



Workforce Investment Act

Youth Programs

What Should be Done to Make Them Far More Effective for High-Risk, High School Dropouts

“I began my career over two decades ago as a community organizer on the streets of Chicago’s South Side... so that we could get those who had dropped out into alternative schools. And in time, we changed futures.”

President-elect Barack Obama, *New Hampshire, November 20, 2007*

The Experience and Background of the Alternative Schools Network Operating Youth and Adult Education and Training Programs, with a Particular Emphasis toward High School Dropouts

My name is Jack Wuest and I have been the Executive Director of the Alternative Schools Network (ASN) since 1973. I have known Barack for over 22 years. We met in 1986 and worked together on school reform in Chicago, particularly in terms of developing programs for high school dropouts and truant students. Barack has visited our alternative schools and is very familiar with the work we do to re-enroll high school dropouts into small, alternative schools. In 2001, he spoke at our youth rally at the State of Illinois Building urging a restoration of the summer youth employment program and in late October 2004, in the middle of his campaign for the U.S. Senate he visited one of our alternative schools and answered a range of questions the students had prepared.

The Alternative Schools Network is a city-wide coalition of small, community based and run alternative schools that serve children, youth, and adults with comprehensive education programs. The ASN has a long history of effectively run programs for high risk, dropout youth. Our budget is \$14.5 million and we have extensive research and evidence for the programs we operate that demonstrates effective ways to reenroll, educate, and graduate very high risk, dropout youth. Our programs measure individual and program-wide outcomes of enrollment, attendance, skill gains, credit gains, promotions, graduations, and transitions to employment, college, or training.

The ASN has been operating youth and adult employment and training programs since 1975, from CETA programs in the 70’s, operating youth run business programs as part of the U.S. DOL/YEDPA programs, JTPA youth programs from the 80’s through the 90’s, one of the largest WIA youth program in the country since 2000, summer youth employment programs until 2000 and most recently a fiscal agent for the Illinois Governor’s summer youth employment program this past summer. Every employment and training program that the ASN has run has exceeded the required program outcomes.

The ASN has been a leader in policy issues regarding high risk dropout and jobless youth, from our national organizing in the 70’s as part of the Vice President’s Task Force on Youth Employment (the ASN was one of the founding organizing groups of the National Alliance of Community Based Organizations that was a key negotiator and framer of the Youth Act of 1980), to successful state-wide organizing against Reagan administration cuts in the 80’s (the ASN was the lead organizing group in Chicago to get Congress to restore \$100 million of youth employment funds nationwide in 1984), to shaping school reform issues in Illinois in the 80’s, 90’s, to nearly



successfully stopping the Republican-controlled Congress from cutting JTPA youth programs from \$700 million to \$125 million in 1995 when our conversation then Senators Carol Moseley Braun and Paul Wellstone led to their blocking these cuts for over 3 weeks in the summer of 1995.

We have continued our work into the present in terms of our development of the Illinois State-wide Task Force on Reenrolling Students Who Dropped Out of School and the subsequent Illinois State-wide Council on Reenrolling Students Who Dropped Out of School (chaired by Jesse Ruiz – Chairman of the Illinois State Board of Education), to the national campaign that we have developed with many groups across the country and Professor Andy Sum focusing on the growing crisis of youth joblessness. This campaign has generated significant press coverage in the New York Times, Washington Post, U.S. News and World Report, National TV Media, and so on.

We run very strong, effective programs and in doing so can inform policy as to the most effective ways to support strong and effective programs. It is in this context that we are outlining recommendations for the incoming Obama administration regarding effective ways to break the cycle of inner city youth who for nearly 30 years have been abandoned by the federal government and have been left to the cycle streets, gangs, drugs, prison, and back to the streets again.

It does not have to be this way as we outline below.

Below are key people that the incoming Obama administration should consult. Each of these individuals has over 30 years experience operating employment and training programs for youth and adults and/or researching and informing policy.

- Dr. Robert Taggart, former head of the U.S. DOL/YEDPA programming from 1977 to 1980 and currently President of the Remediation and Training Institute in Alexandria, Virginia [REDACTED]
- Professor Andrew Sum, Director of the Center for Labor Market Studies /Northeastern University, Boston, Massachusetts [REDACTED]
- Robert Sainz, Director of the L.A. County Employment and Training Programs [REDACTED]
- Therese McMahon, Deputy Director, Bureau of Community Development, Illinois Department Of Commerce And Community Affairs [REDACTED]
- Cesar Calderon, Executive Director, Soledad Enrichment Action, Los Angeles, California [REDACTED]
- Bruce Saito, Executive Director, Los Angeles Conservation Corp, Los Angeles, California [REDACTED]
- Howard Knoll, former Executive Director, The Door, New York City, currently consultant for Casey Family Fund [REDACTED]
- Jack Wuest, Executive Director, Alternative Schools Network, Chicago, Illinois [REDACTED]
- Deborah Shore, Executive Director, Sasha Bruce Youth Work, Washington D.C. [REDACTED]
- Bill Leavy, Executive Director, Greater West Town Development Corporation, Chicago, [REDACTED]



Youth joblessness continues to rise to historic levels both during the summer and year-round. Professor Andy Sum has detailed this in a wide variety of reports. The summer of 2008 saw youth joblessness for Black youth at 79% and 73% for Hispanic youth. This past October, Black youth joblessness was 80% and Hispanic youth joblessness was 75%. In 2007, there were over 6.1 million high school dropouts, ages 16 to 24, in the country – over 2.6 million of these dropouts were high-school aged (15 to 20 years old). High school dropouts over their lifetime cost taxpayers over \$250,000, and dropouts have higher incarceration and death rates, far lower marriage rates, and far lower earnings than high school graduates. The labor market situation of low-income and high-risk youth continues to get worse.

WIA youth programs should be revamped as one of the many ways to address this situation.

WIA funding for youth since 2000 has gone down from \$1 billion to \$920 million in nominal terms, with more dramatic 25% reductions in real dollar expenditures.

The implementation of WIA youth programs has had little or no support at the national level, leaving regions, states and localities to deal with limited funding, more regulations and a future with no direction.

Listed below are various points to consider in terms of revamping WIA youth programs.

Strong, national leadership can help make this a reality in terms of strengthening programs for high school dropouts - our country's most vulnerable and at-risk youth

1. Recommendations for Program Design

- The WIA basic 10 program elements provide the framework for the development of comprehensive programs. However, there has been little, if any, emphasis to develop WIA youth programs at a single site that are comprehensive in their program delivery. Instead, programs are encouraged to try to leverage other resources but not to provide the comprehensive services at one site using WIA funds. This is a major mistake – WIA funds should be used to develop comprehensive programs at individual program sites. Leveraging other services that are already weakened rarely works and makes it much less likely that WIA youth programs will serve high risk, low-skilled, out of school high school dropouts. The other factor that encourages programs to take higher-skilled, less at-risk youth comes from the pressure to lower the cost per participant, which discourages broader-based, comprehensive programs that these youth need.
- WIA youth programs have been consistently pressured to lower their costs per participant, which again pushes programs to serve higher-skilled not lower-skilled youth and to provide non-intensive services.

2. Recommendations for Funding

- WIA youth funding, as stated above, has gone backwards: Instead of being increased, funding has been cut even while the level of need has constantly grown. Even when the U.S. Department of Labor (DOL) has shown some leadership to develop programs for high-risk youth, these demonstration programs have been cut and eliminated. For example, DOL issued and funded a 3 year, five-state demonstration program for high-risk, foster care youth in Illinois, Texas, Michigan, New York and California. Six months into the program, DOL threatened to eliminate it, causing significant start-up and continuity problems. DOL relented and funded the program for a second year, but six months into the second year, DOL cancelled the program by the end of the second year. An evaluation by the Johns Hopkins Institute for Policy Studies and the Institute for Educational Leadership in July 2008 showed that this program had very strong outcomes. Attached is an article about this demonstration program and the evaluation report.
- Recent DOL funding cuts to states based on the states' supposed failure to spend monies that had been allocated have also had a very negative impact on WIA youth programs across the country.



These cuts became a de facto rescission of significant funding from states and localities in terms of adult and youth programming under WIA.

3. Recommendations for the Funding Distribution Formula

- The current funding distribution formula is based on adult employment, youth employment and other factors that have caused a reallocation of funds from cities and areas with the highest concentrations of youth who are jobless and are high school dropouts and the most in need. The youth joblessness rate is not calculated, but instead the youth unemployment rate is, which eliminates hundreds of thousands of youth in areas of the lowest employment because they have given up looking for work and they are therefore not considered unemployed, even though they are in fact on the streets and jobless - having given up looking for work.
- The formula for distribution of funding across the country and within each state should be based on youth joblessness and youth income data – both of these sets of data are readily available. This formula would distribute funds to areas with the greatest need in terms of youth who are jobless and youth who are low income.

4. Recommendation to Restore the Summer Youth Employment Program (SYEP) and Year-Round Youth Employment Program

- As stated above, the Summer Youth Employment Program (SYEP) was eliminated in 2000. This program needs to be reinstated to provide 750,000 or more low-income and jobless youth the opportunity to obtain the educational and work related skills they will need to succeed immediately and as adults. Professor Andy Sum's data have shown that youth who work when they are 16 and 17 will work more when they are 18 and 19 and in turn will work more when they are 20 and 21 and when they are 24 will be much more likely to be involved in training or employment in their mid-20s and earn more.
- The economic stimulus proposed by President-elect Obama should include \$2.5 billion to create community-based programs like the Green Job Corps and the 5-E (Energy Efficiency, Environmental Education and Employment) Disconnected Youth Service Corps as outlined in the Obama for President Platform on poverty. These programs would focus on an employment program throughout the year and with a particular emphasis on the summer for 1 million youth (16 to 21 years old), combining education and productive work in their neighborhoods. Teens would earn money while they are producing meaningful work, and they will spend this money immediately providing a direct economic stimulus to the U.S. economy.
- Illinois, Massachusetts, Minnesota, New York and other states have funded and successfully demonstrated how to quickly and effectively develop and implement summer youth employment programs.

5. Recommendations Regarding WIA Youth Outcomes

- The WIA Youth outcome measurement system has generated a specific set of incentives that significantly encourage programs to enroll youth that have higher skills and have completed high school instead of enrolling low-skilled youth who have dropped out of high school. While WIA youth outcomes are designed to measure skill gains, credentials achieved, and successful transitions nine months after exiting the program, the problem lies with the level of percent achievement, i.e., the percent that each of these outcomes is supposed to reach. The higher the percent that must be achieved in terms of credentials obtained then programs will not enroll high school dropouts, but enroll high school graduates to earn post-secondary credentials and training certificates. The higher the percent that must be achieved in each outcome the more creaming will occur in terms of taking participants who are higher skilled and lower risk.
- The literacy and numeracy performance outcomes also encourage programs to cream because youth with a reading and math level of 9.0 and higher do not fall under the reading and numeracy outcome. Therefore, this provides a strong incentive for programs to take easier instead of higher risk youth. There is also a strong incentive for programs to take out of school youth who have a high



school diploma and not an out of school youth who has dropped out of high school. The way the existing performance standards are designed provide strong encouragement and incentives for programs to take youth who are in school, with higher reading skills and therefore are much more likely to achieve the performance measure. More net impact analysis is needed to assess WIA youth program effectiveness and to establish appropriate performance measures.

Brief History of Youth Employment and Training Programs

The high point of youth employment programs in the U.S. was from 1977 to 1980. A vast array of programs were funded and thoroughly researched at \$2 billion per year under the heading of the Youth Employment Demonstration Projects Act (YEDPA) as part of the overall Comprehensive Employment and Training Act (CETA). YEDPA was a broad-based R&D program that was combined with a broad-based policy effort called the Vice President's Task Force on Youth Employment under Vice President Walter Mondale that reviewed and developed recommendations for a stable, long-term system of youth employment, training and development.

The immediate aim of YEDPA, however, was to provide an economic stimulus to counter the disastrous impacts of the 1975-1976 recession on disadvantaged youth.

Within eighteen months:

- Job Corps was doubled from 25,000 to 48,000 slots;
- A new version of the Civilian Conservation Corps was established serving 25,000 young adults;
- The Summer Youth Employment Program (SYEP) was nearly doubled from 600,000 to 1.15 million;
- 100,000 young adults were hired under the public service employment program;
- 500,000 youth participated in experimental school to work transition, apprenticeship in-school, national service, youth incentive entitlement and other demonstration programs.

Subsequent research showed that this portfolio of youth initiatives had dramatic, immediate, cost-effective and targeted economic stimulus impacts in terms of:

- Employment per dollar spent;
- Net new jobs created;
- Value of the resulting work;
- Targeting those most in need;
- Speed of implementation.

Factoring these outcomes together, these youth initiatives ranked above all other public service employment and public works measures in net job creation costs of creating a net new job.

The YEDPA research documented the need and ways to address the employment/education problems of youth through an expanded and improved youth employment, training and development system. Research also documented the needs and ways to address the severe cyclical problems of those youth who are most affected by a recession and jobless recovery.

Youth employment and training programs are the most effective form of economic and employment stimulus – creating more worthwhile and productive jobs per dollar faster and for those most in need. Short-term stimulus



measures to "Put America's Future to Work" can rebuild the base for long-term structural measures to assure this next generation realizes the American Dream.

These two components (YEDPA and the Vice President's Task Force on Youth Employment) led to the development of the 1980 Youth Act that proposed \$4 billion for high-risk youth in school and high school dropouts. This act was rejected by the Reagan Administration and was never implemented. Had it been implemented, over the next 26 years, \$184 billion would have been spent on programs serving 13 million of the highest risk youth in the country. Instead, only \$34 billion was spent in a hodge-podge of programs dispersed from Washington to states, and then local governments.

The result of this has led to 2 generations of inner city youth, particularly young Black men lost to the cycle of low education with no high school diploma and very low skills, joblessness, drugs, gangs, circulating on the streets, prison, and back to the same situation when they are released.

It did not have to be this way.

And now, it does not have to be this way.

The research from YEDPA was comprehensive and thorough and is as relevant today as it was then. The conclusions were that comprehensive programs combining education and work for high school dropouts and key support programs for in-school youth, linked with work experience, can make substantial impacts on the short-term and long-term outcomes and earnings of very high-risk youth.

CETA legislation was reformed in 1982 into the Jobs Training Partnership Act (JTPA) which focused on some training but mostly job placement outcomes. Many studies in the early 1990s concluded that JTPA youth programs were not working because short-term job placement programming was ineffective – in the short term because youth experienced less employment and in the long term because there was very little gain in skills, credentials and transition to further education and training for youth in JTPA programs. In the spring of 1995, the Republican-controlled Congress cut youth programs from \$700 million for year-round programming to \$125 million, and the Summer Youth Employment Program (SYEP) was cut from a high mark of \$1.3 billion in 1992 to \$1 billion by the end of 1995.

The JTPA legislation was converted in 1999/2000 into the Workforce Investment Act (WIA) and the separate SYEP program was folded into a year-round program at \$1 billion – leaving over 600,000 youth who had annually been employed by the SYEP with no jobs in the summer.

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For more information, please contact me at:

Alternative Schools Network, Chicago, Illinois [REDACTED]



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