional guidance in August 2010.<sup>54</sup> DOL advised that the employer who regularly observes performance at the worksite was in the best position to assess the quality of a youth's performance, and that the worksite evaluation tool was to focus on attaining a satisfactory level of workplace proficiency rather than a measurable increase or gain. DOL recommended that the tool was to measure the skills most desired by employers, including foundation skills such as work habits, professionalism, and communication skills; allow for flexibility to include industry or job-specific skills as determined by the employer; and have clearly defined grading criteria (e.g., 1 through 4, with 1 representing unsatisfactory and 4 representing exemplary).

According to DOL, the percentage of youth engaged in summer employment who met the work readiness indicator was 79%.<sup>55</sup>

## **Oversight**

### **DOL Oversight**

The Department of Labor provided oversight of ARRA Youth funds by collecting data from states on program participants and related information, contracting with research organizations to identify the opportunities and challenges associated with summer employment, and conducting an

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<sup>52</sup> Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 24-08 ("Workforce Investment Act and Wagner-Peyser Act Performance Accountability Reporting for the American Recovery and Reinvestment Act of 2009"), May 21, 2009, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2760](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2760). (Hereafter, Department of Labor, Employment and Training Administration, TEGL No. 24-08, May 21, 2009.)

<sup>53</sup> Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 27-09, "Workforce Investment Act (WIA) Youth Program Guidance for Program Year (PY) 2010," May 13, 2010, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?docn=2900](http://wdr.doleta.gov/directives/corr_doc.cfm?docn=2900).

<sup>54</sup> Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 7-10, "Workforce Investment Act (WIA) and Wagner-Peyser Act Performance Accountability Reporting for the American Recovery and Reinvestment Act of 2009," August 9, 2010, [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2937](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2937).

<sup>55</sup> Congressional Research Service correspondence with the Department of Labor, Employment and Training Administration, September 2011.

internal audit of whether the department has provided sufficient guidance and technical assistance to states concerning summer employment.

States submitted data on the demographics and outcomes of youth who participated in local programs funded by Youth Activities on an annual basis. DOL required states to submit supplemental reports on a monthly basis—with aggregate counts of youth who participated in activities funded by the Recovery Act, including the characteristics of youth (i.e., gender, race, education level, school status, age) who participate in summer employment, the number of participants in summer employment, services received, attainment of a work readiness skill, and completion of summer youth employment.<sup>56</sup> According to DOL, the monthly reports were intended to assist the department in analyzing the level of program participation and in gaining insight into the activities that states and local areas offered participants, particularly because there was only one outcome available to measure program impact.<sup>57</sup> Youth who participated in summer employment only were not to be reported in the regular WIA Youth reports that are compiled to create a profile of youth who have finished the program, as discussed above.

In addition, recipients of ARRA dollars were required to submit detailed information on the use of the funds every quarter, beginning with the quarter ending September 30, 2009, including information on jobs created and retained.<sup>58</sup> This includes jobs created and retained by the WIA Youth program with ARRA dollars both during the summer and outside the summer months.<sup>59</sup> Further, estimates of jobs created and retained were to include all paid work opportunities and exclude academic opportunities.

Separately, DOL contracted with two organizations to learn about how youth engaged in summer employment opportunities under ARRA in the summer of 2009. Mathematica Policy Research, Inc., a social policy research organization, examined how 20 communities carried out ARRA-funded summer employment activities in summer 2009. Mathematica used state performance data submitted by states to DOL through December 31, 2009, and conducted interviews with stakeholders during visits to the 20 communities. Overall, Mathematica found that the initiative was “implemented successfully without any major problems.” According to Mathematica, communities made great efforts to recruit youth and employers, determine their suitability for summer employment, and prepare youth for the workplace. Still, localities experienced some challenges, including the process of determining eligibility, recruiting older youth, recruiting private sector employers, understanding what constitutes “green” jobs, and matching youth to employers, among other issues.<sup>60</sup> DOL also contracted with Brandeis University to conduct

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<sup>56</sup> This information was provided in U.S. Government Accountability Office, *Recovery Act: States’ and Localities’ Current and Planned Uses of Funds While Facing Fiscal Stresses*, GAO-09-829, July 2009, pp. 53-63, <http://www.gao.gov/new.items/d09829.pdf>. (Hereafter, U.S. Government Accountability Office, *Recovery Act: States’ and Localities’ Current and Planned Uses of Funds While Facing Fiscal Stresses*, July 2009.)

<sup>57</sup> Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter No. 24-08, May 21, 2009.

<sup>58</sup> Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter (TEGL) No. 01-09, Change 1, “Reporting Requirements under Section 1512 of the American Recovery and Reinvestment Act of 2009,” September 21, 2009, <http://wdr.doleta.gov/directives/attach/TEGL/TEGL01-09C1ACC.pdf>.

<sup>59</sup> According to DOL, recipients report the number of jobs created and retained to a government-wide system—<http://www.recovery.gov>—and not DOL. As of September 2011, the DOL summary on the website does not appear to include the number of jobs created and retained.

<sup>60</sup> Jeanne Bellotti et al., *Reinvesting in America’s Youth: Lessons from the 2009 Recovery Act Summer Employment Initiative*, Mathematica Policy Research, February 26, 2010, [http://wdr.doleta.gov/research/FullText\\_Documents/Summer%20Youth%20Employment%20Initiative%20-%20Executive%20Summary.pdf](http://wdr.doleta.gov/research/FullText_Documents/Summer%20Youth%20Employment%20Initiative%20-%20Executive%20Summary.pdf).

similar research, but with a focus on four areas: Chicago, IL; Detroit, MI; Indianapolis and Marion County, IN; and Phoenix and Maricopa County, AZ.<sup>61</sup> Brandeis researchers conducted interviews and site visits in the summer of 2009. They found that the communities used ARRA funding for summer employment as an opportunity to establish new efforts to link youth with employment and to establish partnerships between the public and private sectors. In addition, the communities offered meaningful work opportunities for youth. At the same time, they had challenges with documenting WIA eligibility for thousands of young people in a short time period, matching youth with jobs that interested them, handling the large amount of data that needed to be entered on summer employment experiences, and providing “green” jobs. Nonprofit organizations also had difficulty in raising funds and/or obtaining lines of credit to meet the upfront costs of staffing and paying young people while at the same time waiting for reimbursement.

In November and December 2009, DOL convened two national summits to facilitate sharing of lessons learned from local practitioners who ran summer employment programs with ARRA funds.<sup>62</sup> The summits focused on taking the experience of the summer program and applying it to future programming, transitioning older youth and out-of-school youth, and green jobs and other emerging industries such as health care. The summits also touched on the skills that employers want from youth, how youth are training for their jobs, how to evaluate whether a youth is prepared to work, and case management for youth, among other topics.

Finally, ARRA required the Inspector General each agency to take on oversight responsibilities. The DOL IG audited the program and issued a report in March 2011 to examine how local areas spent their ARRA WIA Youth funding, the characteristics of youth in the program, the services that youth participants received, and the outcomes of participants.<sup>63</sup> The audit found the following:

- As of September 30, 2010, local areas (and Indian and Native American grantees) spent nearly all of their available ARRA funds. Of these dollars, 40% was expended on summer employment opportunities, 40% on part-time and full-time work experiences, and 20% on the other eight elements, as well as indirect program and other administrative costs. Local areas (and Indian and Native American grantees) projected that they would spend an additional 1% of their remaining ARRA dollars on summer employment opportunities by June 30, 2011.
- Participants for the program overall—not just those engaged in summer employment opportunities—exceeded 463,000, with 76% of the youth under age 20. There was an even split between females and males. The largest share of participants (47%) were African American, followed by white youth (27%) and Hispanic youth (16%). Youth reported being deficient in basic skills (42%), having another (not specified) barrier to employment (26%), being pregnant or

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<sup>61</sup> Susan P. Curnan et al., *Innovating Under Pressure: The Story of the 2009 Recovery Act Summer Youth Employment Initiative*, Brandeis University, June 2010, [http://wdr.doleta.gov/research/FullText\\_Documents/Innovating%20Under%20Pressure%20The%20Story%20of%20the%202009%20Recovery%20Act%20Summer%20Youth%20Employment%20Initiative.pdf](http://wdr.doleta.gov/research/FullText_Documents/Innovating%20Under%20Pressure%20The%20Story%20of%20the%202009%20Recovery%20Act%20Summer%20Youth%20Employment%20Initiative.pdf).

<sup>62</sup> Department of Labor, ETA Announces “Recovering America’s Youth Summits” for Chicago (November 17-18) and Dallas (December 1 - 2), [http://www.doleta.gov/usworkforce/whatsnew/eta\\_default.cfm?id=2255](http://www.doleta.gov/usworkforce/whatsnew/eta_default.cfm?id=2255).

<sup>63</sup> Department of Labor, Office of the Inspector General, *Recovery Act: Workforce Investment Act Youth Programs*.

having a child (19%), being an offender (9%), and being homeless or a runaway (4%).

- Participants received services under all 10 elements of the WIA Youth program, with 26% of participants engaged in summer employment opportunities.
- As required under ARRA, local areas were to measure the performance of local programs that carry out summer employment opportunities through the work readiness indicator. Of all youth who participated in the WIA Youth program, 76% demonstrated work readiness skills. (Those youth who participated in other activities were also measured for work readiness. DOL has separately reported that 79% of youth engaged in summer employment met the work readiness indicator.<sup>64</sup>)

## **GAO Oversight**

In addition to oversight by agencies that administer ARRA funds, the law directs GAO to conduct bimonthly reviews on the use of funds by selected states and localities. As part of oversight efforts, GAO focused on how ARRA funding was used in 16 states and the District of Columbia.<sup>65</sup> These jurisdictions represented about 65% of the U.S. population and were estimated to have received about two-thirds of the federal assistance available through ARRA. GAO has issued a series of reports on the approaches taken by the selected states and the District of Columbia to ensure accountability for the ARRA funds they receive and to evaluate the impact of these funds. The reports focus on nine federal programs that were estimated to have accounted for approximately 87% of ARRA outlays in FY2009 for programs administered by states and localities. One of the nine programs is WIA Youth Activities, which accounted for 1% of all ARRA dollars appropriated to these programs.

## **Implementation**

The GAO reports issued in July and September 2009 and March 2010 focused in part on the Youth Activities program. As part of its September 2009 assessment, GAO found that states were generally successful in increasing the number of youth who participated in summer activities and meeting their targets. Worksites for ARRA-funded summer youth activities included public sector, private sector, and nonprofit organizations at local government offices, public parks, recreation centers, camps, public schools, and community colleges. For example, in Chicago, the Museum of Science and Industry enrolled youth as peer educators who facilitated children's science activities at sites throughout the city, such as libraries and schools. In addition, some youth also received academic and occupational skills training, such as academic projects overseen by certified teachers, GED training courses, and a summer learning program that featured classes and workshops to study visual arts.<sup>66</sup> Separately, local areas reported to GAO that they used

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<sup>64</sup> Congressional Research Service correspondence with the Department of Labor, Employment and Training Administration, September 2011.

<sup>65</sup> The 16 states are Arizona, California, Colorado, Florida, Georgia, Illinois, Iowa, Massachusetts, Michigan, Mississippi, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Texas. For further information, see U.S. Government Accountability Office (GAO), *Following the Money: GAO Oversight of Recovery Act*, <http://www.gao.gov/recovery/>.

<sup>66</sup> Under WIA, summer employment activities must be directly linked to academic and occupational learning. As discussed above, DOL has issued guidance stating that local programs using Recovery Act dollars for summer youth (continued...)

several approaches to paying youth, such as direct deposit, prepaid debit cards, or paper checks. In at least one jurisdiction, Detroit, GAO observed that youth waited in long lines to get their paychecks.

In a follow-up report, issued in March 2010, GAO reported that of the youth in the 16 states that were included in the assessment, on average, 82% completed their summer work experience without dropping out prior to the scheduled end date of the work experience in the summer of 2009.<sup>67</sup> According to GAO, this is the same share of youth nationwide who completed their summer work experience over the same period.

### *Challenges with Implementation*

According to GAO, challenges reported by states and local officials in implementing summer youth employment opportunities included (1) tight time frames for implementing the program, (2) lack of staffing capacity to meet expanding needs, (3) difficulty in determining and documenting youth eligibility, (4) difficulty in recruiting youth, (5) lack of guidance about what constitutes “green” jobs, and (6) challenges with implementing the work readiness indicator.

States and local areas had about four months to begin their summer employment activities. Officials reported that such a process would normally begin many months earlier. Some local areas reported that they lacked recent experience operating this kind of program, and had to quickly decide how to structure the program and recruit worksites and participants. As discussed below, until FY2000, federal funds supported stand-alone summer programs. With the enactment of WIA, many states and local areas had greatly reduced their summer employment and training activities. Even those areas that had maintained formal summer programs had to act quickly to expand these programs. Another concern raised by officials was that states had been downsizing or did not have the flexibility to hire additional staff due to hiring freezes and budget cuts.

Local areas additionally reported that youth had challenges with providing the documents required to prove WIA program eligibility, and that the income eligibility requirements for the program may exclude some needy youth (see **Table A-1** for a definition of low-income as it pertains to eligibility for the program). Officials in Philadelphia reported that some youth applicants whose parents had recently lost their jobs were not eligible because eligibility was based on income earned during the period preceding the job loss.<sup>68</sup> In seven states, officials mentioned that youth and their parents had challenges in providing the proper documentation in a timely manner.<sup>69</sup> Youth often had to come back to the workforce office to provide the documentation needed to be eligible. Documenting eligibility was especially challenging for

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(...continued)

employment opportunities *may* determine whether “it is appropriate” that academic learning be directly linked to these activities.

<sup>67</sup> U.S. Government Accountability Office, *Recovery Act: One Year Later, States’ and Localities’ Uses of Funds and Opportunities to Strengthen Accountability*, March 2010.

<sup>68</sup> U.S. Government Accountability Office, *Recovery Act: States’ and Localities’ Current and Planned Uses of Funds While Facing Fiscal Stresses*, July 2009.

<sup>69</sup> 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*, September 2009. (Hereafter, U.S. Government Accountability Office, *Recovery Act: Funds Continue to Provide Fiscal Relief to States and Localities*, September 2009.)

youth ages 18 through 24 because many did not have basic documents, such as a birth certificate or proof of household income. Recruiting youth was also reported as a challenge. Local officials used various forms of advertisement and increased wages to attract youth to the program.

While DOL encouraged states and local areas to provide opportunities for “green” jobs, some officials reported that they were not always clear about what constituted such a job. The methods for defining green jobs varied across states, and in some cases, it was unclear whether youth working in jobs classified as green jobs were actually working toward green educational or career pathways. For example, in Georgia, an organic food company was considered a green employer, but the youth was performing clerical duties.<sup>70</sup> To address this issue, GAO recommended that DOL provide additional guidance about the nature of these jobs and the strategies that could be used to prepare youth for careers in green industries.<sup>71</sup> DOL responded that it was taking steps to better understand and define green jobs, such as holding technical assistance forums to focus on ways to prepare youth for green industries, among other efforts. DOL also sought public comment on a proposed definition for measuring green jobs, which includes an approach for identifying environmental industries and counting associated jobs.<sup>72</sup> DOL officials reported that this was intended to inform state and local workforce development efforts to identify and target green jobs.<sup>73</sup>

Finally, GAO cited concerns about the work readiness indicator. In its September 2009 report, GAO found that states and localities used different strategies for measuring work readiness, and therefore DOL would face challenges evaluating the program on a national level. GAO reported that of 10 states reviewed, only Illinois established a uniform approach for measuring work readiness gains. The other nine states used measurements that varied across local areas and sometimes from contractor to contractor. For example, in Columbus, OH, officials used a work readiness assessment tool with questions that addressed collaboration in the workplace, problem solving, and characteristics of good leadership.<sup>74</sup> Youth were also required to do an extensive self evaluation across these dimensions. In nearby Dayton, OH, officials gave youth a 20-question true-false survey that included questions such as “I understand the importance of demonstrating a positive attitude in the workplace.” Other areas did not employ pre-tests to establish a benchmark to which youth could be compared later. GAO went on to recommend that DOL provide additional guidance on how to measure work readiness of youth, with a goal of improving the comparability and rigor of the measure.<sup>75</sup>

### ***Oversight by States and Localities***

The states reviewed by GAO reported that they planned to implement (or were already implementing) procedures to monitor summer youth employment opportunities carried out by local WIBs. Such activities included financial auditing; site visits; assessments to identify local

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<sup>70</sup> Ibid.

<sup>71</sup> Ibid.

<sup>72</sup> U.S. Department of Labor, Bureau of Labor Statistics, “Notice of Solicitation of Comments,” 75 *Federal Register* 12571, March 16, 2010.

<sup>73</sup> U.S. Government Accountability Office, *Recovery Act: Opportunities to Improve Management and Strengthen Accountability over States’ and Localities’ Use of Funds*, GAO-10-999, September 2010, p. 191, <http://www.gao.gov/new.items/d10999.pdf>.

<sup>74</sup> Ibid.

<sup>75</sup> Ibid.

areas that may have challenges with implementation due to certain factors, such as having a larger program; periodic meetings with local program directors; and reviews of files concerning eligibility, contracts, and other topics. The jurisdictions also reported that they had the capacity to track and report on ARRA-funded expenditures for WIA Youth Activities separately from those not funded by the act. Further, states and local areas reported increasing their staff to meet the demands of monitoring the expanded summer youth activities.

## **Issues for Congress**

The increased focus on summer jobs for youth under ARRA raised several issues related to its implementation, in addition to those highlighted by both DOL and GAO, such as implementation of the work readiness indicator. First, DOL issued formal guidance to provide direction to states about carrying out summer youth employment, and this guidance was different from previous guidance provided under WIA. Second, while ARRA and guidance by DOL focused on the summer youth provisions, they also emphasized that older out-of-school youth should also have opportunities to participate in activities funded under ARRA. Whether states and localities adequately served these youth may be of interest to Congress. Third, policymakers may consider, as part of any efforts to reauthorize WIA, whether the law should place greater emphasis on summer employment.

## **Modifications to WIA Youth Requirements Under ARRA**

Congress may wish to consider whether certain program elements that are required in WIA should have been modified when implemented under ARRA. As discussed previously, the March 18, 2009, TEGl appeared to change three requirements under WIA that apply to the Youth program.<sup>76</sup> These requirements were not altered by ARRA or the accompanying conference report; however, through the TEGl, DOL provided guidance on carrying out the requirements differently for ARRA-funded activities. First, as noted above, local programs are required by WIA to provide 12 months of follow-up for youth who participate in one or more of the 10 program elements. However, the TEGl advised that follow-up was optional for those youth who participated only in summer employment activities. The TEGl went on to say that because summer employment programs generally last six to eight weeks, local areas were to provide follow-up services only when they deemed it to be appropriate.

Second, the March 2009 TEGl enabled local areas to determine the types of assessments summer youth participants were required to undergo. This is in contrast to the WIA requirement that local programs provide a full objective assessment, which includes an assessment of basic skills, and a comprehensive ISS as specified in regulations. Third, local programs that used Recovery Act dollars for summer youth employment opportunities could determine whether it was “appropriate” that academic learning be directly linked to these opportunities. This is another major distinction between implementation of WIA and ARRA, as noted only in the TEGl (and not in ARRA or the accompanying conference report). As discussed above, WIA requires these linkages to be in place.

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<sup>76</sup> Department of Labor, Employment and Training Administration, TEGl No. 14-08.

DOL may have introduced these modifications to carry out one of the purposes of the Recovery Act—to create new jobs—and to do so quickly. These changes may have given flexibility to local programs that wanted to concentrate on creating summer employment opportunities for youth, rather than follow-up or other activities that do not directly involve actual employment. In addition, these changes presumably were examined as part of a state’s plan and general oversight by DOL. On the other hand, DOL may have considered allowing these elements to be optional for jurisdictions that seek a waiver, in order to more closely monitor any deviations from current law that were not explicitly authorized under ARRA.

## **In-School and Out-of-School Youth**

An ongoing discussion among advocates and stakeholders is the extent to which the WIA program should serve out-of-school youth versus in-school youth. 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 have received a high school diploma or its equivalent but are basic-skills deficient, unemployed, or underemployed. This requirement applies to ARRA. Yet ARRA potentially introduces a complication because of its emphasis on both summer employment opportunities—that tend to target younger, in-school youth—and year-round activities for older youth.

The March 2009 TEGl appeared to address both directives from Congress about summer employment and serving older youth. The TEGl also stated that funds should be targeted to summer youth employment, particularly during the summer of 2009. Nonetheless, older youth could have engaged in ARRA-funded activities after the summer. The March 2009 TEGl advised that states and local areas develop strategies to serve youth in the post-summer months. For older and out-of-school youth who did not return to school in the fall, state and local areas were advised in the TEGl to consider “work experiences and other appropriate activities beyond the summer months including training opportunities and reconnecting to academic opportunities.” ETA suggested the type of services that can be made available to these youth, such as short-term subsidized work experience and co-enrolling them in adult training services. In addition, the TEGl suggested that states could have sought a waiver, as part of their state plan submission, to use the work readiness indicator to evaluate older youth ages 18 through 24 served under WIA for up to six months beyond the summer of 2009.

According to the March 2011 OIG report of the WIA Youth program as funded under ARRA, a relatively small percentage of participants were older: 14% were ages 20 and 21 and 10% were ages 22 through 24.<sup>77</sup> No information is available on the share of youth who were out of school.

## **Should WIA Include a Stand-Alone Summer Employment Program?**

Authorization for funding WIA programs expired with the end of FY2003. Congress has continued to appropriate funds for the programs through annual appropriation laws, and in some years has considered proposals to reauthorize the law. With increased focus on the summer jobs

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<sup>77</sup> Department of Labor, Office of the Inspector General, *Recovery Act: Workforce Investment Act Youth Programs*.



program, policymakers may consider, as part of any efforts to reauthorize WIA, whether the law should place greater emphasis on summer employment, as predecessor legislation did.

For decades, the federal government played a role in helping young people secure employment and achieve academic success through employment programs, including those with a summer youth employment focus. Generally, these young people were eligible for the programs because they were economically disadvantaged and had a barrier to securing employment or completing their education. The enactment of WIA in 1998 marked the first time since 1964 that states and localities did not receive funding for stand-alone summer employment programs for vulnerable youth. However, as noted above, all local areas must provide summer employment opportunities as part of their WIA Youth programs.

Four laws that preceded WIA provided funding specifically for summer youth employment activities:<sup>78</sup>

- Economic Opportunity Act of 1964 (EOA, P.L. 88-452): The act established the Neighborhood Youth Corps (NYC), which included programs for in-school and out-of-school youth. The NYC summer program for in-school youth was primarily intended to help high school age, low-income youth remain in school by providing them with summer employment.
- Comprehensive Employment and Training Act (CETA, P.L. 93-203): Enacted in 1973, CETA authorized the Summer Program for Economically Disadvantaged Youth (SPEDY). Similar to NYC, its primary purpose became one of providing work experience to economically disadvantaged youth ages 14 to 21 during the summer to enhance their future employability.
- Youth Employment and Demonstrations Project Act (YEDPA, P.L. 95-93): YEDPA extended funding for SPEDY and established new employment, training, and demonstration programs for youth. Summer employment was not a primary focus of the law, although summer employment was a component of one of the demonstration programs, the Youth Incentive Entitlement Pilot Program (YIEPP). Youth ages 16 to 19 who lived in 17 pilot sites were eligible for jobs through the program.
- Job Training Partnership Act (JTPA, P.L. 97-300): JTPA was enacted in 1982 and repealed CETA. JTPA's Summer Youth Employment and Training Program (SYETP) provided summer employment to disadvantaged youth. SYETP was similar to its predecessor, and provided employment and training activities during the summer months to low-income youth ages 14 through 21 to strengthen basic educational skills, encourage school completion, provide work exposure, and enhance citizenship skills. A separate demonstration program authorized under JTPA—the Summer Training and Employment Program (STEP)—included work experience, basic skills remediation, and life skills for youth ages 14 and 15.

CRS conducted a review of the social science literature for studies of the summer jobs programs established by these four laws to better understand how they operated, and whether any findings could be applied to current efforts to expand employment for youth during the summer. The search yielded a small number of studies that examined how the programs were implemented and

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<sup>78</sup> This description may not capture all of the summer employment activities funded under the four laws.

evaluated program effectiveness.<sup>79</sup> Notably, some of the studies examined the effectiveness of summer programs in the context of larger employment programs of which they were a part. **Appendix B** provides a detailed summary of findings.

Overall, the studies show mixed results about both program implementation and effectiveness. A few of the studies examined implementation of two of the programs, and showed that these programs were carried out unevenly at some sites. For example, based on an assessment of the NYC program as it operated in the District of Columbia and surrounding areas, GAO found that the program did not enroll youth most at-risk of dropping out, as intended. However, it generally provided youth with useful work experience and adequate supervision. In a separate study, GAO found that at some SPEDY worksites, the program did not provide youth with meaningful work tasks and training to enhance their future employability. GAO concluded that DOL did not adequately monitor the program.

The studies also examined program effectiveness. The studies assessed whether the programs met goals generally related to education and employment, such as improving rates of dropout and future employment. Most programs appear to have met some of their goals, but with mixed results because they benefited select groups of youth and/or led to positive outcomes only for a short period of time. Evaluations of the NYC's in-school and summer youth programs, which used random assignment, found that they generally did not reduce the likelihood that an eligible youth would drop out, although certain youth, including black males and Indian youth, were more likely to graduate from high school than their counterparts in the control group. An evaluation of NYC's successor, SPEDY, found no differences in full-time employment between the treatment (enrolled in the program) and control groups, but did find that youth in the program were more likely to be employed part-time; these findings should be interpreted with caution, given challenges with implementing the random design of the program.

Programs that were carried out in the late 1970s and 1980s showed similarly inconsistent results, although the YIEPP study appeared to be most promising. YIEPP was funded from 1978 through 1981 and the evaluation showed that the in-school and summer components of the program led to positive effects for black youth in terms of employment and wages; however, the program did not improve success in school. Unlike random assignment evaluations, the YIEPP study compared communities that received YIEPP funds to those that did not. Finally, an evaluation of STEP, a short-term pilot program in the 1980s, found that this program resulted in short-term benefits, such as mitigating learning losses that typically occur during summer months for youth. Over the long term, the study found that the earlier results did not persist for many youth.

These studies are not sufficient for drawing conclusions about the effectiveness of summer jobs in general for a few reasons. First, the research literature does not provide enough information to determine the extent to which the programs are comparable. The summer programs appear to have been implemented somewhat differently, and in some cases were evaluated using distinct methodologies. Differences between the programs seem to be that they were carried out over varying periods; involved different types of grantees; used distinct eligibility criteria, particularly for YIEPP; and may have had inconsistent oversight by DOL and other entities with oversight

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<sup>79</sup> Some of the studies could not be directly located, and therefore, excerpts from these studies are taken from authoritative sources, such as DOL and the National Academy of Sciences, that review job training and employment programs for youth.

capacity. Based on the evaluations, some of the programs also appeared to have had greater difficulty in implementing the program and targeting the most at-risk youth.

Second, the evaluations beg the question of whether the programs met other goals that were not necessarily measured, but may have been of interest to policymakers. For example, all of the programs seemed to meet a possible policy goal of providing employment opportunities to youth who would otherwise be idle during the summer months (although at least one program, the NYC, did not provide meaningful work opportunities at many sites). Tens of thousands to 1 million youth participated in the programs each summer. One of the studies found that two-thirds of youth in communities with YIEPP grants participated in the program. The programs may have additionally enriched youth in other ways that were not measured by the studies by providing, for example, opportunities for youth to participate in cultural events and to gain soft skills for work, such as arriving on time and interacting appropriately with co-workers.

Finally, although an outcome evaluation was not conducted of the WIA Youth program as funded under ARRA, the program was arguably subject to more oversight than were previous programs with a focus on summer employment. As discussed above, ETA, the DOL IG's Office, and GAO monitored the program. In addition, ETA contracted with two outside entities to better understand how the Youth Activities program, including the summer employment component, was carried out. This oversight showed that DOL allocated all of its funding for the program and that localities were able to provide expanded employment opportunities during the summer. Nearly 375,000 youth participated in summer employment, and they worked in a variety of settings in the public and private sectors. However, the program faced challenges. As reiterated by GAO and the outside research organizations, local communities had difficulty verifying youth eligibility, identifying and providing "green jobs," and paying youth on time. Still, the program appeared to meet one of the purposes of ARRA—to create jobs during the economic downturn.

## Appendix A. Workforce Investment Act Youth Activities Program

**Table A-1. Definitions of Select Terms Used in WIA Youth Programs**

<p><i>Deficient in basic literacy skills</i> may be defined at the state or local level. The definition must include criteria to determine that an individual (1) computes or solves problems, reads, writes, or speaks English at or below the 8<sup>th</sup> grade level on a generally accepted standardized test or received a comparable score on a criterion-referenced test, or (2) is unable to compute or solve problems, read, write, or speak English at a level necessary to function on the job, in the individual's family, or in society. If the definition is established at the state level, the policy must be included in the state plan (20 CFR 664.205).</p>
<p><i>Ever in foster care</i> refers to a person who is in foster care or has been in the foster care system (as defined in PY2007 WIASRD Data Book, Appendix B).</p>
<p><i>Follow-up</i> refers to services that may include (1) the leadership development and supportive service activities defined in regulation; (2) regular contact with a youth participant's employer, including assistance in addressing work-related problems that arise; (3) assistance in securing better paying jobs, career development, and further education; (4) work-related peer support groups; (5) adult mentoring; and (6) tracking the progress of youth in employment after training (20 CFR 664.450).</p>
<p><i>Individual with a disability</i> means an individual with any disability as defined in Section 3 of the Americans with Disabilities Act of 1990. The act defines "disability" with respect to an individual as (1) a physical or mental impairment that substantially limits one or more major life activities of such individual; (2) a record of such an impairment; or (3) being regarded as having such an impairment. "Being regarded as having such an impairment" refers to whether the individual establishes that he or she has been subjected to an action prohibited under the Americans with Disabilities Act because of an actual or perceived physical or mental impairment whether or not the impairment limits or is perceived to limit a major life activity.</p>
<p><i>Low-income individual</i> means an individual who</p> <ul style="list-style-type: none"> <li>(1) receives, or is a member of a family that receives, cash payments through a federal, state, or local income-based public assistance program;</li> <li>(2) received an income, or is a member of a family that received a total family income (excluding unemployment compensation and certain other payments), for the six-month period prior to applying for youth employment and training activities, that, in relation to family size, did not exceed the higher of the poverty line, for an equivalent period, or 70% of the lower living standard income level, for an equivalent period;</li> <li>(3) is a member of a household that receives food stamps, now renamed SNAP (or has been determined to be eligible for food stamps within the six-month period prior to applying for youth employment and training activities);</li> <li>(4) qualifies as a <i>homeless individual</i>, as defined by the McKinney-Vento Homeless Assistance Act; or</li> <li>(5) is a <i>foster child</i>, on behalf of whom state or local government payments are made.</li> </ul> <p>In cases permitted by DOL in regulations, an individual with a disability whose own income meets the standards specified in the first two criteria but who is a member of a family whose income does not meet such requirements may qualify (WIA Section (101)(25)).</p>
<p><i>Out-of-school youth</i> means a youth eligible for services under Youth Activities who is a school dropout, or an eligible youth who has received a secondary school diploma or its equivalent but is basic-skills deficient, unemployed, or underemployed (WIA Section (101)(33) and 20 CFR 664.300).</p>
<p><i>Offender</i> means any adult or juvenile who (1) is or has been subject to any stage of the criminal justice process, for whom services under this act may be beneficial; or (2) requires assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction (WIA Section (101)(27)).</p>
<p><i>Pregnant or parenting youth</i> is an individual who is under 22 years of age and pregnant, or a youth (male or female) who is providing custodial care for one or more dependents under age 18 (as defined in PY2007 WIASRD Data Book, Appendix B).</p>
<p><i>Requires additional assistance</i> refers to an individual who needs help in completing an educational program or securing and holding employment. The term may be defined at the state or local level. If the definition is established at the state level, the policy must be included in the state plan (20 CFR 664.210).</p>

*School dropout* refers to an individual who is no longer attending any school and who has not received a high school diploma or its equivalent. A youth's dropout status is determined at the time he or she registers for youth activities. An individual who is not in school at the time of registration and is subsequently placed in an alternative school may be considered an *out-of-school youth*.

*Underemployed* refers to an individual who is working part-time but desires full-time employment, or who is working in employment not commensurate with the individual's demonstrated level of educational and/or skill achievement. (20 CFR 668.150. The definition is in a section of the WIA Regulations that pertains to WIA Indian programs; presumably, the definition would be applicable to any reference to "underemployed" in WIA, including its reference in the WIA Youth Activities program.)

*Unemployed* refers to an individual who is without a job and who wants and is available for work. The determination of whether an individual is without a job shall be made in accordance with the criteria used by the Bureau of Labor Statistics of the Department of Labor in defining individuals as unemployed (WIA Section 101(47)).

**Source:** Congressional Research Service, based on Sec. 101 of the Workforce Investment Act, accompanying regulations (20 CFR Part 652 and Parts 660 through 671), and U.S. Department of Labor, Employment and Training Administration, *WIASRD Data Book*, Appendix B.

**Table A-2. Elements of Youth Programs Funded by WIA Youth Activities**

<i>Educational achievement</i>
<ul style="list-style-type: none"> <li>• Tutoring, study skills training, and instruction leading to completion of secondary school, including dropout prevention strategies.</li> <li>• Alternative secondary school services, as appropriate.</li> </ul>
<i>Summer employment opportunities</i>
<ul style="list-style-type: none"> <li>• Summer employment opportunities that are directly linked to academic and occupational learning.</li> </ul>
<i>Employment services</i>
<ul style="list-style-type: none"> <li>• As appropriate, paid and unpaid work experiences, including internships and job shadowing.</li> <li>• Occupational skill training, as appropriate.</li> </ul>
<i>Leadership development activities</i>
<ul style="list-style-type: none"> <li>• Leadership development opportunities, which may include, but are not limited to, community service and peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours, as appropriate; community and service learning projects; organizational and team work training, including team leadership training; and citizenship training, including life skills training such as parenting, work behavior training, and budgeting of resources, among other activities.</li> </ul>
<i>Additional support for youth services</i>
<ul style="list-style-type: none"> <li>• Supportive services.</li> <li>• Adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months.</li> <li>• Comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate.</li> </ul>
<i>Follow-up services</i>
<ul style="list-style-type: none"> <li>• Follow-up services for not less than 12 months after the completion of participation, as appropriate. Follow-up services for youth include regular contact with a youth participant's employer, including assistance in addressing work-related problems that arise; assistance in securing better jobs, career development, and further education; work-related peer groups; adult mentoring; and tracking the progress of youth in employment after training.</li> </ul>

**Source:** Congressional Research Service, based on Sec. 129(c)(2), Title I of the Workforce Investment Act and U.S. Department of Labor, Employment and Training Administration, *WIASRD Data Book*, Appendix B.

**Table A-3. “Work Experiences” for Youth, for Purposes of WIA Youth Activities**

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Work experiences are planned, structured learning experiences that take place in a workplace for a limited period of time. As provided in WIA Section 129(c)(2)(D) and Section 664.470, work experiences may be paid or unpaid.

Work experience workplaces may be in the private, for-profit sector; the nonprofit sector; or the public sector.

Work experiences are designed to enable youth to gain exposure to the working world and its requirements. Work experiences are appropriate and desirable activities for many youth throughout the year. Work experiences should help youth acquire the personal attributes, knowledge, and skills needed to obtain a job and advance in employment. The purpose is to provide the youth participant with opportunities for career exploration and skill development, and is not to benefit the employer, although the employer may, in fact, benefit from the activities performed by the youth. Work experiences may be subsidized or unsubsidized and may include the following elements:

- (1) instruction in employability skills or generic workplace skills, such as those identified by the Secretary’s Commission on Achieving Necessary Skills (SCANS);
- (2) exposure to various aspects of an industry;
- (3) progressively more complex tasks;
- (4) internships and job shadowing;
- (5) the integration of basic academic skills into work activities;
- (6) supported work, work adjustment, and other transition activities;
- (7) entrepreneurship;
- (8) service learning;
- (9) paid and unpaid community service; and
- (10) other elements designed to achieve the goals of work experiences.

In most cases, on-the-job training is not an appropriate work experiences activity for youth participants under age 18. Local program operators may choose, however, to use this service strategy for eligible youth when it is appropriate based on the needs identified by the objective assessment of an individual youth participant.

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**Source:** Congressional Research Service, based on 20 CFR 664.460.

## Appendix B. Detailed Findings from Studies of Select Federally Funded Summer Job Programs

### Economic Opportunity Act

The Economic Opportunity Act of 1964 authorized DOL to formulate and carry out programs to provide (1) part-time employment, on-the-job training, and useful work experience for low-income youth of high school age who need the earnings to permit them to resume or maintain attendance in school; and (2) useful work and training designed to assist unemployed, underemployed, or low-income persons ages 16 and older with developing occupational potential and obtaining employment.<sup>80</sup> Based on this authority, DOL established the Neighborhood Youth Corps (NYC). The in-school and summer components of the program were intended to achieve the first objective. These components emphasized job training and work experience, as well as services tailored to each youth, such as remedial education, tutoring, cultural enrichment activities, and personal and vocational counseling. NYC was operated by public or private nonprofit agencies. The program was carried out until 1973, when it was succeeded by a similar program. For FY1970 and FY1971 (the latest data available), DOL allocated approximately \$471.3 million for the summer youth component.<sup>81</sup> Approximately 1 million youth participated in the program during this two-year period.

In the mid-1960s, the University of Wisconsin evaluated the NYC's in-school and summer components, using a sample of youth participants.<sup>82</sup> The evaluation of the program focused on educational outcomes. The evaluation found that the program had no statistically significant effect on the probability of an enrollee's graduation from high school or on the number of high school grades completed. However, the program improved the probability that black males and Indian youth generally would graduate from high school, compared to their counterparts in the control group. Male participants who graduated from high school were more likely to go on to a post-secondary educational placement. Further, while participation in the program yielded additional monetary benefits for participants who entered the labor market after leaving high school, particularly for black youth, this difference was likely due to their immediate participation in the labor market, compared to their control-group peers who had a lag in entry.

In a series of studies of the in-school and summer NYC components, as they operated in the late 1960s and early 1970s, GAO found somewhat similar results to those of the University of Wisconsin study. Overall, GAO found that participation in the program had no significant effect on whether a youth from a low-income family continued in school. GAO attributed the lack of effectiveness to "too simplistic an approach to bring about any dramatic results, given the complexity of the dropout problem and the variety of social and personal factors causing students

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<sup>80</sup> U.S. General Accounting Office (now the Government Accountability Office), *Effectiveness and Management of the Neighborhood Youth Corps Summer Program in the Washington Metropolitan Area*, B-130515, May 31, 1972, <http://archive.gao.gov/f0302/096548.pdf>.

<sup>81</sup> Ibid. Data for FY1973 were not readily available.

<sup>82</sup> Gerald G. Somers and Ernst W. Stromsdorfer, *A Cost-Effectiveness Study of the In-School and Summer Neighborhood Youth Corps*, University of Wisconsin for the Department of Labor, July 1970, [http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content\\_storage\\_01/0000019b/80/35/19/4f.pdf](http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/35/19/4f.pdf).



to drop out.”<sup>83</sup> Also, according to GAO, the program did not appear to adequately evaluate whether youth were at risk of dropping out.

In a separate report specifically focused on the implementation of the summer youth component in the District of Columbia metropolitan area, GAO found that even after DOL planned to better assess the dropout potential of eligible youth, many enrollees did not exhibit the characteristics of youth who might drop out.<sup>84</sup> This study also showed that the program did not have a significant effect on whether a youth from a low-income family would drop out, and that remedial education was not sufficiently integrated into the program. Nonetheless, GAO determined that at most, but not all, of the worksites visited in the District of Columbia and surrounding area, participants appeared to have been provided with useful work experience and adequate supervision.

## **Comprehensive Employment and Training Act (CETA)<sup>85</sup>**

The primary purpose of the Summer Program for Economically Disadvantaged Youth (SPEDY), as authorized by the Comprehensive Employment and Training Act (CETA), was to provide work experiences to economically disadvantaged youth ages 14 to 21 during the summer to enhance their future employability. The program was aimed at school dropouts, potential dropouts, and in-school youth with barriers to work. Youth worked in the public and private sectors. DOL operated the program until 1983, when it was replaced by a summer program authorized under JTPA. In FY1981 (the latest data readily available), SPEDY served approximately 774,000 youth (though it served as many as 1 million youth in previous years).<sup>86</sup>

Process and outcome evaluations of the program were conducted by GAO and a research organization contracted by DOL. Reports by GAO in the 1970s identified problems with the operation and management of the program. The earliest of the GAO’s reports found that youth were not given enough work; were certified present at jobs when they were absent; were paid late, incorrectly, or not at all; and were given few meaningful work opportunities. These reports also concluded that DOL inadequately monitored the program. A GAO report from 1979, based on visits to 230 SPEDY worksites, corroborated these previous findings.<sup>87</sup> Further, the report found that youth were not provided with meaningful work tasks and training to develop their

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<sup>83</sup> U.S. General Accounting Office (now the Government Accountability Office), *Effectiveness and Management of the Neighborhood Youth Corps In-School Program and Its Management Problems*, B-130515, February 20, 1973, <http://archive.gao.gov/f0202/094138.pdf>.

<sup>84</sup> It does not appear that other reports specific to the summer youth program were produced. U.S. General Accounting Office (now the Government Accountability Office), *Effectiveness and Management of the Neighborhood Youth Corps Summer Program in the Washington Metropolitan Area*, B-130515, May 31, 1972, <http://archive.gao.gov/f0302/096548.pdf>.

<sup>85</sup> The program appears to have also been referred to as the Summer Youth Employment Program.

<sup>86</sup> Charles L. Betsey, Robinson G. Hollister, Jr., and Mary R. Papageorgiou, eds., *Youth Employment and Training Programs: The YEDPA Years*, National Academy of Sciences, 1985, [http://www.eric.ed.gov/ERICWebPortal/custom/portlets/recordDetails/detailmini.jsp?\\_nfpb=true&\\_ERICExtSearch\\_SearchValue\\_0=ED265245&ERICExtSearch\\_SearchType\\_0=no&accno=ED265245](http://www.eric.ed.gov/ERICWebPortal/custom/portlets/recordDetails/detailmini.jsp?_nfpb=true&_ERICExtSearch_SearchValue_0=ED265245&ERICExtSearch_SearchType_0=no&accno=ED265245). (Hereafter, Betsey, Hollister, and Papageorgiou, eds., *Youth Employment and Training Programs*.) For a critique of this study, see Vernon M. Briggs, Jr., “Youth Employment and Training Programs: A Review and a Reply Review,” *Industrial and Labor Relations Review*, vol. 41, no. 1 (October 1987), pp. 141-145, <http://www.jstor.org/stable/pdfplus/2523870.pdf>. The response to the critique by Robinson G. Hollister is also available in the same volume of the *Industrial and Labor Relations Review*.

<sup>87</sup> U.S. General Accounting Office (now the Government Accountability Office), *More Effective Management is Needed to Improve the Quality of the Summer Youth Employment Program*, HRD-79-45, February 20, 1979, <http://archive.gao.gov/f0302/108775.pdf>.

skills and enhance future employability. GAO established criteria for determining work experiences that were meaningful<sup>88</sup> and reported that about half of the sites visited met its minimum standard for such experiences—they provided enough useful work, developed good work habits, and had good supervision. Notably, even these sites did not necessarily provide continuously useful work, as some youth were idle or were not adequately supervised.

Examples of problems raised by GAO included lack of equipment for youth to perform work, a failure of planned programs to materialize, too many participants for the type of work available, emphasis on recreational activities over vocational and related activities, lack of consequences for youth arriving to work late or leaving early, and lack of adequate attendance records. GAO concluded that these problems resulted from poor oversight by DOL and grantees. According to GAO, although DOL promulgated regulations to increase emphasis on monitoring of SPEDY sites and to ensure meaningful work, few grantees effectively evaluated and monitored proposed and ongoing activities. Further, DOL did not ensure that the requirements were met, nor did they allocate program funds on the basis of need or past performance in meeting program goals. GAO also concluded that grantees did not make a strong effort to recruit the most at-risk youth, including school dropouts.

In a separate report on the program effects of youth participants at eight SPEDY sites, researchers that contracted with DOL evaluated select aspects of the program.<sup>89</sup> The evaluation found that there was no significant difference between participants and the control group in the rate of full-time employment, although there was a relatively large and statistically significant difference in part-time employment. In addition, the program did not appear to have a significant impact on the likelihood of contact with the criminal justice system. Notably, the evaluation attempted to randomly assign youth to treatment and control groups, but had difficulty doing so;<sup>90</sup> therefore, these findings should be interpreted with caution.

## **Youth Employment Demonstration Program Act (YEDPA)**

The Youth Employment Demonstration Program Act (YEDPA) extended funding for SPEDY and established new employment, training, and demonstration programs for youth. Summer employment was not a primary focus of the law, although summer employment was a component of one of the demonstration programs, the Youth Incentive Entitlement Pilot Program (YIEPP). YIEPP targeted low-income youth ages 16 to 19 who had not yet graduated from high school. All eligible youth who lived in one of 17 communities that received funding were eligible to participate. Youth were guaranteed jobs part-time during the school year and full-time during the summer months, and did not receive skills training, job search assistance, or other types of

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<sup>88</sup> GAO observed that DOL's guidance in regulations on "meaningful work experience" was not detailed enough to evaluate the effectiveness of whether the program offered such experience, and therefore, GAO developed its own criteria for this term.

<sup>89</sup> A.L. Nellum and Associates, *Impacts of SYEP Participation on Work-Related Behavior and Attitudes of Disadvantaged Youth, Final Report*, for the Department of Labor, 1980. Information about the study was taken from Betsey, Hollister, and Papageorgiou, eds., *Youth Employment and Training Programs*, pp. 146-151. It appears that the evaluation was funded through appropriations for YEDPA.

<sup>90</sup> Random design assigns individuals of similar backgrounds to intervention and control groups, and can help to explain whether the intervention is effective if the outcomes are different for the two groups. Although the evaluation included treatment and control groups, the ways in which youth were assigned to the groups varied across sites. Further, the treatment and control groups differed significantly in terms of their characteristics even before the treatment group participated in the program.

assistance. To continue their participation in the program, youth were required to enroll in school or in an approved alternative education program and to make satisfactory progress toward a high school diploma. The program extended from 1978 through 1981. More than 70,000 youth participated.

An evaluation of both the in-school and summer components of the program shows that it had positive effects overall.<sup>91</sup> The study examined the program's effects on black youth only, due to the relatively small number of Hispanic and white youth and implementation challenges at some of the pilot sites with these students. Youth were not randomly assigned to participate in the program, given that any youth in the pilot community could participate. Instead, each pilot site was matched to a comparison site that did not receive YIEPP funding but was comparable in terms of its size and demographics.<sup>92</sup> The evaluation found that the program significantly lowered the unemployment rate for black youth to nearly the same rate as that of whites in the communities. Youth were also more likely to experience increases in earnings as a result of the program, due largely to the enhanced employment rates, as well as modest increases in hours and wages. Further, the evaluation found that two-thirds of eligible youth participated in the program, suggesting, in part, that youth were willing to work at the minimum wage, but that in the absence of such a program, employers may not hire as many youth at the minimum wage who wish to work. In the follow-up semester after the program, earnings were estimated to be 39% above weekly earnings in the absence of the program, or an annual increase of approximately \$545; researchers did not evaluate whether these earnings persisted. The evaluation also showed that YIEPP was unable to improve school enrollment and success.<sup>93</sup>

## **Job Training Partnership Act (JTPA)**

The Job Training Partnership Act (JTPA) authorized the Summer Youth Employment and Training Program (SYETP), which provided employment and training activities during the summer months to low-income youth ages 14 through 21 to strengthen basic educational skills, encourage school completion, provide work exposure, and enhance citizenship skills. In the summer of 1997, about 530,000 youth participated in the program.<sup>94</sup> Separately, a demonstration program, STEP, provided summer jobs, remedial academic education, and sex education to

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<sup>91</sup> George Farkas et al., *Final Program Impacts of the Youth Incentive Entitlement Pilots Project*, Abt Associates and Manpower Development Research Corporation (MDRC), 1983. (Hereafter, Farkas et al., *Final Program Impacts of the Youth Incentive Entitlement Pilots Project*.) Information about the study was taken from Betsey, Hollister, and Papageorgiou, eds., *Youth Employment and Training Programs*, pp. 151-158. Earlier versions of the report examined outcomes for all youth.

<sup>92</sup> The evaluation accounted for youth who lived in the pilot communities but did not participate in the program. It is unclear whether the evaluation controlled for the fact that these other communities received funding through other YEDPA youth programs.

<sup>93</sup> Farkas et al., *Final Program Impacts of the Youth Incentive Entitlement Pilots Project*. Information about the study was taken from Department of Labor, Office of the Chief Economist, *What's Working (and what's not): A Summary of Research on the Economic Impacts of Employment and Training Programs*, January 1995, [http://www.eric.ed.gov/ERICWebPortal/custom/portlets/recordDetails/detailmini.jsp?\\_nfpb=true&\\_ERICExtSearch\\_SearchValue\\_0=ED379445&ERICExtSearch\\_SearchType\\_0=no&accno=ED379445](http://www.eric.ed.gov/ERICWebPortal/custom/portlets/recordDetails/detailmini.jsp?_nfpb=true&_ERICExtSearch_SearchValue_0=ED379445&ERICExtSearch_SearchType_0=no&accno=ED379445). (Hereafter, Department of Labor, *What's Working (and what's not)*.)

<sup>94</sup> Archived report by the Congressional Research Service, *The Job Training Partnership Act: A Compendium of Programs*. Available upon request.

disadvantaged youth ages 14 and 15 at risk of dropping out.<sup>95</sup> Youth were paid for their participation in work and remedial education.

The research on SYETP appears to be limited.<sup>96</sup> CRS identified a study, from 1984, which showed that the program was successful in increasing the total summer job opportunities available to disadvantaged minority youth.<sup>97</sup> The study additionally showed that for every three SYETP jobs provided, two youth were employed who otherwise would not have worked that summer. A process evaluation of SYETP by GAO found that the program intended to increase efforts to provide remedial education to youth in the program, but that this would likely reduce the number of youth served (based on the literature, it is unclear whether this happened).<sup>98</sup> Finally, an additional study, discussed below, involved youth who were assigned to SYETP as control group participants for the Summer Training and Employment Program (STEP) program, a five-year pilot program funded by JTPA and carried out in tandem with SYETP.

An evaluation of STEP involved random assignment of eligible youth into a treatment group (participation in STEP) and a control group (participation in SYETP) at five sites. The evaluation found that STEP significantly increased short-term benefits in outcomes related to education and knowledge about contraception. In the first summer of STEP, the learning losses that typically occur during the summer for low-income youth were mitigated. Youth in the program also outscored their counterparts in the control group in both reading and math. In addition, the program had impacts on youth's knowledge of contraceptive information, and some participants—those in the first cohort of the study—who were sexually active were more likely to report using contraception than youth in the control group. Over the long-term, the study found that the program *did not* have an impact on most outcomes considered. Approximately two years after the program ended, participants were just as likely as SYETP participants to drop out; those remaining in school performed similarly on standardized tests, and treatment youth had completed approximately the same number of grades and graduation credits as their counterparts. Other outcomes related to fertility show mixed results, in that the program was successful for some groups and in some locations; the evaluation concluded that the program probably did not affect sexual behavior.

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<sup>95</sup> Jean Baldwin Grossman and Cynthia L. Sipe, *Summer Training and Education Program (STEP): Reports on Long-Term Impacts*, Public/Private Ventures, Winter 1992, [http://www.ppv.org/ppv/publications/assets/82\\_publication.pdf](http://www.ppv.org/ppv/publications/assets/82_publication.pdf).

<sup>96</sup> The research literature shows that little is known about the effectiveness of the program. See Public/Private Ventures, *Dilemmas in Youth Employment Programming: Findings from the Youth Research and Technical Assistance Project*, for the Department of Labor, Research and Evaluation Report 92-C, 1992, p. 49, [http://wdr.doleta.gov/opr/FULLTEXT/1992\\_06\\_NEW.pdf](http://wdr.doleta.gov/opr/FULLTEXT/1992_06_NEW.pdf).

<sup>97</sup> Jon Crane and David Ellwood, *The Summer Youth Employment Program: Private Job Supplement or Substitute?*, Harvard University for the Department of Health and Human Services, March 1984. Information about the study was taken from Department of Labor, *What's Working (and what's not)*.

<sup>98</sup> U.S. General Accounting Office (now the Government Accountability Office), *Job Training Partnership Act: Summer Youth Programs Increase Emphasis on Remedial Education*, GAO/HRD-87-101BR, June 1987, <http://archive.gao.gov/d28t5/133553.pdf>.

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