

Opportunity Youth Community Recommendations for CV-4 Legislation

Principles for COVID Response Legislation

As Congress considers legislation to aid the recovery from the COVID-19 pandemic (a fourth phase of legislation, or CV-4), we come together as advocates for and with Opportunity Youth (16- to 24-year-olds who are not employed and not in school) to provide recommendations that will help reconnect youth, aid young workers and stabilize the economy. Our recommendations are grounded in the following principles:

- Centering race and gender equity;
- Expanding opportunities for the most vulnerable;
- Investing in capacity building and local decision-making;
- Co-designing solutions with young people; and
- Preparing the next generation of leaders.

All young people need access to:

- Living wages and allowances through employment, training and/or service to participate in the economy and empower themselves;
- Interventions that address systemic issues stemming from mental and behavioral health, economic inequality, homelessness, violence, and substance abuse;
- Positive mentors and experiences that help youth explore their talents and develop a plan for success; and
- Pathways, designed in partnership with adults, that expand access to a wide range of opportunities such as higher education, vocational education, service and careers.

What CV-4 Must Accomplish

The COVID-19 pandemic has highlighted both the need to invest in current systems as well as adaptations needed to strengthen our nation and communities. The pandemic disproportionately hurts workers and those trying to enter the workforce who were already vulnerable: young workers, people of color, immigrants, gig workers, under-or long-term unemployed and those who work in sectors characterized by unpredictable and low-wage work. For example, [9.2 million workers aged 16-24 are employed in service-sector establishments](#), which have been hugely impacted by the pandemic. Even before the pandemic, [low-wage workers were already in precarious jobs](#), with income inequality in the U.S. reaching its [highest level in 50 years](#) despite a booming

economy. With unemployment projected to hit at least 15 percent, the magnitude of need will dwarf that of even the Great Recession.

Opportunity Youth have struggled to find jobs even during a strong economy, all while having to navigate a strained system. We are already [hearing about the impacts](#) the pandemic is having on organizations that connect Opportunity Youth to work. We also know from previous economic recoveries that, without targeted support, Opportunity Youth's prospects will not improve when the economy improves.

Unfortunately, the recently passed CARES Act did not have a strong focus on young people. The law does not provide the funding needed to meet the existing needs of 4.5 million Opportunity Youth and support youth workers who are vulnerable to mass lay-offs in the face of an oncoming recession. Programs across the country are already underfunded; the pandemic is threatening many of them with layoffs or closure. Now is the time for bold proposals to reconnect Opportunity Youth to pathways that build toward a career with a family sustaining wage as they help restart the economy and rebuild our communities.

Scale Up Existing Programs and Respond to COVID with Tailored Interventions

The pandemic has highlighted the need to scale up existing programs that work as well as to create new opportunities for people displaced by the pandemic. Below we provide options for both avenues of work. ***All funding recommendations are in addition to current fiscal year 2020 appropriations.***

Scale Up Existing Programs: Reconnect One Million Opportunity Youth

We recommend starting with the recommendations of the [Reconnecting Youth Campaign](#), which focuses on scaling existing programs to generate 1 million more slots per year to reconnect youth. [Youth disconnection](#) impacts all regions of the country—urban, suburban, and rural. West Virginia has the highest rate (17.0 percent), followed by New Mexico (16.5 percent), and Mississippi (16.4 percent). Native American and Black American teens and young adults have the highest rates of youth disconnection. Yet, Latino/Hispanic, and white and Asian youth also find themselves out of school and work and seeking pathways to opportunity.

The Reconnecting Youth Campaign recommends ***investing \$6.5 billion annually in existing, evidence-based federal programs for young people.*** These funding

levels were developed based on conversations with practitioners and leaders, talking about levels to which they could immediately scale up. Clearly, today levels in addition to the RYC recommendations are needed, but these represent a base for growing our capacity to serve and reconnect young people. ***Specific program and line-item requests are outlined at the end of this memo in a table.***

Scale Up Existing Programs: Opening Doors Act for Youth Act

In addition, Congress should invest in summer- and year-round employment opportunities, and strengthen local community partnerships. Chairman Scott's Opening Doors for Youth Act (ODFY, H.R. 1748, 115th Congress) proposes a time-tested structure for doing so. [ODFY](#) provides for an influx of investments that is needed on top of funding for WIOA Youth formula funds to address youth disconnection across the nation.

ODFY authorizes:

- \$1.5 billion in formula grants for subsidized summer jobs for in- and out-of-school youth ages 14 to 24, and connects youth in low-income communities and Opportunity Youth with employment opportunities;
- \$2 billion in formula grants for year-round employment opportunities for Opportunity Youth; and
- \$2 billion in competitive grants to transform communities with high rates of youth disconnection into communities of opportunity, through local community partnerships.

Respond to the COVID Crisis with Tailored Interventions

In addition to meeting pre-pandemic needs, Congress must make transformative federal investments, guided by local decision-making and consistent with the principles detailed above, to help young people recover from the pandemic.

A Pandemic Plan for and with Opportunity Youth

As part of developing a pandemic plan for Opportunity Youth, states should be required to create a plan that addresses the needs of Opportunity Youth and other young workers. States may have existing coordinating bodies that could craftings this plan, such as state workforce development boards, state boards of education, P-20 councils, [Children's Cabinets](#), former [Youth Opportunity sites](#), as well as [philanthropically supported efforts](#), or they could use ad hoc pandemic-related bodies. These groups could be charged with [building a collaborative infrastructure, building diverse stakeholder commitment, and implementing and sustaining collective action among stakeholders](#).

Education: Postsecondary Bridging for All

The nation's K-12, higher education, and workforce development systems have all suffered extensive disruptions related to the pandemic. More than ever, Opportunity Youth need a variety of postsecondary pathways. A robust national postsecondary-bridging initiative would link longstanding federal efforts across K-12, higher education, and workforce development. Components of this work should include:

- Providing funding through community leads (LEAs, community colleges, municipal agencies, or other intermediaries) to strengthen the local bridging ecosystem.
- Flexible funding that includes access to college/career readiness, evidence-based counseling, retention supports, and career exploration.
- Bridging programs, which can take many forms, including programs focused on K-12 [in-school youth](#), programs focused on [reengaging youth who left school without a diploma](#), programs focused on workforce strategies such as pre-apprenticeship, and blended programs such as the federal [GEAR UP program](#).

In general, bridging models have shown [success for a variety of populations](#) such as at-risk, school-age young people, older people, and chronically disconnected adults. [A Washington state evaluation](#) of their GEAR UP programs found that “contrasting GEAR UP participants with a comparison group of other low-income students, GEAR UP students had more positive outcomes on virtually all measures of enrollment, persistence, and degree attainment.” The cost of these programs range widely, from around \$650 per participant for GEAR UP to more than \$1,000 for more intensive models. To create 1,000,000 opportunities for people affected by the pandemic to enter and succeed in postsecondary education over the next 18 months, ***we recommend \$10 billion available until September 30, 2022, for a postsecondary bridging program funded through the Dislocated Worker Assistance National Reserve or the Department of Education’s Fund for the Improvement of Postsecondary Education.***

Employment: A National Transitional Jobs Program

Even before the pandemic, labor-force participation rates for young people 16-24 were at record lows. Many young people are not gaining the early exposure to work available to prior generations. The pandemic highlights the need for access to [transitional jobs](#): work experiences that are limited in duration, of low risk to workers and employers, and increase workers’ skills. This decades-old, evidence-based approach will help more young people enter the workforce, even as it helps industry sectors transition out of the pandemic stronger than before.

Transitional jobs can take many forms, such as [subsidized employment programs](#). Recent evaluations of federal transitional-jobs programs have found positive returns on investment:

a [2012 evaluation](#) found that “from the combined perspectives of taxpayers, victims, and participants, CEO’s benefits outweighed the costs by \$4,900 per program group member, resulting in a 2.4 benefit-cost ratio”; a [2018 evaluation](#) found that the “benefit-cost ratio for the program from society’s perspective was 1.20.”

During the 115th Congress, Senators. Baldwin and Booker introduced the [Stronger Way Act](#), S. 1938, calling for a national transitional jobs effort that would provide work experiences and services for up to 30 weeks. Building on the wisdom of disability-rights advocates, this program will not only help young people gain attachment to the labor force, but will help employers design jobs and organizational structures that facilitate the success of all workers. Policy elements include:

- Prioritizing youth, workers of color and with multiple barriers to employment
- Providing funding to [labor-management partnership arrangements](#) that bring together business, labor, and government to ensure access to high-quality training and employment opportunities while also ensuring strong employment outcomes
- Creating jobs in the public, private, or nonprofit sectors (target duration of 30 weeks in settings with a transition to hire)
- Support for job developers, navigation services, and employer coaches
- Job-quality guardrails, and conditions on permanent hires
- At least wage rate subsidy

Depending on services offered and wage subsidy rates, a [CLASP survey of programs](#) found costs including wage subsidies and services ranged from \$1,143 to \$2,620 per month in 2019 dollars, or \$10,276 to \$23,556 for a 30-week program. [Another evaluation](#) found an average cost of \$17,161 in 2019 dollars for a six-month experience. Assuming a per-slot cost for a 30-week transitional jobs model of \$20,000, creating transitional job opportunities for 2,000,000 displaced workers over the next 18 months would require a \$40 billion investment, plus start-up and program administration costs of at least 10 percent. ***Thus, we recommend \$44 billion, available until September 30, 2022, for a transitional-jobs program funded through the Dislocated Worker Assistance National Reserve.***

Support and Expand National Service

In past labor-market disruptions, national and community service has served as an important automatic stabilizer, enabling Americans to continue serving their community while receiving income supports and gaining new skills. The Serve America Act, passed in 2009 at the height of the Great Recession, envisioned AmeriCorps growing to 250,000 slots annually. However, it has been stuck at under 90,000 for many years, far short of what was needed even prior to the pandemic.

We recommend including the [Climate Resiliency Service Corps Act of 2019 \(HR 5176\)](#) in any upcoming recovery package.

Rep. Chu introduced the Climate Resiliency Service Corps Act earlier this session and the bill expands National Service through community adaptation, mitigation, preparedness, response, and recovery projects aimed at mitigating the effects of natural disasters and other trends related to climate change. National Service represents a paid opportunity for participants, while also providing hands-on learning through projects benefiting a community. Many National Service programs descend from the Civilian Conservation Corps (CCC), which served as an important economic recovery tool during the Great Depression.

We recommend including the [Youth Corps Act of 2019 \(HR 1634\)](#) in any upcoming recovery package.

Rep. Wilson introduced the Youth Corps Act of 2019 earlier this session, establishing a grant program at the Department of Labor to fund environmental and conservation service-based, workforce development programs, and requiring that 75% of participants must be Opportunity Youth. Programs funded by this grant would provide comprehensive support services to participants, engage education, workforce, and other community partners to ensure successful post-program outcomes, perform pressing environmental projects in communities, and pay participants a stipend or wage. DOL would select grantees, in part, based on the economic and environmental needs of the community an applicant proposes to serve. Eligible entities include community-based organizations, community action agencies, community development corporations, entities authorized under WIOA, units of state or local government, institutions of higher education, and Service and Conservation corps.

We recommend new funding to National Service authorizations through any stimulus or recovery package.

The National and Community Service Act authorizes seven National Service programs and Corps that have never been appropriated. 42 USC 12572 authorizes an Education Corps, a Healthy Future Corps, a Clean Energy Corps, a Veterans Corps, and an Opportunity Corps. 42 USC 12655 – 12655n authorizes an American Conservation and Youth Service Corps and 42 USC 12656 authorizes an Urban Youth Corps. These programs seek to meet unmet community needs (often related to their title). The legislation authorizes federal agencies other than CNCS to establish National Service programs carrying out these Corps. CNCS would establish an interagency agreement to approve positions and award the Education Award at the end of a completed term of service. The other agency would carry out programs to meet the prescribed outcomes and goals, most likely by partnering with existing nonprofit and national service programs. While the legislation authorizes Congress to appropriate these programs at such sums as deemed necessary, they have never received an

appropriation. Without appropriations many agencies have not acted to establish these programs.

We recommend Congress support National Service by providing the Corporation for Community and National Service \$500 million of supplemental FY20 appropriations.

Access to Trauma Informed, Healing Centered Supports

The Committee Report accompanying the fiscal year 2020 Labor, Health and Human Services and Education Appropriations bill contained language directing the Secretary of Labor to evaluate the incorporation of resilience and [trauma-informed practices](#) into WIOA Youth job training programs to improve youth job placement and retention ratio. The need for resilience and trauma-informed practices will be even more critical during and after the COVID-19 pandemic: young people are more likely to have been working in COVID-affected sectors (either as frontline workers or as those who were laid off), have suffered education disruptions and the loss of social supports, and may be now sheltering in unsafe circumstances, or even in locations in which they experienced previous trauma.

Several non-profits have infused trauma-informed care into their programming and others such as YAP's [advocate model](#) have been proven to promote healing from trauma allowing Opportunity Youth to become successfully reconnected. ***We recommend \$1 billion in additional funding, available until September 30, 2022, and administered by the Department of Labor through a joint arrangement with the Department of Health and Human Services, for funding to assist youth programs in infusing trauma-informed, healing-centered approaches into their programs. This amount is equal to roughly 2 percent of the funds devoted to Opportunity Youth-focused job training funding in this memo, as recommended by the Campaign for Trauma Informed Policy and Practice.***

Opportunity Youth Community Recommended Funding Levels

Program	FY 2020 Level	Recommended Additional Funding Levels
SCALE UP EXISTING PROGRAMS		
Job Corps	\$1.72 billion	\$1.96 billion
YouthBuild	\$94.5 million	\$750 million
Corporation for National and Community Service	\$1.1 billion	\$650 million
Department of Defense's National Guard ChalleNGe Program	\$200 million	\$277 million
Reentry Employment Opportunities	\$93 million	\$131 million
AmeriCorps National and Civilian Community Corps	\$32 million	\$42 million
AmeriCorps State and National Grants	\$425 million	\$553 million
WIOA Title I Youth Activities	\$913 million	\$2 billion
WIOA Title II Adult Secondary Education Programs	\$657 million	\$74 million
Chafee Education and Training Vouchers	\$43 million	\$66 million
Total Increased Funding for Reconnecting Youth Campaign		\$6.5 billion
Summer Youth Employment Formula Funding	n/a	\$1.5 billion
Year-Round Employment Formula Funding	n/a	\$2 billion

Community Transformation Grants	n/a	\$2 billion
Total Increased Funding for Opening Doors for Youth Act		\$5.5 billion
Additional Requests		
Reentry Employment Opportunities	\$93 million	\$500 million
TAILORED COVID INTERVENTIONS		
National Transitional Jobs Program	n/a	\$44 billion
Postsecondary Bridging for All	n/a	\$10 billion
National Service as an Automatic Stabilizer Youth Corps Act of 2019 (HR 1634) Climate Resiliency Service Corps Act of 2019 (HR 5176) Appropriate funding to National Service authorizations	\$1.1 billion (CNCS total)	\$500 million, to CNCS as supplemental FY20 appropriations
Access to Trauma Informed, Healing Centered Supports	n/a	\$1 billion, jointly administered by DOL and HHS
Total Increased Funding for Tailored Interventions		\$55 billion
Number of new work and education slots generated		4.35 million
Total requests		\$67.5 billion

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