

# OPPORTUNITY LOST?

Maximizing large federal funds to support opportunity youth

By Ken Thompson



December 2017



THE ASPEN INSTITUTE  
Forum for Community Solutions

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## **About the Author**

Ken Thompson is a Senior Fellow at the Aspen Forum for Community Solutions, and is the owner of Ken Thompson Consulting, a Seattle-based philanthropic-sector consultancy. Ken supports multi-sector collaboratives (such as AFCS) and individual funders to think strategically and craft giving programs to maximize impact and long term sustainability. He's worked on opportunity youth issues for over a decade, largely in the Bill & Melinda Gates Foundations' Washington State local giving program, where he worked with hundreds of organizations doing youth development, K12 and higher education success, and efforts to reduce the numbers of systems-involved youth.

## **Acknowledgements**

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# Executive Summary

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 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.
- **Federal Pell Grants** - U.S. Department of Education: college tuition support for low income students.

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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.<sup>1</sup> This report, however, focuses on the potential of these four larger, multi-purpose 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 work 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.<sup>2</sup>

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 youth<sup>3</sup>:

- 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,

	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 is for high-level summary purposes only; each funding source has more complexity in eligibility and use than can be briefly summarized here.*

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 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 been made at the federal level – WIOA’s new approach includes greater alignment with other federal funds, and a project called the Performance Partnership Pilots<sup>4</sup> 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 governmental agencies at all levels – 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).
3. Support local community cross-sector planning for the removal of any local barriers to maximizing existing funds.

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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.

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.

# Introduction

The past five years have seen a large increase in publications and reports related to opportunity youth. This report does not seek to replicate those efforts, and the reader is referred to the endnotes of this report and other resources<sup>5</sup> for deeper reading describing who opportunity youth are, the launch of the opportunity youth movement, information on programmatic interventions, and other reports on return-on-investment and funding issues.

What this report seeks to do is assess the major federal public funding streams that can be used to support the success of older youth and young adults seeking to complete their educations and/or enter the workforce. It further seeks to do this from the perspective of the local service providers who are working very hard to combine these funding streams in creative ways (within legal and regulatory constraints) to the ultimate benefit of opportunity youth.

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**“It would be a terrible waste to either leave these resources on the table, or to not work to maximize their impact, when so many young people are in need of the supports that they offer.”**

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How these funding sources is structured is likely impacting their overall effectiveness in reducing the numbers of opportunity youth. Additionally, in some cases the sheer challenge of drawing down these resources may be preventing communities from even trying to access them to support opportunity youth.

It would be a terrible waste to either leave these resources on the table, or to not work to maximize their impact, when so many young people are in need of the supports that they offer. To do that, we need to understand more about the funding needs that exist,

how funding is structured, its limitations, and what services providers are telling us would improve their efficacy.

## Background: Who are opportunity youth?

‘Opportunity youth,’ as a term emerged out of the White House Council for Community Solutions in 2012 as the focus of their final report *Community Solutions for Opportunity Youth*.<sup>6</sup> The term describes young adults, aged 16-24, who are neither in school nor working.

Estimates of the numbers of opportunity youth vary. The most recent estimate, from Measure of America, indicates that nationally there are about 5 million opportunity youth (or 14% of all 16-24 year olds).<sup>7</sup> Other estimates range from 2.4 million to 7.6 million.<sup>8</sup>

Those estimates are based on surveys of a single point in time. The chances that a young person will be disconnected from school and work at some point between the ages of 16 and 24 are much higher, according to Jobs For The Future: “Nearly 40 percent of our young people between the ages of 16 and 24 are weakly attached or unattached to school and work at some point during that formative stretch of their young lives.”<sup>9</sup>

Moreover, despite young people’s aspirations to advance and secure good paying, family wage jobs, once you have experienced disconnection from school and work, it’s very unlikely they’ll be able to earn significant wages, as only 1% of youth who’ve been disconnected will earn an Associate’s degree or higher, compared to 36% of the general population.<sup>10</sup> And the data is clear: a large majority of today’s and the future’s well paying careers will require some kind of training or credential after a high school degree.<sup>11</sup>

The question is: can the US afford to write off such a large group of young people? As employers complain about the lack of qualified job applicants, can we also afford the long term public and social costs associated with a large group of under-educated and under qualified workers? One estimate places the personal and public costs of not changing the trajectories of opportunity youth at \$6.3 trillion dollars over the lifetimes of all current opportunity youth.<sup>12</sup>

### **It's not that we're not doing anything**

There are, in fact, many public funding streams focused on the educational and employment needs of youth and adults. These funding streams are focused on objectives such as:

- Getting a standard high school diploma
- Getting an alternative high school credential, such as the GED
- Going to college (including 2-year degrees and short term credentials)
- Providing pre-workforce skills/training (sometimes called 'soft skills')
- Helping people secure employment
- Defraying some major 'life' costs associated with school or finding work, such as child care, food or housing

However, these funding streams are focused on the needs of all low-income Americans, not the specific circumstances and needs of disconnected young adults. Also, they mostly treat the education and employment needs of individuals as separate problems to be solved, and so are difficult to (or in most cases, expressly forbidden to be) combined to help individuals, such as opportunity youth, who are experiencing multiple needs and challenges simultaneously. Moreover, many of these funding streams were designed with a 'prototypical' student or worker in mind – one that has not disengaged and

fallen behind in their progress towards education and employment goals – and hence have eligibility criteria and built-in restrictions that do not match the real lives and needs of opportunity youth.

The federal government does offer limited funding supports for specialized programs that are focused only on opportunity youth-type populations; for example, JobCorps or YouthBuild. The 2016 *Bridge to Reconnection* report discusses these programs in detail, which currently serve about 100,000 opportunity youth per year.<sup>13</sup> Without a doubt, doubling or tripling the funding for these programs would be a benefit to opportunity youth, yet it's clear that the vast majority of the 5 million opportunity youth in our country will also need to be better served by the much larger, mainstream education and workforce programs. These programs have budgets that dwarf the specialized federal opportunity youth programs, so if we want to approach changing the problem at scale, we will need to improve how these funds operate for opportunity youth.

### **Calling the question**

Given this context, this report sets out to better understand the largest 'mainstream' federal funding resources that can be focused on young adult education and employment needs, and better understand, from a service provider's perspective, the extent to which these resources can be used to address the needs of opportunity youth in the US.

### **The question we seek to answer is: Why aren't these large sustained public funding streams leading to opportunity youth success at a greater scale?**

To answer this question, we will attempt to answer these leading questions:

- What kinds of supports do opportunity youth most frequently need to be successful?
- What are the existing major, mainstream public funding resources that can be used for opportunity youth?
- What are the challenges to utilizing these funding streams, relative to the specific needs of opportunity youth (and in particular, from the perspective of providers of services to opportunity youth), both in terms of access to and use of funds?
- How can those challenges be addressed?

While inadequate funding to meet known needs is a part of the problem, at least some of the challenges occur because of the structure of funding streams and barriers to effectively combining them in ways that meet opportunity youths' needs. That is to say, some federal agency (and state or municipal agency, in their roles disbursing federal funds) regulations, rules, and historical practices unintentionally interfere with providing the most effective services to opportunity youth.

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# Chapter 1

## The Challenge and the Potential



## What do opportunity youth need to be successful?

**B**y the simplest definition, to stop being an opportunity youth means to either become employed, or to return to education – and complete a credential. In reality, for nearly all opportunity youth returning to complete their educations (secondary or postsecondary), they will need to attain at least part-time employment while in school.

Because we are motivated by the long-term success of young adults, the Aspen Forum for Community Solutions does not believe that it's sufficient to connect a young person to a low-paying, entry level job that has low job retention rates, can not support a family, and has limited to no opportunities for advancement.

Similarly, the Aspen Forum does not believe that attaining a high school degree or equivalency certificate constitutes sufficient educational attainment any longer. The data is clear that in a few short years, almost two thirds of all jobs will require some kind of postsecondary credential.<sup>14</sup>

Therefore, if our goal for opportunity youth is to help to support them to attain family-wage level jobs that offer career advancement and participation

in the American Dream, we need to support these young adults to complete a high school credential (if not attained already) and a postsecondary credential (certificate, apprenticeship, 2 or 4 year degree) of some kind. Frequently it's also necessary for opportunity youth to have employment while completing their educations.

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**“A major challenge is that most of these funding streams are constructed to operate independently of each other, as if a person would only experience one problem - or need one kind of support - at a time.”**

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We know quite a bit about the backgrounds and life challenges of opportunity youth. Nearly all come from low-income families; large numbers experienced homelessness. Many female opportunity youth are parenting; some youth have been involved in the juvenile or adult justice system; some of these youth were foster youth.<sup>15</sup> All of these situations are disruptive to finishing your education or securing employment. Recent research into the lives of high school dropouts reinforces that youth experiencing

multiple “adverse life experiences” more frequently quit school.<sup>16</sup>

Unfortunately, the array of federal and state funding streams available to those serving and supporting opportunity youth (including public agencies, K12 and postsecondary education institutions, and nonprofits) are not set up to coherently deliver the combination of supports that these young adults need in order to advance to meaningful careers with wages that can support families. A major challenge is that most of these funding streams are constructed to operate independently of each other, as if a person would only experience one problem – or need one kind of support - at a time. Such is not the life of an opportunity youth. Additionally, these large funding streams almost all serve a larger population than just opportunity youth alone, so are not specialized for their needs, nor set up to be easily combined by those organizations serving this population.

### Serving opportunity youth: getting the right support to the right person

While each opportunity youth has their own individual set of needs and supports they could benefit from, based on interviews with providers and reviewing the research, this paper will propose that, from the service provider’s perspective, there are three

major groups of opportunity youth, with each group having several potential pathways.

The major segments are:

- Those still needing to complete a high school credential and then move on to a next step (postsecondary or job).
- Those needing to complete a postsecondary credential and ultimately secure a living wage job.
- Those with enough educational credentials and just needing to secure employment.

Within each segment, the major variables are:

- Those needing concurrent employment (of any kind; low-wage or otherwise).
- Those needing reduction of major barriers to education or work (eg. housing, child care, pre-work skills, transportation, etc.).
- Those needing both employment and barrier reduction supports.

Our matrix does not address those students who need to access high school or postsecondary credentials, but have neither the need to work nor need for barrier reductions. Small numbers of such youth exist, but they most typically may not need or seek support from service providers.

	Needs a high school credential	Needs a post-secondary credential	Needs employment only (has enough education)
Needs employment concurrent with education			
Needs barrier reduction			
Needs both barrier reduction and employment			

See Appendix A for more detail on the 7 segments of opportunity youth.

In Chapter 3, we'll look more deeply into a few case studies, to understand better how these variables impact service provider choices and options when trying to serve opportunity youth.

## Is it worth it?

You may be asking yourselves again, at this point, given the complexity of the funding streams and of the lives of opportunity youth, exactly how much effort (and expense) should be devoted to dramatically reducing the number of opportunity youth in the US.

The lifetime direct cost to taxpayers of one 20-year-old that does not reconnect to education or employment is \$235,680, and the social cost amounts to \$704,020.<sup>17</sup> According to the 2016 *Bridge to Reconnection* report, “In 2011 alone, disconnection of 16-24-year-olds cost taxpayers \$93.7 billion in government support and lost taxpayer revenue. In addition, a 2012 study estimated that the lifetime economic burden of the 2012 cohort of opportunity youth would be \$1.6 trillion to the taxpayer and \$4.7 trillion to society. This latter estimate of a “social burden” includes lost earnings, health expenses, crime costs, and welfare and social services.”<sup>18</sup>

The good news is that there are many public funding sources focused on supporting young adults to attain education credentials and employment. The bad news is that 1) the amount of funding is insufficient to address the needs of 5 million opportunity youth, and 2) the funding is compartmentalized into discrete small amounts that are difficult to combine to meet the complex needs of these young adults and propel them into successful futures.

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# Chapter 2

## Sustained Public Funding Streams



This section focuses on the major federal funding streams that can be used to support the needs of opportunity youth for education, employment and barrier reduction; there are certainly other public funding streams that are used to support opportunity youth beyond the four discussed here, but for the purposes of this report, we will focus on these most common and large ones.

As this is a national report, we focus on federal funding streams, however, your state (or local government) may also have additional funds that can be focused on opportunity youth. Appendix B contains a lengthier, more complete list of several dozen federal (and a few common state) funding streams that could be used to support opportunity youth.

The large dollar federal funding streams that hold the greatest opportunity and potential to serve very large numbers of opportunity youth that we will discuss 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.
- **Federal Pell Grants** - U.S. Department of Education: college tuition support for low income students.

While WIOA Youth and Pell are relatively well-known resources to support opportunity youth, from informal discussions with opportunity youth focused collaboratives across the US, it’s clear that not all WIOA non-youth programs, TANF, or SNAP E&T are being maximized as thoroughly as they could be to support opportunity youth.

In addition to the large funding streams we’ll further detail, the federal government offers funding for several ‘comprehensive approach’ programs that are focused on opportunity youth and offer a range of supports to aid young adults in gaining employment (some with concurrent education certifications). In 2016, these programs were serving a total of about 100,000 opportunity youth annually, and include:

- Department of Labor: Reentry Employment Opportunities, JobCorps and YouthBuild
- Various Departments: Service and Conservation Corps
- Corporation for National and Community Service: State/National and National Civilian

Community Corps

- Department of Defense: National Guard ChalleNGe<sup>19</sup>

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While an important part of the funding landscape that supports opportunity youth, these programs are not the focus of this paper, as those have been thoroughly profiled elsewhere (see *A Bridge to Reconnection*<sup>20</sup> for a detailed assessment of the value and impact of these important, comprehensive opportunity youth programs). The 100,000 program spots is critical to the success of those that are served, but only serves 2% of the 5 million opportunity youth in the US. The four federal funding streams mentioned at the start of this chapter are much larger in amount and potential for scale to support youth, and if they could be ‘combined’ effectively, could lead to substantial life changes for those youth and young adults unable to access the 100,000 comprehensive program slots.

*Please note that these are high level descriptions of these funding streams, presented for the purposes of noting differences. Many nuances of goal, program offerings, and eligibility have necessarily been lost in order to more concisely describe the main impacts of these funds. Some illustrative details are given, but because interpretation of use of funds may vary by state or*

*municipality, what is allowed in your locality may differ due to local regulations, or because federal waivers or exceptions have been granted.*

## **WIOA (Workforce Innovation and Opportunity Act)**

**Annual Federal Appropriation:** \$10B (~\$850M WIOA Youth)

**Note:** The WIOA has four parts, and different parts are administered by different federal agencies and have different rules. The general notes here apply only to Titles 1, 2 and 4; and intended to give the general flavor of how WIOA can be used, rather than be specific to each title.

**Goals:** Employment and training services for adults, dislocated workers, and youth, and adult education and literacy programs and vocational rehabilitation programs that assist individuals with disabilities in obtaining employment.

**Uses:** Academic support; student supports services (childcare, transportation, etc.); tuition/fees; intake/assessment; case management; job coaching/search & placement; paid/unpaid work and internships, apprenticeships; leadership development.

**Eligibility:** 100% federal poverty rate or 70% of local living standard (or for youth “Free/Reduced Lunch eligible,” which equals 185% poverty); must lack basic skills. There are differing age restrictions for adult vs. youth programs.

**Reported Restrictions & Challenges:** Service providers report it’s hard to use WIOA for housing costs; it can be challenging to transfer a young person from WIOA Youth to WIOA Adult programs when they hit the age threshold; and there are restrictions on types of postsecondary credential types that WIOA funding can support.

## WIOA components of interest to OY providers:

- Title I: Youth: 16 minimum age; max 24 for entry (can continue to access services after age 24).
- Title I: Adult: 18 minimum age.
- Title II: Adult and Family Literacy: ESL and/or Adult Basic Ed programs.
- Title IV: Vocational Rehabilitation.

For more information: <https://www.doleta.gov/WIOA/>

## TANF (Temporary Assistance for Needy Families)

**Annual Federal Appropriation:** \$16B (+\$10B state) - for all TANF purposes, which are primarily not workforce or education-related.

**Goals:** Cash assistance and other goals, including “end the dependence of needy parents on government benefits by promoting job preparation, work.”

**Uses:** Can include navigation, case management, academic supports, intake/assessment.

**Eligibility:** US citizens; ‘children’ must be under 18 to qualify; recipients must have no other financial resources; income eligibility limit.

**Reported Restrictions:** 60 months maximum lifetime benefits; recipients must work within 2 years.

For more information: <https://www.acf.hhs.gov/ofa/programs/tanf>

## SNAP E&T (USDA Supplemental Nutrition Assistance Program Education & Training)

**Annual Federal Appropriation:** \$90M

**Goals:** Job-driven employment and training activities for SNAP participants to help them augment their skills and careers to attain self-sufficiency.

**Uses:** Job search and job search training; workfare; work experience, including apprenticeships; educational programs designed to improve basic skills and literacy connected to employment; vocational training, career/technical programs and postsecondary education; job retention services for up to 90 days post-employment; and supportive services that directly help participants succeed in employment and training components (which includes: case management and administrative costs, tuition, training, books, transportation, computers, utility bills, child care, rent).<sup>21</sup>

**Eligibility:** Meet SNAP/food stamp income eligibility

**Reported Restrictions and Challenges:** “50%” requirement (1:1 match with other funding sources) to draw down funds; reimbursement process is daunting for CBOs; only covers employment and/or education costs (education costs for vocational/technical education only); no barrier reduction supports. Reportedly, most states do not fully ‘pull down’ this resource, and funds go unclaimed each year.

For more information: <https://www.fns.usda.gov/snap/et-policy-and-guidance>

## Federal Pell Grant Program

**Annual Fed Appropriation:** \$24B

**Goals:** Provides need-based grants to low-income undergraduate students to promote access to postsecondary education.

**Uses:** Tuition, fees and books.

**Eligibility:** Have financial need, are a U.S. citizen or eligible noncitizen, be enrolled in an eligible degree or certificate program at your college or career school, and make satisfactory academic progress.

**Reported Restrictions and Challenges:** Pell is disbursed by higher education institutions; there is a lifetime limit to the amount you can receive (which frequently is not enough to complete a degree).

For more information: <https://www2.ed.gov/programs/fpg/index.html>

The following chart maps out some of the potential overlapping ways that these four funding streams can be used for opportunity youth.<sup>22</sup>

	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	

# Chapter 3

## Case Studies: Typical Opportunity Youth and Their Funding Needs



In this chapter, we'll look into a few prototypical case studies of opportunity youth. These are composites based on the experiences of service providers to opportunity youth, but are not the story of a specific youth. In most cases, the real lives of most opportunity youth are more complex than these case studies portray. The complexity of the funding meant to support them is yet another complication they, and providers, must overcome.

Please note that how federal funds are used – by practice or by law – may be different in your community than in the ‘averaged’ responses given here about how each person’s supports might be paid for, or the challenges that providers run in to. Providers, as well as government officials, have reported that sometimes perceptions, or interpretations, of what are allowable uses of funds are frequently incorrect.

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**“In most cases, the real lives of most opportunity youth are more complex than these case studies portray.”**

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Alberto

A GED seeker also needing employment supports and elimination of other barriers

**Description:**

Alberto, now 21-years-old, dropped out of high school lacking about half the credits needed to graduate, and would like to get a GED and maybe someday go on to college or some vocational training or apprenticeship. He'll need to work while he's getting his GED as he pretty much has to support himself. He has a prior criminal record and has very unstable housing but is very motivated to get his GED and move on to full-time, stable work. He has a complex life and would benefit from having good case management and/or navigation supports for both his education and employment needs, and help reducing other barriers in his life.

**Funding Alberto's supports:**

Some states may fund GED completion after age 21; otherwise, WIOA could be used to support costs related to GED programs. Alberto would not be eligible for TANF, as he is an individual, not a

family. For work skills training and placement, WIOA could be used, as could SNAP E&T if available in his community – but these two funds can not be combined for him for the same purpose. However, they could be used for different costs related to his workforce needs (for example, one for his transportation needs, another for case management, etc.). Funding his ongoing housing need out of any of the programs mentioned is reported to be challenging if not impossible, and dedicated housing supports – such as public housing eligibility or section 8 vouchers – can require years-long waits to secure benefits. Additionally, Alberto’s prior criminal record can dramatically limit the kinds of jobs he may be eligible for, and could impact his eligibility for some housing as well.

Additionally, community organizations serving individuals with complex needs and backgrounds such as Alberto report that the WIOA and other programs funding case management support underfund that practice, and organizations must turn to private fundraising to meet the requirements of these federal funds. Essentially, the case management and administrative costs are not adequately reimbursed by the federal government. Additionally, SNAP E&T federal funds must be equally matched by dollars from other sources.

## Christina

A GED seeker not needing employment supports but needing elimination of other barriers

### **Description:**

Christina is 19 and didn’t finish high school, although she was a pretty good student and got decent grades. She has a 1-year-old child now. She is living

with her parents who are supportive of her finishing her education, but they are not able to care for her child while she’s in class, so she needs help with childcare. The whole family has intermittently been food stamp eligible but is not receiving them right now. If she can find childcare, she would not need to be working while doing her GED. If she could be getting her GED while going to college, she’d be interested in an option like that; she feels she could even take on education full-time, especially if it were just for a few years. Neither she nor her parents really knows whether college is realistic or how she could piece all this together, though.

### **Funding Christina’s supports:**

In many states Christina would be eligible for State funded GED or high school diploma completion programs. WIOA Title 1 could not be used to support costs related to GED programs in this case as Christina is not seeking to work. It’s likely that Christina is not SNAP eligible; even if she has a child, the fact that she is living at home could make her ineligible due to her parent’s income – regardless if they can support her. She may not be TANF eligible, for the same reasons. Without TANF support for childcare while she’s completing her GED, she may not be able to attend GED classes even if there is state funding – though in this case, if she is a good enough student, she may do well in an online GED program, and be able to complete her GED at home. Without access to WIOA Title 1, TANF, or SNAP E&T, though, she could not access case management or education navigation services that could actually help her find an education option – perhaps even including postsecondary options – that would help to propel her and her child forward in life. Depending on how her state handles WIOA Title 2 funding, she may be able to access a GED program through that funding stream.

Community organizations report that cases, such as Christina’s, can be challenging due to what is referred to as the ‘benefits cliff’ – when either you or your

family members (if you live in their home) earn just a little too much to make you eligible for services and supports. Eligibility for many of these programs is set at a very, very low level. Also, in cases like these, if a case manager can be initially secured, it's very time consuming for the community organization to even figure out if they can serve the person adequately, or if they have to find funds outside of federal supports. This can all be unpaid work for the organization.

## Jerome

A postsecondary credential seeker also needing employment supports and elimination of other barriers

### **Description:**

Jerome, now 22, dropped out of high school at 16, but recently completed his GED. He's a recovering substance abuser, and has no criminal record, but has struggled to hold down work and maintain stable housing in the past. His GED program really built his desire to get a one-year construction trades/HVAC credential at the local community college, but he needs help figuring out how to make that all work, while at the same time finding and holding down consistent part-time work (that'll work with his class schedule), so that he can maintain his housing and pay for food, transportation to class, etc.

### **Funding Jerome's supports:**

Jerome should be eligible for a Pell grant – as well as state-based higher education need grants, if his state offers those. However, those will only fund tuition, fees and books. Since he's looking for concurrent work, he should be WIOA eligible and/or SNAP E&T eligible. The case manager and/or navigator funded through those programs could help him to find the right higher education avenue for him, as well. Unless he happens

to be signing up for these supports at the right time of year, however, the tuition/fees/books funding could all be 'used up,' and he may have to wait an entire year to get a full year's tuition coverage. WIOA may be used for tuition, but because the funds per person are small, then there would not be WIOA funding available for his other needs, such as transportation, etc., should his part-time work not cover all those costs. Housing costs would be very difficult to cover with any of these funding streams.

For students entering higher education, community service providers report that timing can be a big problem. Young people who are ready to go and seek services to start may find that they have to wait 3, 6 or even 12 months to really get started – which can be discouraging, if not make it impossible, for many. Additionally, higher education funding supports, such as Pell, or workstudy funding (which could be very helpful in Jerome's case) are decided and offered by the higher education institution itself – they are not at the direction of Jerome's primary case manager in the community organization serving him.

Finally, there are lifetime caps on all of these support programs. If Jerome had already used up Pell (in a prior attempt to complete college), for example, there would be nothing left for him.

# Chapter 4

## A Path Forward?



**W**hile the federal government can be lauded for creating so many different kinds of supports for low income people seeking better opportunities in life through education and work, it's also clear that currently there is a mismatch between the supports these programs offer, and the actual needs and lives of the beneficiaries. In this chapter, we'll summarize the challenges we've covered, and point towards what next steps we can all take to improve things.

### **What Youth Need to be Successful**

Through the Aspen Forum's network of community partners in dozens of cities across the US, we have learned a great deal about the needs of opportunity youth, and the kinds of supports that most work for them. For this report, we interviewed several in detail to look at the kinds of supports being provided, based on what was most typically needed.

The optimal package of supports, based on those interviews, are:

- Funds to cover the cost of academic credential attainment (tuition, tests, books, tutoring, etc.).
- Consistent, reliable, culturally competent case management, and 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 of which are:
  - Stable housing
  - Food
  - Child care
  - Transportation

### **The Conflict Between Resources and Needs, As the Community Experiences It:**

Substantial funding is available for young people; however, it is structured in ways that can actually make it harder, not easier, to serve young people. Practitioners reported the following major challenges in stitching together these funding sources, to serve individuals:

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

It should be noted that an interesting set of pilot projects currently exists that are looking into a set of these issues. Called the Performance Pilot Partnerships,<sup>23</sup> it is working in five communities to test what happens if federal waivers can be granted on funding programs focused on opportunity youth. It provides federal agencies the authority to waive any statutory, regulatory, or other administrative

requirement under covered federal programs, and can be used for blending/braiding funds, changes to eligibility requirements, allowable uses of funds, and performance reporting.

An external evaluation is being conducted, but some early findings from this work include the fact that no waivers were requested around actually blending funds; and also the fact that one-third of all the actual waivers requested were for things that did not actually require waivers to do. This appears to indicate that it’s not clear to communities what kinds of flexibilities in uses of funds are already allowed.

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**“Substantial funding is available for young people; however, it is structured in ways that can actually make it harder, not easier, to serve young people.”**

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# Conclusion and Recommendations

The available resources, while substantial, are not currently large enough to meet even a small fraction of the goal of supporting 5 million opportunity youth to return to education and/or work. Moreover, the way these different funds are organized, administered, and their eligibility and other rules for use all combine to lessen rather than strengthen the impact these funds could have. There is an opportunity both for communities to work to maximize these funds (and capture funds being left on the table for opportunity youth), as well as an opportunity for government to change rules and regulations governing these funds, so that providers of services, and opportunity youth themselves, can maximize their success.

We recommend the following next steps be taken – by community organizations, by local collaboratives focused on opportunity youth, by governmental agencies at all levels – 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).
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.

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

With all of us working together, we believe that existing federal funds can be maximized, and we can better support more opportunity youth to move on to the next stages in their lives.

# Appendix A: Opportunity Youth Segmentation

While each opportunity youth has their own individual set of needs and supports they could benefit from, based on interviews with providers and reviewing the research, this paper will propose that, from the service provider’s perspective, there are three major groups of opportunity youth, with each group having 2 or 3 potential pathways.

The major segments are:

- Those still needing to complete a high school (secondary) credential and then move on to a next step (postsecondary or job).
- Those needing to complete a postsecondary credential and ultimately secure a living wage job.
- Those with enough educational credentials and just needing to secure employment.

Within each segment, the major variables are:

- Those needing concurrent employment (of any kind; low-wage or otherwise).
- Those needing reduction of major barriers to education or work (eg. housing, child care, pre-work skills, transportation, etc.).
- Those needing both employment and barrier reduction supports.

Thus, the 7 types of opportunity youth we should

consider how funding flows for are as described in the chart that follows. (You’ll note that we do not consider those opportunity youth who have neither the need to work nor other barriers in their lives; while not perfect, since they are ‘single issue’ opportunity youth, and a small amount of the total opportunity youth population, we surmise that existing funding stream structures may be sufficient to meet their needs – though total amount of funding may be insufficient).

From these seven types of opportunity youth, we can look at the different types of services that need to be provided. For example, some young adults are likely to need more support and services than those in the other four segments. From a provider’s perspective, we also know that the need for concurrent work (supported by public funding) presents additional complexity and challenge when combining funds.

Finally, a note about the age of opportunity youth, which is frequently used to segment the population (either by those under 18 vs. over; sometimes based on those under 21 vs. over): various age ‘cut-offs’ do impact what kinds of funding can be used for whom. While we note those restrictions when we dive into describing the funding streams in the main text; we think the way to think about the population is more correctly focused on the goal you are trying to attain, and the challenges you are needing to address. These factors tend to disregard various age categories.

	Needs a high school credential	Needs a post-secondary credential	Needs employment only (has enough education)
Needs employment concurrent with education			
Needs barrier reduction			
Needs both barrier reduction and employment			

# Appendix B: Federal Funding

Here is a larger list of federal (and a few common state) funding streams that could be used to support opportunity youth, organized by general issue. This list is not comprehensive.

## General Funding Programs

### K12 Education

#### State

- ‘Basic Education’ / ADA funding formula (K12 District core funding)
- Dual enrollment (college credit while a HS student)
- Career and Technical Education

#### Federal

- Individuals with Disabilities Education Act
- Elementary and Secondary Act Titles 1-6; supplement
- Carl D. Perkins Vocational and Technical Education Act

### Postsecondary Education

#### State

- State need-based grants

#### Federal

- Pell – grants for tuition and books
- Workstudy – employment ‘sponsored’ by the institution
- Adult Education and Family Literacy (ESL/ABE)
- Loans (Perkins / Stafford) – can be used for academic or living expenses; must be repaid
- TRIO – navigation/case management supports

### Workforce

#### State

- State support for disabled workers

#### Federal

- Workforce Innovation and Opportunity Act (WIOA)
- U.S. Department of Labor youth offender reentry program
- U.S. Department of Labor Titles 1, 2, 4, & 5
- Apprenticeship Programs

## Other Funding Areas

#### State

- Where available: Foster Care supports extending past age 18

#### Federal

- HHS: Temporary Aid for Needy Families (TANF) – job training, education, childcare, more
- Agriculture: SNAP Education and Training (SNAP E&T) – job training, education
- HHS: John H. Chafee Foster Care Youth Independence Program
- HUD: Public Housing; Section 8

## Opportunity Youth-Specific Federally Funded Programs

In addition, the federal government offers several comprehensive approach programs that are primarily focused on opportunity youth and offer a range of supports to aid young adults in gaining employment (some with concurrent education certifications). In 2016, these programs were serving a total of about 100,000 opportunity youth annually, and include:

- Labor: Reentry Employment Opportunities, JobCorps and YouthBuild
- CNCS: State/National and National Civilian Community Corps
- Defense: National Guard ChalleNGe.<sup>24</sup>

# 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](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>
- 5 For a list of the key reports defining the opportunity youth movement, and what has happened over the past five years, see: <http://aspencommunitysolutions.org/resources/>
- 6 White House Council on Community Solutions. *Community Solutions for Opportunity Youth: Final Report*. (2012) [https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/White\\_House\\_Council\\_For\\_Community\\_Solutions\\_Final\\_Report.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/White_House_Council_For_Community_Solutions_Final_Report.pdf)
- 7 Lewis, K., and Burd-Sharps, S. “Zeroing in on Place and Race: Youth Disconnection in America’s Cities.” New York: Measure of America. (2015) <https://youtheconomicopportunities.org/sites/default/files/uploads/resource/MOA-Zeroing-In-Final.pdf>
- 8 Matthew, S. and Ferber, T. *Opportunity Youth Playbook: A Guide to Reconnecting Boys and Young Men of Color to Education and Employment*. Washington, DC: Opportunity Youth Network and the Forum for Youth Investment. P. 17. (2016). [http://forumfyi.org/files/opportunity\\_youth\\_playbook.pdf](http://forumfyi.org/files/opportunity_youth_playbook.pdf)
- 9 Cheryl Almeida, Adria Steinberg, and Janet Santos. *What It Costs: financing back on track college designs*. Jobs For the Future. p. 1 (2013). [http://www.jff.org/sites/default/files/publications/WhatItCosts\\_050813.pdf](http://www.jff.org/sites/default/files/publications/WhatItCosts_050813.pdf)
- 10 Belfield, Clive R., Henry M. Levin, & Rachel Rosen. *The Economic Value of Opportunity Youth*. New York, NY: Corporation for National and Community Service. (2012) [https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/Economic\\_Value\\_of\\_Opportunity\\_Youth\\_Report.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/Economic_Value_of_Opportunity_Youth_Report.pdf) (as cited in: JFF. *What It Costs*. (2017)
- 11 See, for example: Georgetown University. *America’s Divided Recovery* (2016). <https://cew.georgetown.edu/cew-reports/americas-divided-recovery/>
- 12 Belfield, Clive R., Henry M. Levin, & Rachel Rosen. *The Economic Value of Opportunity Youth*. New York, NY: Corporation for National and Community Service. (2012) (as cited in: JFF. *What It Costs*. (2017). [https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/Economic\\_Value\\_of\\_Opportunity\\_Youth\\_Report.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/Economic_Value_of_Opportunity_Youth_Report.pdf)
- 13 Civic Enterprises. *A Bridge to Reconnection*. (2016). <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>
- 14 Georgetown University. *Help Wanted: projections of job and education requirements through 2018*. (2013) <https://cew.georgetown.edu/cew-reports/help-wanted/>
- 15 For example, see this description of opportunity youth in King County, Washington: WA State DSHS. *Opportunity Youth*. (2015) <https://www.dshs.wa.gov/sites/default/files/SESA/rda/documents/research-11-222.pdf>
- 16 America’s Promise Alliance. *Barriers to Success*. (2107) <http://www.americaspromise.org/report/barriers-success>
- 17 Derived from Belfied, Clive; Levin, Henry M.; and Rosen, R. *The Economic Value of Opportunity Youth*. Washington, DC: Civic Enterprises. (2012) [https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/Economic\\_Value\\_of\\_Opportunity\\_Youth\\_Report.pdf](https://assets.aspeninstitute.org/content/uploads/files/content/docs/resources/Economic_Value_of_Opportunity_Youth_Report.pdf)
- 18 Civic Enterprises. *A Bridge to Reconnection*. (2016). <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>
- 19 Ibid.
- 20 Ibid.
- 21 Seattle Jobs Initiative. *Washington State’s Basic Food Employment & Training Program*. (2014) [http://www.seattlejobsinitiative.com/wp-content/uploads/SJI\\_BFET\\_June2014.pdf](http://www.seattlejobsinitiative.com/wp-content/uploads/SJI_BFET_June2014.pdf)
- 22 Edited and condensed from chart found in: JFF. *Framing the Opportunity*. (2017). [http://www.jff.org/sites/default/files/publications/materials/Framing-the-Opportunity-041217\\_0.pdf](http://www.jff.org/sites/default/files/publications/materials/Framing-the-Opportunity-041217_0.pdf)
- 23 Learn more about this program here: <https://youth.gov/youth-topics/reconnecting-youth/performance-partnership-pilots>
- 24 Civic Enterprises. *A Bridge to Reconnection*. (2016). <http://aspencommunitysolutions.org/wp-content/uploads/2017/06/BridgetoReconnection.2016.pdf>