

OPPORTUNITY LOST?

Maximizing large federal funds to support opportunity youth

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There are currently five million young adults in the US who are neither working nor engaged in education.

These are ‘opportunity youth,’ and while some federal resources are focused on their success, these funds are limited, disjointed and hard to combine effectively to serve opportunity youth. In addition, many communities are either not aware that these funds can be used for opportunity youth, or have decided that accessing them is too difficult, or simply not worth the effort, due to the many and varied requirements each funding source may have. Since these are limited resources, it would make the most sense to maximize each funding resource’s ability to serve young adults, singly *and in combination together* to meet the specific needs of opportunity youth. Unfortunately, from the service provider’s perspective, that is not how these funding streams are currently configured.

This research report will look at four major federal funding streams that can help opportunity youth, from the unique perspective of the community organizations that do this work. These organizations work tirelessly to stitch together funding streams in what can only be described as an heroic effort. Due to the complexity of these funding streams, and the rules and procedures around them, very few communities in the U.S. are, to our

knowledge, fully utilizing all four of these very large public resources to fully benefit opportunity youth. The complexities in use of these resources not only happens at the federal level – most of these funding streams also pass through a level of state and/or local rulemaking and processes, which can add more complexity.

The way these different funds are organized, administered, and eligibility and other rules for use are determined, all combine to lessen rather than strengthen the impact these resources could have.

The four federal funding streams this paper focuses on are:

- **WIOA** – Workforce Innovation and Opportunity Act: U.S. Departments of Labor & Education (youth and adult workforce-oriented programs – including education).
- **TANF** – Temporary Assistance for Needy Families: U.S. Department of Health and Human Services (broad support for needy families, including education and work)
- **SNAP** (Supplemental Nutrition Assistance Program) Education & Training – U.S. Department of Agriculture (education and training for ‘food stamp’ recipients).
- **Pell Grants** – U.S. Department of Education (college tuition support for low income students).

These four funds together are budgeted at \$50 billion per year – however, they are structured to serve a much wider population than opportunity youth, and also serve a larger variety of outcomes, in some cases, than educational attainment or employment. The federal government also provides some additional funding, about

\$100 million per year – to a small roster of opportunity youth-specific programs (including WIOA’s youth-focused funding), which are also vital to the communities serving opportunity youth.¹ This report, however, focuses on the potential of these four larger federal funding streams to be put to better use serving opportunity youth.

Direct providers of education and workforce programs to opportunity youth report that they are focused on three different kinds of goals for young adults: 1) attaining education credentials (high school and/or postsecondary); 2) attaining and keeping a decent wage job; and 3) removing barriers (such as insecure housing, or lack of child care) that make attending school and working difficult.

The optimal package of supports

for opportunity youth based on research on intervention effectiveness, and provider feedback, addresses the need for:

- Cost of academic credential attainment covered (tuition, tests, books, tutoring, etc.).
- Consistent, reliable, culturally competent navigation of the education and/or workforce systems.
- For those needing to work, as needed: pre-work skills (soft skills); job placement; job retention support.
- As needed, case management support to reduce specific life barriers (aside from employment/income support), the most common and significant of which are stable housing, child care, transportation, and access to food.

Federal funds can be used for all the above purposes, however, each federal funding stream has unique restrictions in terms of who can access them, and not all funding streams can be used for all needs, per the chart adjacent.²

While at first glance it may appear that there are adequate, though differentiated, resources, practitioners reported the following major challenges in stitching together these funding sources, when serving individual opportunity youth³:

- All the four funds together are not enough to meet the demand they see for services to opportunity youth; additional funding is needed.
- While federal funds can frequently be ‘braided’ (combined in non-overlapping ways for an individual), in general, truly blending funds together in flexible ways to meet the specific needs of the youth is not allowed; this leads to increased administrative costs for the provider, which are not completely reimbursed, creating the need for additional outside fundraising to serve this population.
- Case management and/or navigation supports are hard to adequately fund for high barriers youth, and/or are funded at an unrealistic mandatory case load levels in some programs.
- Income eligibility thresholds in some programs for youth under 18 living at home mean that some youth are not eligible for needed services.
- Nearly none of the funds can be used for housing, which is an acute need for many young people.
- Longer time periods to success: Most of these funds are designed around the needs of adults, which can tend to be shorter term, and less multi-issue than youth needs. Youth needs and barriers take longer to address.
- Reimbursement-based funding approach in some of these funds has a negative impact on organizational cash flow.
- ‘Middle’ income youth (in that

| | WIOA Title 1 & 2 | TANF | SNAP E&T | Pell |
|--|------------------------|------|-------------|------|
| Academic Supports (tutoring, etc.) | X | X | X | |
| Student Support Services (childcare, transport) | X | | X | |
| Tuition and Fees | X | | X | X |
| Intake and Assessment | X | X | X | |
| Advising and Case Management | X | X | X | |
| Career Coaching and Job Search | X | | X | |
| Job Placement | X | | X | |

NOTE: Chart and descriptions are for summary purposes only; each funding source has more complexity in eligibility and use than can be briefly summarized here.

they are just over the very low income eligibility standards) still need supports, but are ineligible for some programs.

These four federal resources, while substantial, are not currently large enough to meet even a small fraction of the need to support five million opportunity youth to return to education and/or work. Moreover, the way these different funds are organized, administered, and eligibility and other rules for use are determined, all combine to lessen rather than strengthen the impact these resources could have. Some recent advances have

governmental agencies at all level – to further build all our efforts towards a better functioning ‘system’ to support young people:

1. Create a set of resources to help local opportunity youth collaboratives and providers understand and use these federal resources to an increased degree.
2. Continue, and continue learning from, the federal Performance Partnership Pilots, which allow for blending and braiding of funds, and study the effects of more kinds of waivers at all levels (federal, state and local).

6. Develop complimentary state-level opportunity youth funding strategies that can fill gaps in the federal funds structure.

A very real opportunity exists for communities to increase use of federal resources, and focus them on opportunity youth; at the same time, the various layers of government – from the federal agencies administering these funds, to states and their roles in oversight, to local government and intermediaries as they disburse funds – all have an opportunity to maximize use of, and make these funding streams respond better and more equitably to the unique needs of opportunity youth.

Due to the complexity of these funding streams, and the rules and procedures around them, very few communities in the U.S. are, to our knowledge, fully utilizing all four of these very large public resources to fully benefit opportunity youth.

been made at the federal level – WIOA’s new approach includes greater alignment with other federal funds, and a project called the Performance Partnership Pilots⁴ is specifically focused on how opportunity youth-focused funding can be better combined – but there is still more work to be done.

We recommend the following next steps be taken – by community organizations, by local collaboratives focused on opportunity youth, by

3. Support local community cross-sector planning for the removal of any local barriers to maximizing existing funds.
4. Surface and make available more data regarding which federal funds are being used for opportunity youth within each community.
5. Advocate for changes to policies and regulations at all levels of government which restrict the efficacy of public funds meant to support opportunity youth.

Endnotes

¹ An examination of these federal programs and the opportunities for expanding them can be found in Civic Enterprises. *A Bridge to Reconnection* (2016). <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>

² Adapted from JFF. *Framing the Opportunity* (2017). http://www.jff.org/sites/default/files/publications/materials/Framing-the-Opportunity-041217_0.pdf

³ Comments should be taken in aggregate. Not every comment applies to each funding source.

⁴ For more information, see <http://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots>

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