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Federal Youth Employment and Job Training Programs

Background and Context

Congress has had a long-standing interest in ensuring that young people successfully make the transition to adulthood as skilled workers and taxpayers. Since the 1930s, federal employment and job training programs have been targeted to low-income and other youth with barriers to employment. The earliest programs focused on employing idle young men by engaging them in public infrastructure and related projects. More contemporary programs have provided support to young people through job training, educational services, and social services.

Poor labor market outcomes among youth, particularly those who are low income or have barriers to employment, have not been fully explored in the research literature. Some studies have found that, on average, early youth unemployment has serious negative effects on future income and types of jobs they could obtain but not as strong of effects on future employment. Although the labor force situation improved for youth ages 16 to 24 following the 2007-2009 Great Recession, their employment prospects have diminished in the current recession brought on by the COVID-19 pandemic.

Overview and Funding

Currently, there are four major federal youth employment and job training programs: Youth Activities; Job Corps; YouthBuild; and Reentry Employment Opportunities (REO), which includes a youth component. Authorized under the Workforce Innovation and Opportunity Act (WIOA, P.L. 113-128), the programs are administered by the Department of Labor’s (DOL’s) Employment and Training Administration (ETA). These programs have varying eligibility requirements and are carried out under different funding arrangements. For example, DOL provides Youth Activities funding to state workforce development boards (WDBs), which in turn provide the funding to local WDBs. These boards, made up primarily of representatives of businesses, coordinate employment and training activities for states and communities. Under the Job Corps program, DOL enters into contracts with nonprofit and for-profit organizations and into an interagency agreement with the U.S. Department of Agriculture’s (USDA’s) Forest Service. DOL competitively awards YouthBuild and REO grants to nonprofit and other organizations and local communities.

As shown in Table 1, funding for the four youth programs varies. WIOA provides funding authorization for them from FY2016 through FY2020. The programs are discretionary and funded on an annual basis through the appropriations process. Despite their differences, they generally have a common purpose—to provide low-income and other vulnerable youth with educational and employment opportunities and access to leadership development and

community service activities. Further, the programs use the same measures to evaluate performance, known as the primary indicators of performance. These measures focus on the share of current and former participants who are enrolled in education or training programs; the share of current and former participants who obtain a postsecondary credential or high school diploma; the share of former participants in unsubsidized employment and their median earnings; and program effectiveness in serving employers. Each program also uses additional measures to evaluate performance.

Table 1. Funding for Youth Job Training Programs: FY2015-FY2020 (dollars in thousands)

| FY | Youth Activities | Job Corps | Youth-Build | REO Youth Component |
|----|------------------|-------------|-------------|---------------------|
| 15 | \$831,842 | \$1,688,155 | \$79,689 | \$44,054 |
| 16 | 873,416 | 1,656,825 | 84,534 | 39,520 |
| 17 | 873,416 | 1,704,155 | 84,534 | 48,092 |
| 18 | 903,416 | 1,718,655 | 89,534 | 45,000 |
| 19 | 903,416 | 1,718,655 | 89,534 | 49,592 |
| 20 | 913,130 | 1,743,655 | 94,534 | 26,597 |

Source: CRS, based on enacted appropriations.

WIOA Youth Activities

The Youth Activities program was originally established under the Workforce Investment Act (WIA, P.L. 105-220), which was replaced by WIOA. The program seeks to provide eligible youth with assistance in achieving success in school and the workplace through activities that improve educational and employment skills and foster youth connections to employers.

In-school youth ages 14 to 21 and *out-of-school youth* ages 16 to 24 are eligible for the program. In-school youth are those who are attending school; are low-income; and meet specified criteria, such as being deficient in basic skills, pregnant or parenting, homeless, or currently or formerly in foster care. Out-of-school youth are those who meet certain criteria such as being a high school dropout or low-income. No less than 75% of funds must be used for out-of-school youth. In calendar year 2019, nearly 161,000 youth participated in the program.

DOL allocates funds to state WDBs based on a formula that accounts for a state’s relative share of unemployment and number of economically disadvantaged youth. In turn, state boards reallocate funding to local WDBs using the same formula by which funds are allocated to states. Each local WDB must offer 14 elements that include tutoring, study skills training, and other academic activities; alternative

secondary school services or dropout recovery services; paid and unpaid work experiences (including summer employment opportunities, pre-apprenticeship programs, internships and job shadowing, and on-the-job training opportunities); supportive services; adult mentoring; follow-up services; and other specified activities. At least 20% of the funds allocated to the local area must be used to provide youth (whether they are in school or not) with paid and unpaid work experiences that have academic and occupational education as a component. Local WDBs contract with local entities, such as nonprofit organizations and community colleges, to provide services.

Job Corps

Job Corps was originally established by the Economic Opportunity Act of 1964 (P.L. 88-452) and most recently amended by WIOA. A primary purpose of Job Corps is to assist eligible youth in connecting to the labor force by providing them with “intensive social, academic, career and technical education, and service learning opportunities” in 123 centers throughout the country. Most youth participants reside at these centers. While there, they receive targeted academic instruction and career and technical training. The program offers training in more than 70 careers, with each center offering selected career paths. Youth work toward earning secondary school diplomas or recognized postsecondary credentials, with the goal of transitioning to careers within in-demand industries or the Armed Forces, or enrolling in postsecondary education.

Youth ages 16 through 24 are eligible for Job Corps if they are low-income and (1) basic skills deficient; (2) a dropout; (3) homeless, a runaway, or an individual in foster care or who aged out of foster care; (4) a parent; (5) a victim of trafficking; *or* (6) an individual who requires additional education and training to gain employment that leads to economic self-sufficiency. A veteran is eligible if he or she meets the eligibility criteria; however, the income requirement does not apply if the veteran’s recent income earned in the military exceeds the income limit. In program year 2018, nearly 47,000 students participated in Job Corps.

DOL may enter into agreements with multiple types of entities to operate Job Corps centers: a federal, state, or local agency; an area career and technical education school or residential career and technical education school; or a private organization. Of the 123 centers, 23 are known as Civilian Conservation Centers (CCCs), which are operated by the USDA Forest Service. DOL transfers funding for these centers to USDA under an interagency agreement. The CCCs provide education and training that focuses on preserving public natural resources. The other 100 centers are operated by private organizations, most of which are for-profit, through contracts with DOL (which are governed by federal procurement laws). WIOA specifies the contract is for a two-year period, with up to three optional one-year renewals.

YouthBuild

The Cranston-Gonzalez National Affordable Housing Act (P.L. 101-625) established the YouthBuild program, which was most recently amended by WIOA. While the focus of YouthBuild is to enable disadvantaged youth to obtain education, employment, and leadership skills, it also seeks to expand the supply of permanent affordable housing for

the homeless and improve the quality of nonprofit and public facilities. Youth ages 16 through 24 are eligible for YouthBuild if they have dropped out of school *and* are (1) members of low-income families, (2) in foster care, (3) offenders, (4) disabled, (5) the children of incarcerated parents, *or* (6) migrants. Up to 25% of youth in the program are not required to meet the income or dropout criteria, so long as they are basic skills deficient despite having earned a high school diploma, GED, or the equivalent; *or* have been referred by a high school for the purpose of obtaining a high school diploma. About 6,000 youth participate in the program annually.

DOL competitively awards YouthBuild grants to community-based organizations, faith-based organizations, local WDBs and other entities carrying out activities under Title I of WIOA, community action agencies, state or local housing development agencies, tribal entities, youth service or conservation corps, and other organizations that provide education or employment training under a federal program other than YouthBuild. Participants must be engaged in certain work and skills development activities at least 40% of the time, and in education and related services and activities designed to meet their educational needs at least an additional 50% of the time. These activities focus on preparing youth for the construction trades and (if approved by DOL) additional in-demand industry sectors or occupations. A 2018 DOL-funded evaluation found that YouthBuild participants were more likely than their peers to obtain a high school equivalency, enroll in college, and have increased earnings; the program had negligible effects on obtaining a college degree and participating in work. Approximately 6,000 students participate in YouthBuild annually.

Reentry Employment Opportunities

DOL carries out the REO program under WIOA’s evaluation and research authority (§169). The program funds related initiatives that seek to assist youth offenders and youth at risk of dropping out of high school, and to provide supports for youth at risk of involvement with the justice system. DOL competitively awards grants to various entities, which include community-based organizations, school districts, and state departments of corrections. Grantees have a range of activities and services, depending on the type of grant awarded, including mentoring, housing, case management, employment services, and violence prevention strategies.

REO appropriations in recent years have supported Reentry Projects grants, which focus on preventing and reducing crime and enhancing reentry strategies for young adults ages 18 to 24 served in communities with elevated levels of poverty and crime. These projects are designed to assist young adults who are reentering the community, with a focus on trying new approaches and addressing gaps in services. Funding is provided to intermediary organizations that have an affiliate network or offices in at least three communities and across at least two states, and to community-based organizations that provide direct services. In FY2019, more than 10,000 youth participated in the program.

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