





THOMAS SHOWALTER, NATIONAL YOUTH EMPLOYMENT COALITION
 House Education and Labor Committee
 Subcommittee on Higher Education and Workforce Investment
 Hearing on “Workforce Innovation and Opportunity Act Reauthorization: Creating Opportunities
 for Youth Employment”
 May 13, 2021

Name	Quote	Photo
Bethany R. (Civicorps)	Being part of this program really changed how I saw myself...Just knowing that I'm going to a building where people actually care, they actually want to help me...Just having that support from other people made me want to support myself, made me feel more important and more worthy of success.	
Emanuel M. (YouthBuild)	I call YouthBuild and AmeriCorps my “stepping stool,” the biggest step I have ever taken in a positive direction. YouthBuild helped me realize that my neighborhood, my community is more than just where I live. My community is the world.	
Amir M. (YouthBuild)	I would love to open up my own company later down the line. I am helping my community every day. It feels good.	

<p>De'Mauria A. (Opportunity Youth United)</p>	<p>These programs, not only do they help youth to get job skills and make money while doing it but also it prepares you...[Staff] give us opportunities for jobs. They'll tell us who's hiring. They talk directly with employers at real jobs so this is a place where you can - this is just a stepping stone, really.</p>	
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These are voices and faces of young people connected to programs authorized by this Committee. As Members consider legislation to update federal policies pertaining to youth employment, now is a good time to consider the labor-market prospects of today's young people.

I am Thomas Showalter, a senior advisor at the National Youth Employment Coalition, which represents all kinds of organizations that connect young people with education and employment, largely community-based service providers and workforce development boards. I am also a senior fellow at the American Youth Policy Forum, which educates policymakers on best practices, policies, strategies, innovations, and research on positive youth development approaches and effective education, youth, and workforce policies. During my career I have worked on K-12, higher education, and workforce policy matters, including on the staff of the Senate Health, Education, Labor, and Pensions Committee for Chairmen Edward M. Kennedy and Tom Harkin.

Youth Employment Before the Pandemic

Most Americans are millennials (those born between 1980 and 1996), Generation Z (those born between 1997 and 2012), or younger. These generations are the most diverse generations - in every way - in the history of the nation. Connecting these young people with a good education, early work experience, opportunities to find purpose and contribute to their communities, and meaningful employment will determine our nation's future.

Prior to the COVID-19 pandemic, young workers were disproportionately represented among the low-wage workforce. Martha Ross and Nicole Bateman [found in 2019](#) that young people ages 18-24 account for 24% of all low-wage workers. That young workers earn low wages is not a historical anomaly. What is new is the [decrease in good jobs](#) that create upward mobility, a widening gap between those trapped in the low-wage workforce and the high earners in knowledge-economy jobs. Coupled with the rising cost of higher education, this attacks the ability of young low-wage workers to increase their skills, achieve economic self-sufficiency, and support family members (children, grandparents, and others for whom they care).

The environment will not become easier for young people. It's estimated that [65% of all jobs](#) now require some postsecondary education, up from 28% in 1973. Those without bachelor's degrees face a [scarcity of career pathways](#) for [young people without such credentials](#). Young workers without a post-secondary degree receive median hourly wages of \$8.55 and median annual earnings of \$12,700. In 2019 the poverty rate for youth ages 18 to 24 was [13.3 percent](#), well above the rate of 10.5 percent among all adults.

In recent downturns, the economy has not “bounced back” for young people. The labor-force participation rate of young adults age 16-24 has dropped - and never recovered - after each of the past four recessions. It now hovers [around 55 percent](#), the lowest levels since the 1960s.

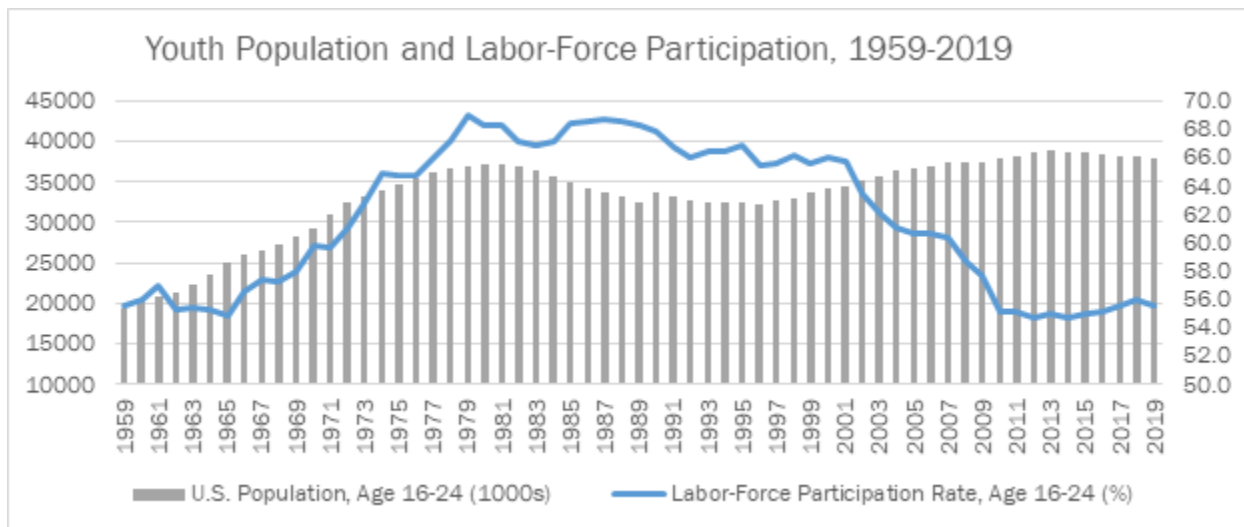


Figure courtesy of National Youth Employment Coalition

After years of focused effort, more than [4 million 16- to 24-year-olds](#) remained neither in school nor employed before the pandemic. These young people are often called “opportunity youth,” because they are seeking opportunities and offer an opportunity to our nation. These are the young people targeted by WIOA programming.

According to the findings of the [Opportunity Road report](#), opportunity youth are looking for work, even more wish to attain higher education, and the vast majority take responsibility for their future achievement. Overall numbers hide huge gaps, [according to Measure of America](#): before the pandemic Native American youth had a disconnection rate of 23.4 percent, Black young adults 17.4 percent, Latino young adults 12.8 percent, white young adults 9.2 percent, and Asian young adults 6.2 percent.

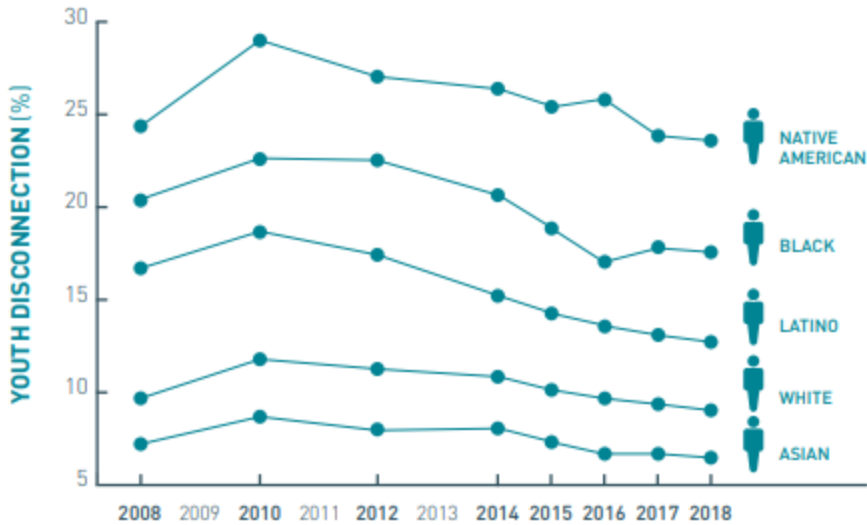


Figure courtesy Measure of America

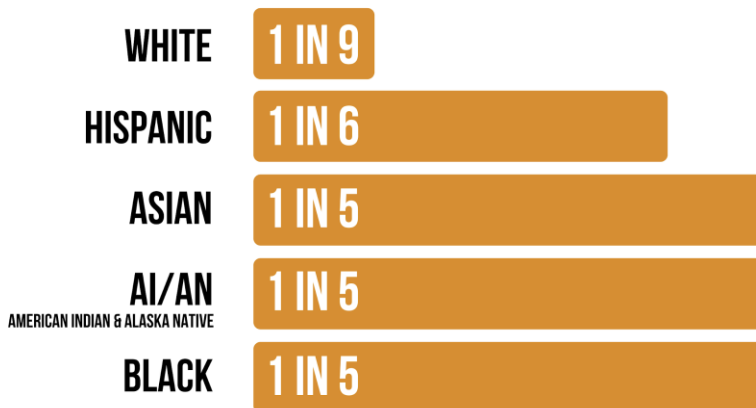
Similarly, different parts of the country show huge disparities. In areas termed [“rural opportunity deserts”](#) by Measure of America, disconnection rates among young people reach an astonishing 25.5%. In opportunity-rich urban and suburban areas, [disconnection rates are 6.6% and 7.5%](#), respectively. While not as low as nations like Japan ([3.1%](#)), these rates are comparable to nations like Denmark and Austria. **Clearly, it’s possible to prevent and repair youth disconnection in the United States.**

Even before the pandemic...

CLASP
The Center for Law and Social Policy

Young people of color were **more likely** to live in poverty than white young adults.

Odds you're a young adult in poverty (by race):



Community Population Survey, Annual Social and Economic Supplement, 2019.

#WhyWeCantWait

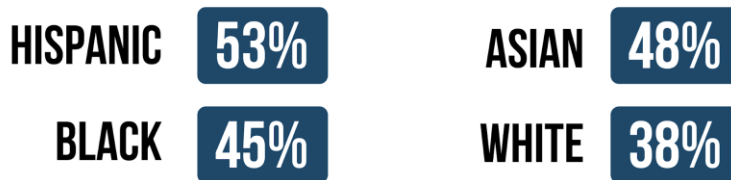
Figure courtesy of the Center for Law and Social Policy

The Pandemic's Effects

As with all other Americans, young people were affected in 2020 by the [triple pandemic](#) of a public health crisis, an economic collapse, and a racial reckoning. From spring 2019 to spring 2020, unemployment among young adults [spiked from 8.4% to 24.4%](#). As many as [one in three young adults](#) may now fall into the opportunity youth group, or over 10 million people. Among young people who were unemployed in July 2020, [over half](#) were out of work due to the pandemic.



Young adult unemployment during the pandemic, by race and ethnicity:



U.S. Census Bureau, 2020 Household Pulse Survey, Week 12.

#WhyWeCantWait

Figure courtesy of the Center for Law and Social Policy

Workforce agencies and programs that ran summer youth employment programs adapted remarkably to the abrupt pandemic changes as documented by [the National Youth Employment Coalition](#) and [Aspen Forum for Community Solutions](#), showing how programs created virtual opportunities for youth across the nation.

We will be feeling the ripple effects from these disruptions for years to come. The pandemic has radically changed where and how young people live. For the first time since the Great Depression, [a majority of American young adults](#) are living with their parents. Meanwhile, a [survey by Schoolhouse Connection](#) estimates that schools have identified and enrolled 420,000 fewer children and young people experiencing homelessness so far this school year; 1.4 million school-age young people experiencing homelessness may be un-identified and unsupported by their school during the pandemic. These young people have literally fallen through the cracks in our systems.

We Need a New Vision for the Transition to Adulthood

In the years following World War II, public policies mapped a vision for widely shared upward mobility: publicly backed loans made home ownership widely available, allowing Americans to accrue wealth; the federal government stimulated demand in high-wage sectors of the economy; states kept prices for students low at public institutions of higher education; and localities began focusing on raising the quality of public K-12 schooling. Federal initiatives like Job Corps and Head Start were launched with ambitious plans to ensure all young people were brought onto the path to the middle class. Radical disparities, largely [based on race](#), were always present. But these policies defined a path for those who grew up in the postwar years for progression into the middle class and beyond.

Our nation's economy - and the educational demands it places on young people - have changed radically in the decades since. Federal policy has not kept up. WIOA reauthorization can begin to articulate a new vision for the transition to adulthood, starting with the young people who are not presently connected to employment or education. From decades of research and practice, [we know what strategies are effective for connecting young people to school and work](#).

- **Connect School and Work:** Career-connected strategies like career academies drive improved academic attainment, better preparation for work, and increased earnings. Opportunities must also be provided for those who have fallen off their educational path to reengage, regardless of age.
- **Provide Early and High-Quality Work Experience:** Early work experience provides exposure that broadens awareness and increases professional connections, strengthening young peoples' agency in future career decisions.
- **Create Connections to Caring Adults:** Access to caring adults – family members, teachers, coaches, pastors, colleagues, and mentors – is critical for adolescent development and success in education and employment. Not only do caring adults increase employment opportunities, they support young peoples' resilience, mental health, and self-efficacy.
- **Prioritize Youth Voice, Empowerment, and Leadership:** Evidence shows the benefits of co-creating programming with young people, tapping into their wisdom as practitioners or peer support workers, and empowering them as leaders, promotes academic and workplace success.
- **Implement Sectoral Employment Strategies:** Training driven by industry sector needs and managed by community collaboratives helps young people master job requirements, successfully enter high-demand fields, and earn higher wages.
- **Adapt Lessons from Other Disciplines:** Trauma-informed care, knowledge of adolescent brain development, and the restorative justice framework are enabling practitioners to build programs and services that help young people identify, remediate, and overcome challenges that hinder their success.

- **Develop Highly Trained Professionals:** Even the best models and research-based approaches will mean little if they are not planned and managed by individuals who not only care about young people, but also understand the importance of program management, evaluation, and accountability.

Today's young people are our future workforce. The return on investment for reconnecting opportunity youth is huge, [as Clive Belfield has documented](#). Young people are able to pay taxes and help employers grow, while spending on safety-net programs goes down.

Federal Efforts for Young Workers Must Be Bolder

The Workforce Opportunity and Innovation Act (WIOA) is the primary federal law designed to connect unemployed individuals to employment, education, and service opportunities. The law has undergone extensive reform with each reauthorization.

The Comprehensive Training and Employment Act in 1973 focused on subsidized jobs for adults and summer employment for young people. (My aunt received her first two jobs through the federal summer youth employment program.) The Job Training Partnership Act of 1982 was an early welfare-to-work law that included a complex multiple-regression system meant to give providers and local workforce boards, then called private industry councils, more credit for serving those with more extensive or multiple barriers to employment. The Workforce Investment Act of 1998 repealed the already-defunded summer youth employment program, focused youth spending on in-school youth, and replaced the multiple-regression accountability framework with a similarly complex system of negotiated performance targets.

In 2014 WIOA simplified and aligned performance measures across programs, streamlined service provision, and shifted the focus of the youth formula program to out-of-school youth. Workforce development boards (as they are now called) and service providers have adapted to extensive, federally directed reforms for decades.

The WIOA Youth Services formula program is the main federal funding stream that connects young people with barriers to employment to jobs. Programs funded under the law vary widely across the country. Most are competitively procured by local workforce development boards (LWDBs) based on local needs, with services delivered by community-based nonprofit organizations. WIOA prescribes 14 required elements, from paid work experiences to entrepreneurial skills training to supportive services and mentoring, that LWDBs must ensure are available in their local area.

The WIOA Youth appropriation for fiscal year 2021 is [\\$921 million](#); the program serves [approximately 150,000](#) young people each year. (For comparison, this is similar to the annual

operating budget of [Florida Atlantic University](#), which serves about 30,000 undergraduate and graduate students.) For those who exit a WIOA Youth program in the most recent program year, participant wages are approximately \$3,500 higher two calendar quarters after their exit from the program, about 74% are employed four quarters after exiting services, and 63% have earned a credential.

YouthBuild is another critical youth-serving program authorized by WIOA. [Initially focused](#) on supporting young people to rehabilitate houses and enter the building trades, YouthBuild programs now offer a variety of sectoral pathways. Emphasizing the importance of youth voice, agency, and leadership, with love and respect, 300 YouthBuild sites partner with young people to build the mindsets and skill sets for lifelong learning and livelihood. About 85% of YouthBuild students are people of color, nearly all students come from economically disadvantaged settings, and 90% enter the program without a high school diploma. Students who successfully complete YouthBuild programs leave with a high school diploma or its equivalent and on a career pathway in an in-demand sector such as healthcare, IT, or construction. Young people in YouthBuild work to reclaim their education, gain job skills, and become community leaders.

Across programs WIOA's accountability metrics focus on job placement and short-term wage gains. While relatively simple and aligned across programs, these measures represent an outdated view of how workers get and keep jobs. In a knowledge-based economy, social capital, access to mentors, [executive skills](#), and an [entrepreneurial mindset](#) are critical skills for upward mobility, but WIOA and the rest of our education and human-services sectors do not prioritize these activities.

The law can also do more to drive equity - by race, gender, ability - and to ensure that providers target resources to those who need the most services. I will describe in more detail how to accomplish each of these goals through WIOA reauthorization.

However, the biggest deficit with the law is not its language but the effort devoted to it: Federal investments in workforce development have plummeted over the last 50 years. In today's economy, careers with family-sustaining wages require more education and higher-level skills than ever before, yet federal investments reach only a fraction of youth and young adults seeking economic opportunity. WIOA state grants have been [cut by 22% since 2009 and by 40% since 2001 in inflation adjusted terms](#). YouthBuild received approximately \$96 million in funding in FY21, reaching only a fraction of eligible students.

John Bridgeland, Director of the Domestic Policy Council for President George W. Bush, [noted in 2016](#) that while current federal funding streams were ready to expand to serve at least 1 million young people each year, "the number of Opportunity Youth served by federal programs

has actually decreased since 2012, falling from 440,000 to about 340,000 federally funded annual opportunities to access education, employment, or community service.”

WIOA Must Be Modernized

I hope Members will consider the following recommended reforms to WIOA, which were developed by a working group NYEC convened for over a year (see names of participants in the [acknowledgements](#)). I would be pleased to work with your staff on the details of any of these recommendations. In general, a WIOA reauthorization must build on the system as it exists as a stepping stone to extensive [redesign](#) and reimagining of the federal role.

The Most Meaningful WIOA Reforms

For over a year, I convened a working group of NYEC member organizations - mostly service providers and staff of local workforce development boards - to develop a set of recommendations. The most important recommendations to come out of this group are:

1. Across WIOA programs, mandate use of self-attestation (allowing young people to state their status for eligibility determination purposes) to the maximum extent practicable. This simple step would radically simplify the work of providers, create more access for the hardest-to-serve young people, and encourage cross-system collaboration.
2. Simplify WIOA Youth and YouthBuild eligibility with a Priority Populations framework. We propose a simpler, one-step eligibility framework that will make it easier for local workforce boards and providers to focus on the young people most in need of services.
3. Reorient the WIOA Youth formula around more responsive measures. We recommend inclusion of the youth unemployment rate in the formula.
4. Across WIOA programs, support adoption of trauma-informed practices. Dedicated resources are needed to address mental health and trauma, as well as to incorporate what we have learned about the adolescent brain.
5. For YouthBuild, build in long-term supports for program completers and allow for longer service windows.

Governance

Many Local Workforce Development Boards (LWDBs) face a nearly impossible task: convene dozens of constituencies, formulate a coherent workforce development strategy for their local area, administer a multitude of funding streams (often beyond WIOA and federal funding), and procure and monitor the provision of a huge array of services - on budgets that are often only a few million dollars. What's more, they may have so little money with which to procure services that their requests for proposals go unanswered. The pay for LWDB directors is often too low to attract good candidates, and compete with other, more alluring agencies.

There are too many LWDBs - over 500 - and too few disincentives against governors designating a plethora of local areas. We recommend a mechanism to ensure LWDBs are of a sufficient size to make their work possible: possible mechanisms are to define a minimum size of LWDB (for example, a local area must serve at least 500,000 prime working age workers), or a maximum number of LWDBs at the state level (perhaps tied to the size of the prime working age population of the state).

Advancing youth workforce outcomes will also require strengthening the governance provisions applicable to LWDBs in WIOA Sec. 107. We recommend that business representatives selected pursuant to Sec. 107(b)(2)(A)(i)-(iii) possess a thorough understanding of local workforce efforts and, once selected, also participate in onboarding training premised upon a significant baseline knowledge of local workforce issues, with an emphasis on the youth labor market.

To ensure youth workforce issues are elevated and understood, we recommend that young people be included in Sec. 107(b)(2)(B)(iv) as representatives of the workforce, not just representatives of youth-serving organizations. As with private-sector business representation, the young adults selected should receive the same robust onboarding.

LWDBs should also, as much as practicable, simplify procedures and increase the level of provider engagement. Reporting volume and complexity should be minimized, providers should be given greater latitude to expend funds expeditiously (especially for youth in need of immediate assistance), and monitoring procedures should be simplified. In this same vein, providers who are better able to reach and serve the hardest to serve individuals should be given priority in LWDB support. We recommend the administrative set aside be increased to 10 percent, with food explicitly made an allowable expense.

Lastly, LWDBs should focus on supporting employers as they improve their practices. We recommend Sec. 107(d)(4) include requirements that LWDBs help employers implement equitable hiring practices, increase worker voice, and become trauma-informed workplaces.

Young People at the Center

In their planning process, States should be required to involve opportunity youth and other young workers. States may have existing coordinating bodies and networks of young people that could support plan development, such as P-20 councils, [Children's Cabinets](#), former [Youth Opportunity sites](#), or [philanthropically supported efforts](#), or they could use ad hoc bodies. These groups could be charged with [building a collaborative infrastructure, building diverse stakeholder commitment, and implementing and sustaining collective action among stakeholders](#).

Program Elements

WIOA's 14 program elements for youth workforce activities, found at Sec. 129 (c)(2)(A-N), are comprehensive and a significant improvement over comparable prior provisions of the law. The extensive list of elements sometimes represents a barrier for providers, when LWDBs require all applicants for funding to agree to provide all 14 program elements. Programs usually have strengths in several elements, rather than all of them. For instance, programs exclusively serving parenting youth may want to focus more on paid work experience, supportive services, and dropout prevention than other program elements. We recommend creating room for providers to choose their program elements contained in in Sec. 129(c)(2) based on the provider's strengths. Local Workforce Development Boards would then play the role of ensuring all services are available and accessible in a given area, but not requiring each provider to make all elements available.

The range of program elements should also be expanded to reflect the challenges and opportunities that today's young adults face. We recommend amending:

- Sec. 129(c)(2)(C) to add a new (v), Independent contracting and entrepreneurship experiences.
- Sec. 129(c)(2)(G) to "supportive services, including child care, transportation access, access to technological devices and internet access needed to participate in programming, drug and alcohol abuse referral, and food."
- Sec. 129(c)(2)(I) to "follow-up services for the longer of 36 months or the completion of any postsecondary education to which participants are referred."
- Sec. 129(c)(2)(J) to "career navigation services" (drug and alcohol abuse counseling and referral should be considered a supportive service).
- Sec. 129(c)(2)(M) to "career awareness and career exploration activities."

These changes allow young adults to be more prepared for a labor force that is increasingly dynamic, not defined by a singular career path and dependent on digital infrastructure. As we shift WIOA to serve the hardest-to-serve youth, more time may be needed for completion and follow-up service following completion. Lastly, changes subparagraphs (J) and (M) reflect more up-to-date language.

Eligibility

Federal workforce programs have historically had tight eligibility requirements, to ensure that limited federal dollars benefit those without other means of connecting to education and employment. Similarly, designing programs to target youth with the most significant barriers ensures that these programs meet their needs. While WIOA should continue to prioritize serving the hardest-to-serve individuals, this should be paired with reforms to simplify eligibility

verification and flexibility to enable local areas to focus their resources on subpopulations most in need of services.

The Importance of Self-Attestation

Current documentation requirements make it challenging for young people to access services. In some cases, this results in perverse incentives for providers to recruit and serve young people who are closer to their goals and therefore easier to serve, or “creaming.” Self-attestation allows young people to verify their status themselves. This greatly reduces the burden for young people and case managers.

Young people experiencing homelessness are a population [long undercounted](#) and in need of access to WIOA services, for whom establishing school status is often difficult. Young people with justice involvement is another subpopulation who would benefit from self-attestation. In some states, young people lack state identification even after periods of confinement. After several years of deliberation, DOL in 2020 [released guidance](#) on specific data elements for which self-attestation is appropriate, echoing nascent efforts around the country to increase its use.

However, these documentation requirements are deeply embedded in the culture of many workforce boards and providers, and the monitoring practices of states. Without more concerted federal direction, it will be a long time before self-attestation becomes the norm. The most significant way Congress can improve access to WIOA services to serve more young people is by mandating the use of self-attestation for eligibility determination to the maximum extent practicable.

Priority Population Framework

With WIOA Congress required 75% of WIOA Youth funding to be spent on out-of-school young people, a critical recognition of the unique role that this funding stream plays in serving this population. The working group recommends a simpler way to retain this focus on young people who fall through the cracks of other systems.

We recommend a “Priority Population” framework for WIOA Youth and YouthBuild funding, to replace the clunky eligibility framework in WIOA. Priority Populations would include any young person between the age of 14-24 who:

- Is experiencing homelessness, or “lacks a fixed, regular, and adequate nighttime residence” as defined in Subtitle VII-B of the McKinney-Vento Homeless Assistance Act.
- Has been incarcerated or has past or current involvement with the criminal or juvenile justice systems.
- Is a current or former foster youth.

- Has a disability.
- Is pregnant or parenting.
- Is a school dropout (as defined by state law).
- Is low-income (200% FPL, with income verification if the young person does not qualify under one of the other Priority Populations).
- Is part of another young-adult population, including a racial group, that is experiencing disparate levels of youth disconnection, as defined by the local workforce development board.

This would replace the in-school youth (ISY)/out-of-school (OSY) distinction described in Sec. 129 (a)(1)(A-C), and the mandate to serve 75% OSY described in Sec. 129 (a)(4). We recommend that Congress require 90% of WIOA Youth funds be expended on Priority Populations, with 10% reserved for universal programming.

We anticipate this will increase the number of young people served who face significant barriers to employment, such as justice involvement. Coupled with self-attestation, the Priority Population framework will radically simplify eligibility determination and give local areas more flexibility to serve the young people most in need of services. The Priority Population Framework will also significantly increase LWDB flexibility to serve in-school youth if they choose. For example, removing the income verification requirement present in current ISY eligibility will make it easier to serve specific populations in each regional context, such as school-age young people connected to the foster care or juvenile justice systems.

The Priority Population framework removes perverse incentives, most notably the “in-school dropout” problem. This refers to young people who are not attending school, but who cannot qualify as OSY under WIOA Sec. 129 (a)(1)(B), either because of state compulsory education laws (for those age 16-18, depending on the state) or state or district policies regarding official school dropout status (for instance, a young person may not be considered a dropout until they miss the first 20 days of a following or new school year).

Addressing the Changing Nature of Work

WIOA contains a 20% minimum expenditure rate for the work experience program element. This requirement rightly emphasizes the importance of work experience for young people, but the requirement has not reached its full potential. In some places the 20% requirement acts as a “ceiling” on spending, instead of as a “floor” as the law intended. Furthermore, staffing and other allowable costs eat into the 20% requirement. We recommend that the expenditure requirement be raised to 25%, with allowable expenditures to include wages for young people, transportation, child care, and other supportive services.

WIOA can also stimulate new approaches to connecting young people with work. Apprenticeships are a familiar and longstanding example of work-based learning that has helped generations of workers gain a foothold in careers that pay family-sustaining wages. For young people who need immediate income to meet basic needs for themselves and their families, apprenticeships offer a chance to start building a career rather than merely holding an entry-level job with minimal room for advancement. Unfortunately, the average age of an apprentice in the US is closer to 30 than 18. We must do more to create onramps to apprenticeships for young people, such as the collaboratives that are part of the [Partnership to Advance Youth Apprenticeship](#).

The nature of work has changed since the passage of WIOA and is continuing to change as the century moves forward. We must also invest in local work-based learning ecosystems that connect middle and high schools, community colleges, workforce-development programs, and employers around a shared understanding of when and how young people will gain exposure to the world of work. These ecosystems must also comprehend new entry points to the workforce and new ways of work, such as the gig economy, entrepreneurship, and worker co-operatives.

Youth participants should have the support to explore these options and emerging opportunities in their work experiences. We recommend the creation of a new section 164 for Next Generation Youth Workforce Strategies, a competitive grant program to support work-based learning models. These include those that:

- Support career advancement and momentum, not only placement.
- Focus on transferable skills and include cross-sector mapping.
- Offer robust supports, such as living wages, mentorship and social-capital opportunities, and housing as needed.
- Stimulate youth entrepreneurship.
- Create and support cross-system work experience ecosystems in a region.
- Offer intensive support for employers, such as case-management and onboarding approaches.

Performance Measures

Performance measures should both empower organizations to effectively serve youth participants in need of their services and ensure that youth are on path toward lifelong success. Current measures outlined in Sec. 116 (b)(2)(A)(ii) are structured in a way that encourages creaming and can circumvent serving the youth most in need of services. Measures do not adequately capture the quality of placements, whether job quality or the labor market value of educational placements or credentials.

To give providers credit for creating the conditions for long-term participant success, we recommend the addition of optional performance measures, in addition to core measures:

- Measurable Skills Gain (available for all WIOA Youth participants).
- Access to career exploration experiences.
- Short-term credentials (even those that do not meet the definition of industry-recognized credentials).
- Increases in social capital, such as access to mentors, expansion of social networks, membership in civic organizations.
- Job quality, as measured by one or more of the following:
 - Wages, as compared to the local living wage in the workforce region.
 - Fringe benefits (retirement, health insurance, paid leave, tuition reimbursement).
 - Non-economic benefits, such as opportunities for career advancement, professional development activities, access to college scholarships, and schedule flexibility to accommodate continuing education.
 - Clear service to the community providing pride and satisfaction to the employees.

Functionally, this increased flexibility would require LWDBs to take on more of the responsibility for implementing a long-term WIOA strategy and tracking performance measures against it. Within that strategy, individual service providers may choose from a menu of performance measures, to report on in addition to core measures. This will reflect the diversity of need among WIOA-eligible youth - and the diversity of services supported under WIOA - while maintaining focus on a unified regional strategy.

Programs need to have added flexibility to get credit for serving hardest-to-serve youth on longer tracks which may not match with state performance numbers. Interim measures like ones mentioned above can function as an “added-credit” system, where individual WIOA programs get credit for helping clients achieve interim steps on a pathway to a higher-quality career. Performance indicators should look at improvements in economic mobility and earning power over time: we’d recommend that wage measures track at least two years and ideally five years after entering the WIOA service portfolio. They might also look at the value of social impact that will give meaning to the clients’ lives.

A critical step to making this system work would be to create a common unemployment insurance/wage reporting record accessible by program administrators and researchers/evaluators in every state. This kind of wage-record reporting is critical to tracking real labor market outcomes for WIOA clients, and particularly those long-term outcomes which are most meaningful. WIOA providers report being especially burdened by reporting wage gains and credentialing outcomes, both of which would be much easier to report against at a state and local level with this kind of integrated data system. To this end, we recommend the creation of a permanent, formula-funded workforce data quality funding stream.

Mental Health and Trauma

New findings in adolescent brain science have found that events and circumstances that cause trauma (both physical and psychological) have long-term impacts on influencing an individual's health and development over their life course. In April 2021, [the National Youth Employment Coalition published a report](#) detailing how integrating trauma-informed care (TIC) practices in youth workforce programs improves employment outcomes for young adults. WIOA's shift to focus on the hardest-to-serve youth cannot be achieved without infusing trauma-informed decision-making and practices into the job-training process.

The 2014 WIOA law's focus on comprehensive guidance and counseling as a required element must be revamped to include the latest models and practices that include trauma. Ultimately, a trauma-informed staff and practices will help guide these youth to better health, performance, and workforce retention outcomes. To help workforce agencies become more trauma-informed and able to implement trauma-informed practices, we recommend creating a new set-aside of between 3% and 5% for staff development at the local level.

To discover and incubate new approaches to addressing mental health and trauma, federal support is needed. Competitive grants focused on mental health and trauma could be added to the new section 164 described above. This could support peer-support models, staffing time dedicated to addressing/identifying trauma, assistance with referrals to treatment centers, and resources to create safe environments at WIOA providers.

Workforce agencies need to have resources to conduct capacity-building and stay up-to-date. HHS can play a role in conducting ongoing technical assistance. We recommend that within 180 days of enactment of a new workforce law, the Secretaries of Labor and Health and Human Services establish an interagency task force, for the purpose of increasing uptake of TIC in workforce agencies and other human-services agencies.

Lastly, local plans could be modified to include a plan for partnering workforce agencies with treatment facilities, providing peer support models and outlining approaches for implementing TIC amongst providers. We recommend requiring local plans to detail their strategy for addressing trauma and mental health in accordance with Sec. 108 (b)(3).

Formula

The youth unemployment rate is typically twice as high as the U-3 overall unemployment rate, and areas of youth unemployment frequently deviate from areas of overall unemployment. To create a formula that's more responsive to the youth labor market, we recommend modifying section 127 to use the youth unemployment rate (age 16-24) in subclauses (I) and (II).

WIOA currently allows for adjustments in performance measures based upon local conditions. This has helped better serve the hardest-to-serve youth with multiple barriers. However, in accordance to switching to a Priority Populations Framework, this condition can go further. We also recommend allowing extensive adjustment for labor-market conditions by making youth discretionary allocation mandatory in Sec. 128(b)(3) and eliminating (3)(B)(i)(I) and (II) in order to include a measure defined by the state to adjust for local conditions.

The Dislocated Worker Program retains a decades-old structure designed to respond to employer-driven mass-layoff events, such as factory closures. This is no longer reflective of labor dislocations today, where an employer-employee relationship may not have existed in the first place (gig work), or where those affected may have never gained access to work in the formal economy in the first place and are thus ineligible for unemployment insurance. We recommend that the definition of dislocated workers and the formula for the program address these new employment patterns, which disproportionately affect young people.

Authorization of Appropriations

The WIOA Youth program is our only nationwide service system for young adults who are disconnected from education and employment. Opportunity youth [numbered approximately 10 million](#) last summer. We recommend growing WIOA Youth to create at least one million opportunities for young people every year. This is a realistic scaling of current offerings, given 1) the increased number of youth-serving organizations that would compete for WIOA funds if our recommendations around eligibility and documentation are implemented, 2) the many existing community resources that new WIOA funding could tap (such as mental-health providers), and 3) the increased focus on immediate access to work experience that we envision. With an increased per-slot cost of \$8,500, we recommend an annual authorization of appropriations of at least \$8.5 billion for WIOA Youth.

Definitions

Regarding WIOA's definitions in section 3, we recommend that Congress:

- Add young people aged 14-24 to the definition of displaced workers.
- Add youth priority populations outlined in this document to individuals with a barrier to employment definition at Sec. 3(24).
- Include food and internet in the supportive services definition at Sec. 3(59).
- Add a new definition of "trauma," as defined by SAMHSA: "an event, series of events, or set of circumstances that is experienced by an individual as physically or emotionally harmful or life threatening and that has lasting adverse effects on the individual's functioning and mental, physical, social, emotional, or spiritual well-being."

YouthBuild

For the YouthBuild program authorized in WIOA, key changes are needed to strengthen youth voice in the program, build out support for students who transition to postsecondary education, and provide greater program flexibilities. Some examples include:

- Flexibility is needed in the statute to buy food and pay for other supportive services: Include a new eligible activity in WIOA section 171(c)(2) that allows funds to be used for food for YouthBuild participants during programming. Amend existing YouthBuild regulations (20 CFR 672.310/20 CFR 668.320) by adding a new allowable activity: provision of meals to program recipients during programming.
- Youth voice and integration needs to be strengthened:
 - In Section 102(b)(1)(D), call out opportunity youth in State strategic vision.
 - In Section 107(b)(4)(A)(ii), include YouthBuild as a required member of the standing youth committee.
- Help build greater postsecondary success: Clarify and strengthen Section 171(c)(2)) language around supporting individuals exiting the program in their transition into postsecondary education or employment.
- Ensure State plans assess needs: In Section 102(b)(1)(B) require that State Unified Plans include analysis of educational and skill levels of opportunity youth and students with disabilities.

Reentry Employment Opportunities Program

We recommend that the Reentry Employment Opportunities (REO) program be authorized in statute, as a new section 165, with the changes described below. This would 1) replace its current tenuous position, renewed through the appropriations process under the section 169 authority, and 2) allow Congress to give the program a more focused goal and strategic direction.

Authorizing language for REO should frame the program as an investment to keep young people out of the juvenile justice system, rather than responding after the youth becomes justice involved. I recommend Congress change the name of the program to Youth Alternatives to Detention.

The new REO program must increase focus on developing soft skills, to accompany the existing priorities of job skills training and job placement. These include communication, teamwork, time management, leadership and other skills that are critical in the workplace.

Under current law REO implementation is complicated by differences in state determination of adults: for example, young people may lose eligibility for services at age 18 if their state ceases juvenile court jurisdiction at that age. We recommend the new REO program include statutory age eligibility from the state-defined earliest age of court jurisdiction through age 24.

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Thank you for the opportunity to testify today.