

Outcome Goal 1.2 – Increase the Number of Youth Making A Successful Transition to Work

Even though the median age of the workforce is rising, the percentage of workers between the ages of 16 and 24 is expected to grow more rapidly than the overall labor force for the first time in 25 years. The majority of jobs will continue to require workers who have acquired knowledge and skills via two-year colleges, vocational training, moderate to long-term on-the-job training and real work experience. High school drop-outs are three to four times more likely to be unemployed than college graduates. These statistics help to explain why an important part of DOL's mission is to help disadvantaged youth prepare for competition in a 21st century work environment.

DOL administers three programs designed specifically to serve youth: the WIA Youth formula grant program, which provides comprehensive services through local workforce investment areas; Job Corps, an intensive residential training and support program; and the Youth Opportunity Grant demonstration program, which focuses on out-of-school youth in high-poverty communities. Services to in-school youth help them remain in and complete secondary school, move into post-secondary education or advanced training, and ultimately transition into successful careers. Out-of-school youth receive services that provide them with the necessary skills to attain educational credentials (i.e., high school diploma or GED), participate in vocational and post-secondary training opportunities, and transition into gainful employment or a career. Through these programs, our nation makes the type of meaningful investment in at-risk teenagers and young adults that is necessary to help them become productive and self-sufficient members of the nation's workforce.

Three performance goals measure DOL's progress in helping youth prepare for entry to the workforce. All three are administered by the Employment and Training Administration (ETA) under the Workforce Investment Act of 1998 (WIA). Funding and reporting are on a Program Year basis, e.g., PY 2003 is July 2003-June 2004.

Performance Summary		Diploma attainment*	Entry to employment	Employment retention	Average hourly wage**	Retention at 6 months
WIA Youth (1.2A) – PY 2003 Increase entrance and retention of youth registered under the WIA youth program in education or employment. [Achieved]	Result	63%	71%	81%	NA	NA
	Target	52%	65%	78%	NA	NA
	PY 2002	55%	67%	80%	NA	NA
Job Corps (1.2B) – PY 2003 Increase participation, retention, and earnings of Job Corps graduates in employment and education. [Not Achieved]	Result	8003	NA	NA	\$8.95	63%
	Target	7658	NA	NA	\$8.20	65%
	PY 2002	6381	NA	NA	\$8.03	63%
Youth Opportunity Grants (1.2C)¹⁴ Increase retention of Youth Opportunity Grant participants in education or employment. [Not Achieved]	Result	51%	60%	73%	NA	NA
	Target	52%	65%	78%	NA	NA
	PY 2002	46%	50%	78%	NA	NA

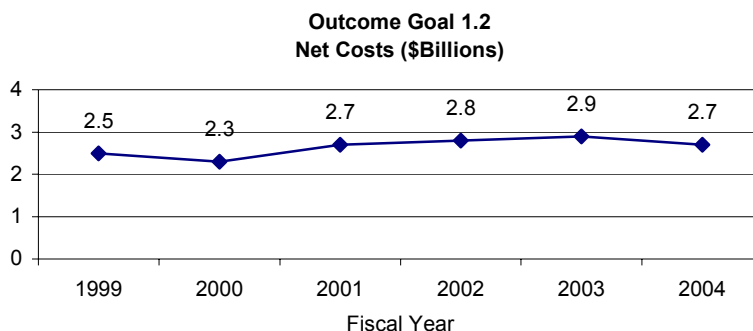
*For Job Corps, # students

**In PY 2002, earnings were measured at placement; in PY 2003, they were measured six months later.

¹⁴ Due to limited access to State Unemployment Insurance (UI) wage records, data for the older youth entered employment rate and older youth employment retention rate could only be obtained from approximately half of the Youth Opportunity Grantees. The diploma attainment rate, however, includes data from all grantees.

Net Cost of Programs

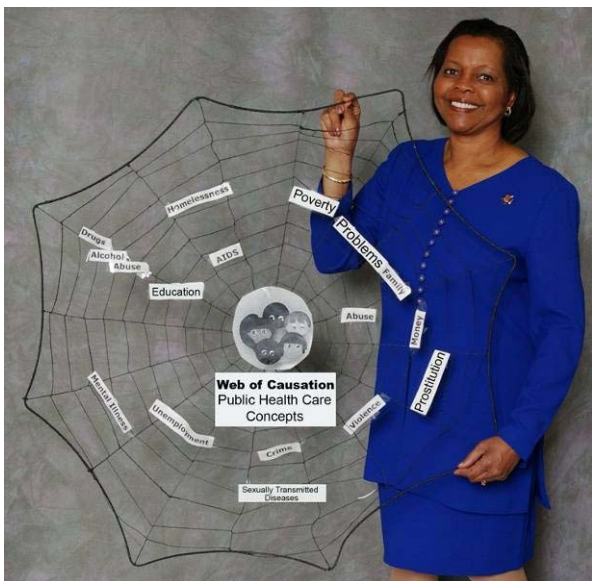
FY 2004 program costs of \$2.7 billion supported ETA programs providing employment and training assistance to youth through formula grants to States, and Job Corps. After three years of costs that trended upward, FY 2004 saw a \$254 million (approximately 10 percent) decline from FY 2003. Decreased costs in this area resulted largely from the phase-out of the Youth Opportunity Grant Program (FY 2002: \$225 million v. FY 2004: \$0) and reduced funding for WIA Youth Activities (FY 2002: \$1.13 billion v. FY 2004: \$995 million).



Results Summary

One of the three goals was achieved. As indicated in the table, WIA Youth program participants enjoyed healthy increases in all three indicators – diploma attainment for younger youth, entry to employment, and retention for older youth. Job Corps reached its targets for diplomas and average hourly wages while falling short of its retention target. In its final year, the Youth Opportunity Grant demonstration project failed to reach any of its three targets; diploma attainment and entry to employment saw healthy gains over PY 2002 despite failing to reach targets but employment retention declined significantly.

Overall, actual PY 2003 performance was better than the goal achievement count alone would indicate. Results in seven of the nine indicators increased – most of them substantially. The WIA Youth program’s success in raising all three indicator levels is attributed to extensive technical assistance targeting local performance management issues. Job Corps’ diploma attainment rate increase resulted in part from a renewed focus on academic achievement and aggressive new strategies. Hourly wage performance may have been aided by a change in the basis for calculation of wages from initial placement to six months after placement. Youth Opportunity Grant performance was improved by numerous technical assistance strategies that focused on improving long-term employment and education placements.



Phyllis is a Clinical Instructor and Director of the School Nurse Program at the University of Illinois at Chicago (UIC) College of Nursing who volunteered her time and expertise to educate high school students on public health care concepts. She spoke at a Women’s Bureau Group E-Mentoring in Nursing (GEM-Nursing) event promoting nursing careers. Co-sponsored by the UIC College of Nursing, this event is part of a larger web-based project connecting young adults with mentors who are professionals in the nursing field. Phyllis’ lesson on the “Web of Causation,” aided by her web model (pictured), outlined the complex relationships among environmental, economic, and social causes contributing to public health. Her high school students developed a greater appreciation for how nurses contribute to the health of the community. The GEM-Nursing project includes over 500 registered students and over 150 mentors from 16 different fields.
Photo credit: UIC Photographer Mark Mershon

Future Challenges

The delay of reauthorization of the Workforce Investment Act poses management challenges for the WIA Youth program. The Department of Labor's proposed legislation places emphasis on serving out-of-school youth, and DOL has begun developing strategies to do so. However, the law currently requires grantees to spend only 30 percent of funds on out-of-school youth. Because this group is more difficult and expensive to serve, few elect to allocate more than the statutory minimum – especially given greater pressure to meet employment, retention, earnings and efficiency targets.

The Government Accountability Office (GAO) conducted a study entitled *Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services* (Study 10 in Appendix 2). The report recommended that DOL and the US Department of Education coordinate efforts to connect school drop-outs to local WIA youth programs and to establish standard monitoring procedures to improve the quality of data reported by states. DOL is implementing these recommendations.

The Program Assessment Rating Tool (PART) review of the WIA Youth program, conducted for the FY 2004 budget, recommended an impact evaluation of the WIA Youth program. ETA will commission such a study upon reauthorization, as knowledge of the program's new direction will be critical to the design of any meaningful study. DOL is conducting an impact evaluation of the Youth Opportunity Grant program that is scheduled for completion in 2005.

Assist Youth in Making a Successful Transition to Work

Performance Goal 1.2A (ETA) – PY 2003

Increase entrance and retention of youth registered under the WIA youth program in education or employment.

Indicators

52 percent of the 14-18 year-old youth who enter the program without a diploma or equivalent will attain a secondary school diploma or equivalent by the first quarter after exit;

65 percent of the 19-21 year-old youth will be employed in the first quarter after program exit; and

78 percent of the 19-21 year-old youth employed in the first quarter after exit will be employed in the third quarter after program exit.

Program Perspective

The Workforce Investment Act authorizes services to low-income youth (age 14-21) who have barriers to employment. Eligible youth are deficient in basic skills or are homeless, are a runaway, are pregnant or parenting, are offenders, school drop-outs, or foster children. The program also serves youth with disabilities and other youth who may require additional assistance to complete an educational program or to secure and hold employment. Programs and services are offered to both in and out-of-school youth. Service providers prepare youth for post-secondary education by stressing strong linkages between academic and occupational learning, and preparing youth for employment. Local communities create opportunities for youth by providing required program elements, including tutoring, alternative schools, summer employment, occupational training, work experience, supportive services, leadership development, mentoring, counseling, and follow-up services.

The three performance indicators were selected from seven WIA youth measures as most appropriate for both in-school and out-of-school youth. For the older youth population, entrance into and retention in employment are the most appropriate indicators of success because services are focused on preparation for and success in the workforce. For the younger youth population, where services are geared toward academic achievement as a means of career preparation, achievement of a diploma or its equivalent is the most meaningful indicator of future success in the workforce. External factors outside of the workforce system, such as secondary school quality and the advent of state standards of learning, have the potential to impact the diploma attainment rate. However, a two year trend shows that the program is making steady progress against its indicators. Strategies and partnerships are continually reviewed to ensure the best service delivery is provided.

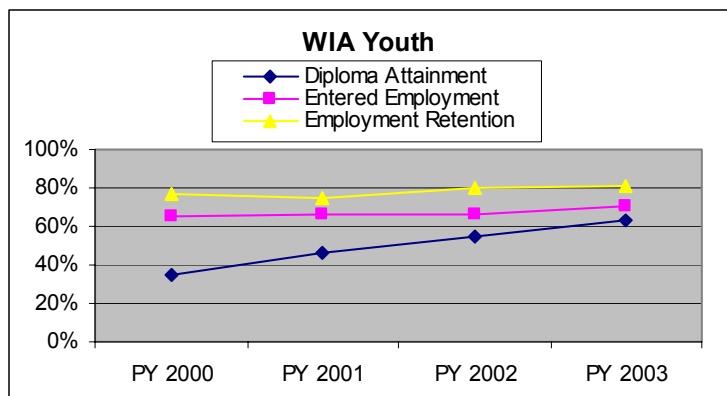
Results, Analysis and Future Plans

The goal was achieved.

- 63 percent of the 14-18 year-old youth who entered the program without a diploma or equivalent attained a secondary school diploma or equivalent by the first quarter after exit.
- 71 percent of the 19-21 year-old youth were employed in the first quarter after program exit.
- 81 percent of the 19-21 year-old youth employed in the first quarter after exit were employed in the third quarter after program exit.

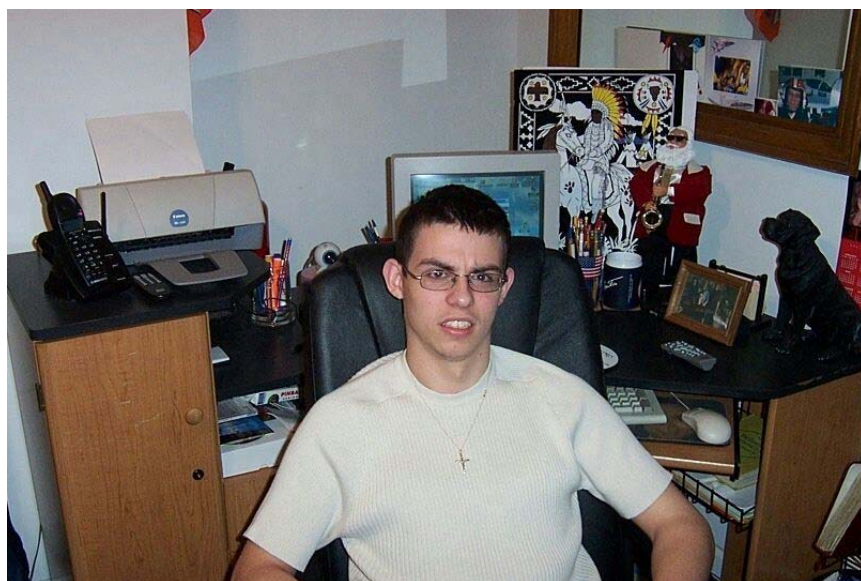
These results for Program Year 2003 (ending June 30, 2004) continue an upward trend that began with WIA implementation in 1998, and are significant. Most important is the continued increase in high school diploma attainment, given the strong statistical correlation between educational attainment and success in the labor market.

During PY 2003, DOL provided extensive technical assistance to those states struggling to



meet performance goals. This strategy has resulted in improved performance and has yielded valuable information on the specific challenges with which local areas continue to struggle. One example of technical assistance is the Performance Enhancement Project (PEP), which offers a mechanism to identify and address local performance management issues. DOL has also continued to emphasize performance and accountability, including extensive work developing the Common Performance Measures and collaboration with the US Department of Education and with State and local practitioners in developing guidance for their implementation. DOL continues its program of conducting on-site assessments of State and local workforce investment areas to determine the effectiveness of local youth programs and to help regional offices develop strategies to improve program outcomes.

DOL will continue its performance improvement efforts by working with its partners to increase emphasis on alternative education, business demands (especially in high-growth industries and occupations), and at-risk youth, including those in foster care, those attached to the juvenile justice system, and migrant youth.



Robert embodies all the qualities that make an individual an achiever. At birth, he was diagnosed with Cerebral Palsy, which hindered his educational progress and his social and psychological development. When he was referred to the WIA-funded Goodwill Workforce Development Center in Virginia as a high school senior, he felt he had a new chance at a life of independence. He credits Goodwill Industries of the Valleys, part of a world-wide network of 207 community-based organizations, for providing him with the skills to become a disc jockey (DJ). Working with Goodwill's staff, a local radio station made accommodations to enable Robert to participate in a work experience. Benefiting from a tutor and job coach assigned by Goodwill, Robert

learned the skills needed in his chosen career and improved his math and reading. Working as a DJ, Robert became a celebrity and the station gave him his own Saturday program. Robert was selected by Goodwill Industries as the 2003 "Achiever of the Year" and credits the assistance he received for the direction his life has taken. Robert wrote: "In addition to furnishing me with financial support, Goodwill's Workforce Development was very timely in providing me with guidance and advice on coping with the everyday workforce." Robert now attends the American Broadcasting School in Oklahoma City and will return home to pursue his disc jockey career.

Photo credit: Robert Martin

Management Issues

The reliability of administrative data for non-employment measures, such as diploma attainment, has been questioned in the past by the Office of Inspector General (OIG). In response, DOL implemented a data validation initiative during PY 2002. Data quality and reliability has improved as a result of this initiative. States will continue to conduct both report validation and data element validation for the current year's data, thereby ensuring the completeness and reliability of performance data.

The delay of reauthorization of the Workforce Investment Act poses management challenges for the WIA Youth program. The Department of Labor's proposed legislation places emphasis on serving out-of-school youth, and DOL has begun developing strategies to do so. However, because the law currently requires spending just 30 percent of funds on these traditionally expensive to serve out-of-school youth, it will be difficult to implement the new strategies absent reauthorization.

The Government Accountability Office (GAO) conducted a study entitled *Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services* (Study 10 in Appendix 2). The report recommended that DOL and the US Department of Education coordinate efforts to connect school drop-outs to local WIA Youth programs and to establish standard monitoring procedures to improve the quality of data reported by states. DOL is implementing these recommendations.

The Program Assessment Rating Tool (PART) review of the WIA Youth program, conducted for the FY 2004 budget, recommended adoption of common performance measures for Federal job training programs and recommended an impact evaluation of the WIA Youth program. In response, ETA has adopted the four youth common measures in subsequent Performance Budgets and issued guidance to grantees to manage to these goals and measures. States will begin reporting on common measures in November 2005. The impact evaluation will be commissioned upon reauthorization, as knowledge of the program's new direction will be critical to the design of any meaningful study.

Increase Placements and Educational Attainments of Youth

Performance Goal 1.2B (ETA) – PY 2003

Improve participation, retention and earnings of Job Corps graduates in employment and education

Indicators

The number of students who attain high school diplomas while enrolled in Job Corps will increase by 20% from Program Year 2002;

65% of graduates will continue to be employed or enrolled in education six months after their initial placement date; and

Graduates with jobs at six months after initial placement will earn average hourly wages of \$8.20.

Program Perspective

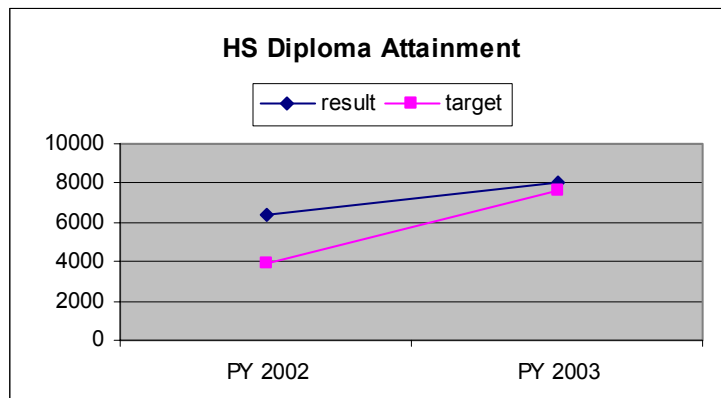
Job Corps is an intensive educational and vocational training program (primarily residential) for economically disadvantaged youth ages 16 through 24 who often face multiple barriers to gainful employment. This program provides occupational skills, academic training, social education, and other support services such as housing, transportation, and family support resources to more than 60,000 individuals at 122 centers nationwide. Job Corps centers, ranging in size from 200 to 2,000 students, are located in both urban and rural communities and are operated by large and small companies under performance-based contracts.

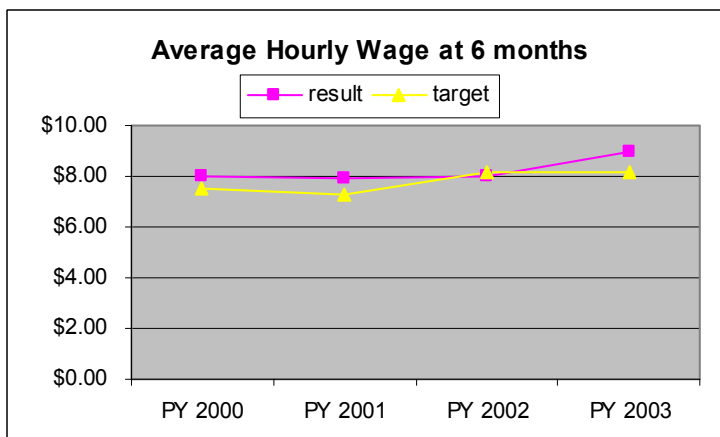
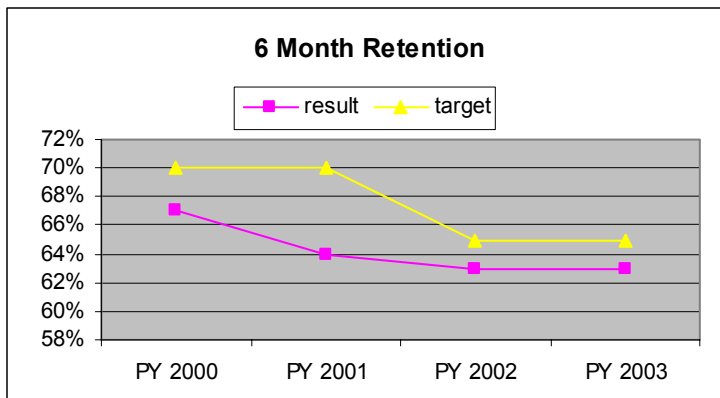
Job Corps centers provide services tailored to each student’s needs to help them achieve the skills and credentials required to be successful, productive citizens and to obtain work opportunities that lead to long term employment. DOL uses three performance indicators for this program: earning a diploma or its equivalent is the most meaningful indicator of preparedness, while entry to employment and employment retention are appropriate indicators of success in the workforce. Targets are selected by assessing prior experience, and then projecting reasonable performance under anticipated labor market conditions.

Results, Analysis and Future Plans

The goal was not achieved. Two of three indicator targets were reached. In PY 2003, participants earned 8003 high school diplomas vs. a target of 7,658 – a 25 percent increase over PY 2002. The target average hourly wage rate of \$8.20 at six months after employment was reached, with an actual rate of \$8.95. The six-month retention rate was 63 percent, nearly reaching the 65 percent target. From PY 2001-2003, the retention rate remained level. However, the average hourly wage at six months and diploma attainment rate increased during that period.

Job Corps’ high school diploma attainment rate increased by 25 percent in PY 2003. This outcome is attributed to a renewed focus on academic achievement and new strategies designed to facilitate students’ successful completion of diploma requirements. In PY 2003, while the average hourly wage goal of \$8.20 per hour for Job Corps remained the same as PY 2002, the basis for calculation of wages changed from initial placement to six months later. As in past years, the average hourly wage for Job Corps graduates continues to increase. Average hourly wages at six months for Job Corps graduates were solid, given economic conditions. Moreover, 63 percent were still employed or enrolled in advanced education programs six months later.





Job Corps' success in meeting its diploma target is due in large part to numerous partnerships with other youth and adult serving programs: the Department of Education's High School initiative, the former School-to-Work initiative, AmeriCorps, Head Start, Youth Challenge, Youth Build, America's Promise, the Center for Workforce Preparation, and the military. A significant number of the Job Corps centers have also entered into partnerships with local school districts to enable students to earn diplomas. To assist career transition, Job Corps centers are represented on local workforce investment boards and youth councils.

Regional assessments and annual contract reviews of center operators and career transition service contractors include *compliance* measures for operations and *performance* measures related to student outcomes. Performance based contracting for center operators and career transition service contractors links performance on specific measures of student success to center operators' and contractors' revenues. Implementation of such provisions, for example incentive fees for contractors, has led to improved student outcomes.

In addition to improving student outcomes, Job Corps continues to focus on customer needs by maintaining safe and healthy environments at all Job Corps centers by working with other DOL agencies to conduct safety and health inspections.



Evelyn saw a better future unfold after catching a television ad for Job Corps. Evelyn grew up in a very poor area of Milwaukee, Wisconsin. Faced with limited employment opportunities because she dropped out of high school in the 11th grade to help support her family, she knew that education would free her from poverty. In July 2001, at age 18, she enrolled at the Hubert H. Humphrey Job Corps Center in St. Paul, MN. Evelyn completed the Business Technologies and Health Occupations career training programs and obtained her GED. Soon afterward, she got a job as Student Intake Coordinator at Alternative Learning Center High School. Evelyn is a full-time student and through a partnership with the Humphrey Job Corps Center has entered the Advanced Career Training program in Child Development at St. Paul Technical College. She will graduate in December 2004. She also works part-time at the University of Minnesota College of Agriculture, Food and Environmental Sciences where she received an outstanding employee award. Evelyn plans to attend Metropolitan State University to pursue a Bachelor's Degree in social work or child psychology.

Photo credit: Katherine Limon, Renee Peek, Melanie Leary

Management Issues

Job Corps uses comprehensive data to measure program performance results. To maintain data integrity, independent data analysts scrutinize performance details. Job Corps also utilizes feedback from annual independent audits of system security and business policies and procedures to improve oversight and management of its performance data systems.

Increase Opportunities for Severely Disadvantaged Youth

Performance Goal 1.2C (ETA) – PY 2003

Increase retention of Youth Opportunity Grant participants in education or employment.

Indicators

52 percent of the 14-18 year-old youth who enter the program without a diploma or equivalent will attain a secondary school diploma or equivalent by the first quarter after exit;

65 percent of the 19-21 year-old youth will be employed in the first quarter after program exit; and

78 percent of the 19-21 year-old youth employed in the first quarter after exit will be employed in the third quarter after program exit.

Program Perspective

Youth Opportunity Grants (YOGs), a demonstration program which began operation in 2000 and ends with Program Year 2004, has aimed to increase the long-term employment of youth who live in Empowerment Zones, Native American reservations, Enterprise Communities, and other high-poverty areas. Although the focus has been to increase youth employment, especially for out-of-school youth, YOGs also aimed to reduce dropout rates and teen pregnancy, increase enrollment in post-secondary education, decrease crime, and improve existing systems in poor communities for serving at-risk youth.

For the older youth population, services have focused on preparation for and success in the workforce. For the younger youth population, services were geared toward academic achievement as a means of career preparation. Factors such as secondary school quality and the advent of state standards of learning can impact the diploma attainment rate. Many enrollees are high school drop-outs with limited prospects for attaining a high school diploma or long term employment. Another challenge was the program design; YOG was an open enrollment program that accepted any youth willing to enroll. This helped target youth most in need of services, which may have affected completion rates, though results did show improvement from last year.

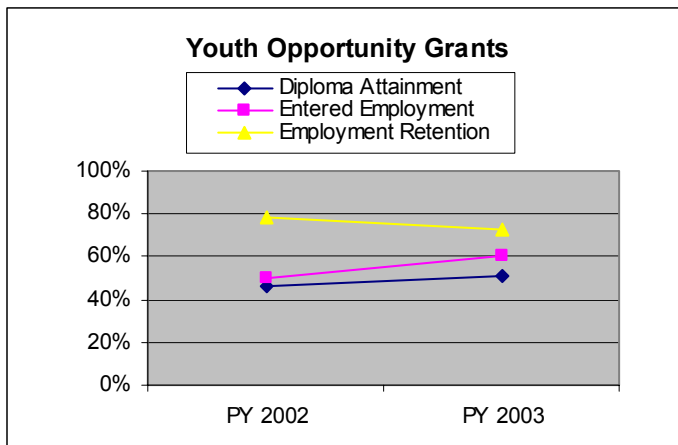
Results, Analysis and Future Plans

Performance Goal 1.2C (ETA) was not achieved.

- 51 percent of the 14-18 year-old youth who entered the program without a diploma or equivalent attained a secondary school diploma or equivalent by the first quarter after exit;
- 60 percent of the 19-21 year-old youth were employed in the first quarter after program exit; and
- 73 percent of the 19-21 year-old youth employed in the first quarter after exit were employed in the third quarter after program exit.

Data from State Unemployment Insurance (UI) wage records for the older youth entered employment rate and older youth employment retention rate could only be obtained from approximately half of the Youth Opportunity Grantees. The diploma attainment rate, however, includes data from all grantees.

Although the diploma attainment rate and entered employment rate improved markedly from the prior year, all three performance indicators fell short of their targets. Performance targets were set using baseline data from the WIA Youth formula-funded program and goals were identical to that program despite this program's focus on the harder to serve out-of-school youth population. YOGs were able to significantly improve results in diploma attainment and entered employment from the prior year. The diploma attainment improvement is significant given that academic advancement is strongly linked to improved employment opportunities and outcomes, both key long term goals of DOL youth programs. The improvement in placing out of school youth in jobs is also a significant achievement in that youth tend to be harder to employ as the economy begins to recover. Although the employment retention rate decreased from the prior year, performance was slightly below target.



During Program year 2003, DOL focused efforts on a number of technical assistance strategies. DOL conducted training sessions on literacy, job development, and homeless and runaway youth. DOL-sponsored Youth Development Practitioner’s Institute trained hundreds of front-line YOG staff in areas such as bi-level case management and data management. DOL also convened a strategic planning session and several director meetings that focused on improving areas of performance, especially long-term employment and education placements. Such efforts – coupled with on-site support, regional calls, and other technical assistance – have served to both inform and focus providers on

developing effective alternative education and literacy teaching strategies and programs. Through DOL’s assistance, YOG-funded programs focused on key progress measures including youth participation, successful completion of goals, and placements in employment and post-secondary education.



Seaman Felisicia, a member of the Albany Youth Opportunity Center, recently graduated with honors from basic training at the Naval Training Center in Great Lakes, Illinois. She used her exceptional physical fitness to distinguish herself from the other recruits during the nine weeks of strenuous basic naval training. Her athletic performance, which earned her selection as an honor graduate, also earned her the treasured assignment to the Naval Base in Sasebo, Japan, where she will serve a three-year tour as a fireman. Before she graduated from Westover High School in 2003, Felisicia served as a member of the marching band, toured with the chorus and served as a state delegate for the 4-H program. While she was in the Youth Opportunity program, Felisicia participated actively at Boys and Girls Club, Inc., where she received the Outstanding Achievement award. She also was an active member at Unity Church of Albany’s youth program. Furthermore, she worked with the Albany Police Department as a part of the Communities in School Summer Youth Job Program and volunteered in several other community service projects. Her earlier experiences serving her community continue to motivate her to serve the nation.

Photo credit: Felisicia Flood

Management Issues

Approximately half of the grantees were unable to report on the older youth employment indicators due to limited access to State Unemployment Insurance (UI) wage records, the data source necessary to calculate the measures. Delinquent grantees continue to work with their respective States and ETA anticipates late receipt of some data. ETA is confident the data that has been submitted is reliable and accurate. Though this is the last year of YOGs, ETA is addressing this issue for future discretionary grant programs by ensuring better access to data. Fortunately, these problems have been limited to the employment indicators; additional measures, such as participation and completion rates, have been timely and invaluable for management purposes. DOL is currently conducting an impact evaluation of the YOG program, and will complete it in 2005.