

## Outcome Goal 1.2 – Increase Opportunities for Youth Employment

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 21<sup>st</sup> century work environment.

DOL administers two programs designed specifically to serve youth: the WIA Youth formula grant program, which provides comprehensive services through local workforce investment areas, and Job Corps, an intensive, largely residential academic and employment training program. 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 general equivalency diploma), 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.

Two performance goals measure DOL's progress in helping youth prepare for entry to the workforce. Both are administered by the Employment and Training Administration (ETA) under the Workforce Investment Act of 1998 (WIA). Funding and reporting for both programs are for Program Year (PY) 2004 (July 2004 - June 2005).

Performance Summary		Diploma attainment	Literacy & numeracy	Entry to employment*	Employment retention	Efficiency	PY 2004 Costs (millions)
<b>WIA Youth (04-1.2A)</b> Increase placements and educational attainments for youth served through the WIA youth program. <i>Goal not achieved. Three targets reached, one not reached.</i>	Result	65%	–	72%	82%	\$2822	\$987
	Target	53%	–	68%	79%	\$2663	
	PY03	63%	–	71%	81%	–	
<b>Job Corps (04-1.2B)</b> Improve educational achievements of Job Corps students, and increase participation of Job Corps graduates in employment and education. <i>Goal not achieved. Two targets reached, two not reached.</i>	Result	64%	47%	84%	–	\$24,809	1313
	Target	64%	45%	85%	–	\$22,503	
	PY03	–	–	–	–	–	

\*For WIA Youth, 19-21 year olds only; for Job Corps, measure includes enrollment in education or training.

### Results Summary

Neither of the goals was achieved because – as with several adult employment and training programs in Outcome Goal 1.1 – efficiency measure (cost per participant) targets were overly ambitious in this (baseline) year. Outcomes, however, were positive. Educational attainment reached or exceeded targets for both programs. Job Corps participants' literacy and numeracy gains exceeded targets. The WIA Youth program exceeded its placement target, but Job Corps fell just short of its graduates' placement target. WIA Youth also reached its retention target. For the WIA Youth program, this year's performance continues an upward trend in all three outcome indicators stretching back several years. For Job Corps, this year was the first for which new Federal youth job training program common measures data were collected, so comparison to prior years is not possible.

Although national economic conditions improved in this reporting period versus preceding "recovery" years, the boost this provided to performance was offset by increasing the WIA Youth program's focus on out-of-school youth.

Out-of-school youth are traditionally harder to serve. Continued improvement in overall performance was achieved by providing State Workforce Agencies with technical assistance, especially on collaboration with other social service organizations, and by strategic use of incentives for targeting at-risk youth and promising occupations. Job Corps' education efforts (diploma and literacy/numeracy) appear to be paying off. This is encouraging because academic and career success are highly correlated and expected to become even more so as the knowledge economy further evolves.

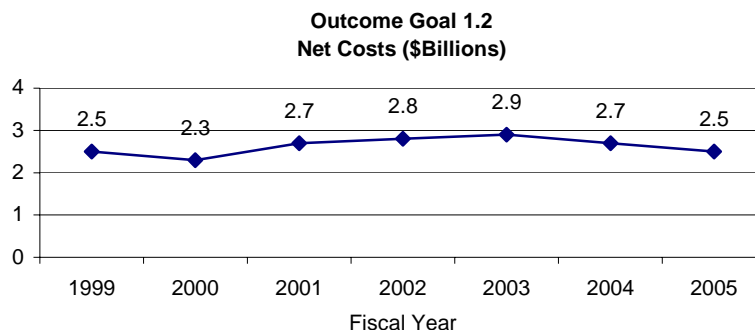
Students with the Chinese American Service League, a comprehensive social service agency dedicated to serving the needs of the Chinese community in Chicago, participated in Cardiopulmonary Resuscitation (CPR) training as part of the Women's Bureau Group E-Mentoring in Nursing (GEM-Nursing) project. The two CPR training sessions included hands-on skills training to teach students how to respond to breathing and cardiac emergencies. The GEM-Nursing project is an innovative on-line program designed to encourage young people to explore career opportunities in nursing. Students communicate on-line with nurses around the country who represent a wide range of nursing careers. Participants also attend events and training to broaden their exposure to nursing and healthcare-related careers.



**Photo credit: DOL/WB staff**

**Net Cost of Programs**

FY 2005 program costs of \$2.455 billion supported ETA programs providing employment and training assistance to youth through formula grants to States, and Job Corps. Decreased costs resulted from reductions in the WIA Youth program and from the phase-out of Youth Opportunity Grants and the School-to-Work initiative.



**Future Challenges**

For the WIA Youth program, continued emphasis on serving youth who have left school will make it difficult to improve measured overall education and employment performance. So far, existing strategies appear to be working well. In addition, implementation of a new data reporting system has been difficult and may require a new approach.

Job Corps' large operation, though fundamentally sound, poses many management challenges. In fact, Job Corps controls roughly 95 percent of the DOL real property portfolio that is not leased through GSA. To that end, in keeping with the principles of Executive Order 13327, Federal Real Property Asset Management, which President Bush issued in February 2004 "to promote the efficient and economical use of America's real property assets ...", Deputy Secretary Steven J. Law established a Departmental workgroup designed to address the management challenges related to real property – while working to more fully implement this key President's Management Agenda initiative. In addition, the Inspector General's Top Management Challenges addressed in this report also highlights the need to improve management of real property assets. In the near future, the Job Corps program is implementing new data validation procedures and is continuing to look closely at whether its physical assets (the residential training centers) are being utilized as efficiently as possible.

## Assist Youth in Making a Successful Transition to Work

**Performance Goal 04-1.2A (ETA) – PY 2004**

*Increase placements and educational attainments of youth.*

Indicators, Targets and Results	PY 2003 Result	PY 2004 Target	PY 2004 Result	Target Reached*
Percent of 14-18 year-old youth who enter the program without a diploma or equivalent who attain a secondary school diploma or equivalent by the first quarter after exit	63%	53%	<b>65%</b>	<b>Y</b>
Percent of 19-21 year-old youth employed in the first quarter after program exit	71%	68%	<b>72%</b>	<b>Y</b>
Percent of 19-21 year-old youth employed in the first quarter after exit still employed in the third quarter after program exit.	81%	79%	<b>82%</b>	<b>Y</b>
Average cost per participant	N/A	\$2663	<b>\$2822**</b>	<b>N</b>
PY 2004 Costs				<b>\$987 Million</b>

\*Indicator target reached (Y), substantially reached (S) or not reached (N)

\*\*Estimated based on quarterly reports

**Goal Not Achieved**

**Program Perspective**

The WIA youth program is an important component of an integrated workforce system. WIA authorizes services to low-income youth (ages 14-21) with barriers to employment. Eligible youth are deficient in basic skills or are homeless, are a runaway, are pregnant or parenting, are offenders, school dropouts, or foster children. The program serves both in- and out-of-school youth, including youth with disabilities and other youth who may require specialized assistance to complete an educational program or to secure and hold employment. Service providers prepare youth for employment and post-secondary education by stressing linkages between academic and occupational learning. They also assist youth by providing tutoring, alternative schools, summer employment, occupational training, work experience, supportive services, leadership development, mentoring, counseling, and follow-up services.

In July of 2004, DOL published guidance outlining its new strategic vision for the delivery of youth services under WIA. This vision emphasizes that “out-of-school youth and those most at risk of dropping out are an important part of the new workforce ‘supply pipeline’ needed by businesses to fill job vacancies in the knowledge economy. WIA-funded youth programs will provide leadership by serving as a catalyst to connect these youth with quality secondary and post-secondary educational opportunities and high-growth and other employment opportunities.” Efforts are now focused on four major areas: alternative education, demand-driven strategies for providing youth with the skills businesses need, serving the neediest youth, and improving performance.

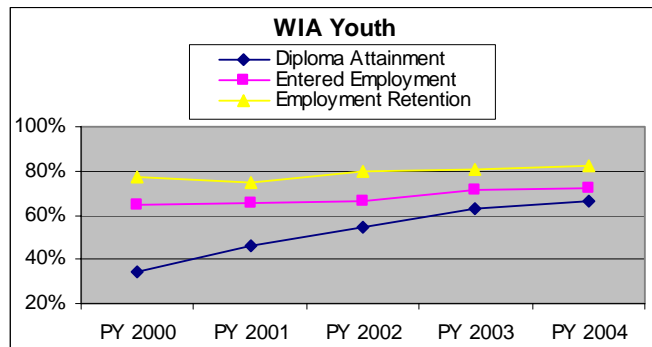
PY 2004, progress was tracked against four performance indicators. For the older youth population, entrance into and retention in employment are the most appropriate indicators of success because the program’s services are focused on preparation for and success in the workforce. For the younger youth 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. The cost per participant measure gauges the efficient use of Federal dollars.

In recent years, the program has made steady progress by all measures (see chart). Cost for participants, a new indicator as of PY 2004, is expected to increase, at least in the short term, due to targeting a harder to serve out-of-school youth population as well as general increases observed for the cost of education and training programs nationwide.

### Analysis and Future Plans

Results for PY 2004 continue an upward trend that began with WIA implementation in 1998. All three outcome indicators increased from PY 2003 and exceeded performance targets. 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.

Average cost per participant was slightly higher than expected – \$2822 vs. a target of \$2663. However, consistent with ETA’s vision for youth services, the program has served a higher proportion of out-of-school youth. Out-of-school youth are a more expensive population to serve, with a cost of \$3724 per participant, therefore the overall cost per participant increased over prior years. At the time the cost per participant target was estimated, DOL did not anticipate the full extent of increased expenditures on out-of-school youth.



During PY 2004, DOL held a series of Regional Forums that convened State education agencies along with workforce development, juvenile justice and child welfare agencies from 45 States to identify opportunities for improving programs across agency lines. DOL has provided States with a Federal/State benchmarking tool to provide States with broad principles to assist them in gauging the effectiveness of their collaborative efforts.

Two years ago, when Mathias arrived at Eastman Youth Development Campus, a youth detention center in Georgia, the seventeen-year-old was without any personal or career goals. While he was on the campus, Mathias enrolled in the WIA Youth program. During the program, Mathias earned his General Equivalency Diploma and a Certified Construction Worker Certificate. He also demonstrated his good work ethic. After his release in January of 2005, Mathias found employment and enrolled in a local technical college to obtain a Document Processing Assistant Certificate. Recently, Mathias was accepted into a university. Now, his personal goal is to obtain a Bachelor of Science Degree in Computer Engineering!

**Photo Credit: Robert Dixon and Betty Johnson**



In the fall of 2004, DOL awarded Foster Youth Demonstration grants to five States aimed at assisting foster youth who have or will be transitioning out of foster care to access employment and training opportunities. In the summer of 2005, DOL awarded 16 demonstration grants to State and local agencies and community-based organizations to help prepare youth offenders to enter high growth and high demand industries.

For PY 2005, targets will increase to 69 percent for the entered employment rate, 80 percent for the employment retention rate and remain at 53 percent for the diploma attainment rate. The target is not increasing for the diploma attainment rate due to an increased emphasis on services to the neediest youth, especially out-of-school youth, who traditionally have low rates of diploma attainment.

### Management Issues

Performance data for the WIA youth program are both complete and reliable. DOL continues to implement the recommendations made in a February 2004 Government Accountability Office (GAO) report entitled *Labor Actions Can Help States Improve Quality of Performance Outcome Data and Delivery of Youth Services* that recommended coordination with the U.S. Department of Education to connect school dropouts to local WIA youth programs and to establish standard monitoring procedures.

GAO issued a report in May 2005 entitled *Labor Should Consider Alternative Approaches to New Performance and Reporting Requirements* (Study 4 in Appendix 2). The report recommended that DOL consider alternative approaches to implementing its new reporting system, including ongoing consultation with stakeholders, phased implementation, and pilot testing. DOL will continue to consult with representatives of the State and local workforce system. In addition, DOL is conducting a feasibility study in three States and two local areas to examine the changes

needed at the State and local levels to meet the proposed data collection requirements as originally proposed in the July 2004 *Federal Register*.

The WIA Youth program received a rating of Ineffective in the PART review conducted in FY 2002. Since that time the program has made significant progress in addressing recommendations to adopt common performance measures for Federal job training programs and conduct an impact evaluation of the WIA Youth program. States will begin reporting on the new measures in their first quarterly report due in November 2005. The impact evaluation will be commissioned upon WIA 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 04-1.2B (ETA) – PY 2004

*Improve educational achievements of Job Corps students and increase participation of Job Corps graduates in employment and education.*

<b>Indicators, Targets and Results</b>	<b>PY 2003 Result</b>	<b>PY 2004 Target</b>	<b>PY 2004 Result</b>	<b>Target Reached*</b>
Percent of Job Corps graduates (within 1 year of program exit) and former enrollees (within 90 days of program exit) who enter employment or enroll in post-secondary education or advanced/occupational skills training	N/A	85%	<b>84%</b>	<b>N</b>
Percent of students earning a high school diploma, General Equivalency Diploma (GED) or certificate while enrolled in a Job Corps program	N/A	64%	<b>64%</b>	<b>Y</b>
Percent of students who will achieve literacy or numeracy gains of one Adult Basic Education (ABE) level (one ABE level is approximately equivalent to two grade levels)	N/A	45%	<b>47%</b>	<b>Y</b>
Average cost per participant	N/A	\$22,503	<b>\$24,809</b>	<b>N</b>
PY 2004 Costs				<b>\$1313 Million</b>
*Indicator target reached (Y), substantially reached (S) or not reached (N)				<b>Goal Not Achieved</b>

#### Program Perspective

Job Corps is an intensive academic 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. Most Job Corps centers are operated by large and small companies under performance-based contracts. Other Job Corps centers are operated by Federal departments.

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. In PY 2004, DOL began reporting Job Corps performance according to the job training common measures for youth programs: placement in employment or education, attainment of a degree or certificate, literacy and numeracy gains, and average cost per participant. The first three measures are indicators of student achievement in terms of placement in employment and in enhancing their employability; the efficiency measure assists program management in controlling costs.

As with other employment and training programs, Job Corps' performance can be impacted by external factors such as local labor market conditions and national economic trends. In recent years, an increasingly knowledge-based labor market has challenged Job Corps to redirect both academic and technical career training approaches. In addition, adjustment to federally standardized job training program common measures has provided program management challenges.

#### Analysis and Future Plans

During PY 2004, Job Corps continued to improve educational achievements of its students, as indicated by meeting the target of 64 percent of students earning a high school diploma, GED or vocational certificate while enrolled in Job Corps. In addition, in the first year of measuring literacy and numeracy gains, Job Corps exceeded the target by improving these outcomes for 47 percent of all students who were basic skills deficient at entry. Attainment of these

two measures indicates that Job Corps' focus on academics – through partnerships with local school districts, innovative teaching approaches, and integration with skill training – has helped prepare students academically, as well as vocationally, for success in the labor market.

The entered employment/education measure, which until this year included program graduates only, now includes former enrollees and will ultimately include all students. While placement of graduates increased from 90 percent to 91 percent, former enrollees' results had more impact than expected; the overall rate just missed the target of 85 percent. This does indicate that the target was ambitious, and Job Corps will focus on reaching that placement rate in PY 2005 by encouraging Career Transition Services (CTS) providers to focus their energies and services on recent graduates.

Job Corps utilizes performance-based contracting for center operators and CTS providers; center operators' and contractors' revenues are linked to performance on specific measures of student success. Such provisions, particularly incentive fees for contractors, have led to improved student outcomes. Regional offices conduct assessments and annual contract reviews of outreach and admissions contractors, center operators and CTS providers that include compliance measures for operations and performance measures related to student outcomes. In addition to improving student outcomes, Job Corps maintains safe and healthy environments at all Job Corps centers by cooperatively working with other DOL agencies to conduct safety and health inspections annually.



Collbran Job Corps Civilian Conservation Center celebrated their Eagle Corps team's second place finish in the Colorado regional *For Inspiration and Recognition of Science and Technology* Robotics competition that is sponsored by NASA. This year, 38 teams participated and had six weeks to build their robot for the competition. Volunteer mentors from local engineering firms, as well as a retired mechanical engineer, assisted the 22-member Eagle Corps team in programming, engineering and electronic wiring for its robot's construction. While preparing for the competition, the team not only designed and built the robot, but also created a competition Web site ([www.eaglecorps.ws](http://www.eaglecorps.ws)), researched the partnering companies, produced a button to trade with other teams, and designed a team jersey. The drawing of the team's robot was created by a participant who taught herself the AutoCAD program. "Robotics is a once-in-a-lifetime experience," said Tim, a 17-year-old team member.

**Photo Credit: Johnathon Noe, Elijah Davis, Tim Lawrence, Tim Silburn, Darrell Martin, Deak Chamberlain, and Maria Temiquel**

### Management Issues

Job Corps is committed to maintaining a comprehensive data collection and reporting system that meets the highest integrity expectations, and has established multiple methods to continuously assess the validity of the system. Given the scope of operations, however, there have been challenges to maintaining uniform quality. Recently, the Office of Inspector General (OIG) identified several areas of concern related to Job Corps' data validation procedures in *Job Corps Performance Measurement Outcomes Report* (Study 13 in Appendix 2) and *Performance Audit of Job Corps Center Operating Costs* (Study 12 in Appendix 2). To ensure system-wide data integrity, Job Corps is implementing requirements for regional offices to review individual student data using a stringent targeted sampling methodology, and is taking steps to recover overpayments if irregularities are identified.

Job Corps controls roughly 95 percent of the DOL real property portfolio that is not leased through the General Services Administration. In keeping with the principles of Executive Order 13327, *Federal Real Property Asset Management*, which President Bush issued in February 2004 "to promote the efficient and economical use of America's real property assets," Deputy Secretary Law established a Departmental workgroup designed to address the management challenges related to real property – while working to more fully implement this key President's Management Agenda initiative. In addition, the Inspector General's Top Management Challenges addressed in this

report also highlights the need to improve management of real property assets. Job Corps is investigating whether its physical assets (the residential training centers) are being utilized as efficiently as possible.

In 2004, the Job Corps program was assessed through the PART, and was rated as Moderately Effective. In response to findings identified in the PART, DOL has:

- Created a strategic plan to improve services to Hispanic/Latino and Limited English Proficient students to improve the employment and earnings outcomes of their population;
- Developed an Asset Management Plan and Capital Asset Plan to complement the FY 2007 budget submission;
- Developed a decision-making process for capital investments in real property, based on alignment with a business case presented to support instructional programs which target high growth economies;
- Assembled a cost effectiveness workgroup to improve program efficiency; and
- Piloted a project to utilize Unemployment Insurance wage records in an aggregate format in order to proceed with full implementation of common measures by PY 2006.