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DOMESTIC POLICY REVIEW

YOUTH EMPLOYMENT

THE WHITE HOUSE
WASHINGTON

YOUTH EMPLOYMENT PRM

(to be discussed at Budget
Meeting, Wednesday, 2:00 PM)

Mr. President --

The Vice President said he knew you didn't like to have things walked in, or a bit late....however, since he got off his death bed and so weakly was able to struggle into the office.....(attached is submitted).

(I suggested that he not die right now, since it might take a while to get remarks for a Eulogy prepared!)

--SSC

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 18, 1979

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: Youth Presidential Review Memorandum

CEA has the following comments concerning the Resource Level Issues in the Youth PRM.

We believe that an attractive program could be put together at a 1981 budget cost (budget authority) of \$1 to \$1-1/4 billion:

BA

1. Top priority should go to the highly concentrated Basic Skills program at the Junior and Senior High Schools. This distributes the money to the right places and attacks the major problem. \$800 million
2. Vocational Education Skill Centers should NOT be funded. Aside from basic skills money earmarked for secondary vocational education, further funds can only be justified in the context of a general change in the vocational education system. The time to do that is next year when the results of the National Institute for Education's evaluation of Vocational Education is complete and when the Administration will have to take a position on the reauthorization of Vocational Education (the year after next). While it is true that area vocational education schools are poorly located to help those with most serious problems, there are important design issues that must be faced in relocating such schools in central cities. More work needs to be done.

3. The DOL prime sponsors may need some inducements to participate further in the complex new approach to in-school youth. A modest amount of additional funds within the context of a consolidated YEDPA program may be needed as incentives for redirection of the current efforts.

\$200-400 million

Total

\$1,000 to \$1,200 million

Outlays under such a program should be less than \$400 million in fiscal 1981.



THE VICE PRESIDENT
WASHINGTON

December 19, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT *WJ*
SUBJECT: YOUTH EMPLOYMENT

Last year, you asked the Youth Employment Task Force and the federal agencies to go to work on the youth employment problem so that we could have a solid program to recommend when the current experimental programs expire.

A lot of work has gone into the recommendations before you, and in my judgment they are well developed and substantively sound.

From a political point of view, this initiative is extremely important to Democratic constituencies. It is an issue that Kennedy will try to take away from us if he possibly can.

With a very tight budget, we need a few bright spots. A healthy shot for youth employment would do more good than anything else we could propose because it hits all of the right bases:

- civil rights
- education
- cities
- labor

While we are recommending \$2 billion in FY 81 budget authority, the cost is much less (\$800 million) in outlays because the first year would basically be a planning year for the education component. This first year planning allows the education component to phase in reasonably with the new Department of Education.

**Electrostatic Copy Made
for Preservation Purposes**

I think it would be of greater benefit politically to forego increases elsewhere in the budget than to send the signal that our youth strategy is a go slow, highly cautious approach.

There are several problems with the OMB position:

- it does nothing beyond the status quo on the jobs side;
- it will make no one happy, in fact if we come anywhere close to the OMB funding level we will be subject to severe criticism;
- it will appear that we are unwilling to match on the human side the productivity investments we are making for business.

For \$2 billion in new authority, we can get exactly the right reaction and make this a genuine highlight of your 1980 legislative program. Interestingly, this program has appeal for many conservatives who understand the problem of a generation of American youth who cannot read or write or count and lack solid work experience and training.

Under the terms of the 1977 YEDPA Act, we are expected to come up with comprehensive recommendations. What would OMB give us?

- Nothing on jobs. I think we would have to say that we do not know what works and we are not prepared to move forward with approaches that have yielded the best results. We would not have a national program.
- An education component that is basically funded at a demonstration level. We would not have a national strategy.
- Nothing for vocational education. We have the opportunity through the Education Department's recommendation to improve that program and do so in a highly leveraged way so that for a modest investment phasing out over five years we could bring the best vocational education approaches to bear on the problem of inner city and disadvantaged kids. Why forego this opportunity when the "voc ed" lobby will certainly fight for a share of the program when it reaches Capitol Hill?

Because of forward funding for the education program, the incremental FY 81 outlay cost of a \$2 billion program is small compared with say a \$1.5 or even a \$1 billion program. To go from \$1.5 to \$2 billion costs \$250 million in FY 81 outlays, and even to go from \$1 billion to \$2 billion means half that amount in outlay impacts.

Unless we pre-empt him, Kennedy will go on the attack. OMB may argue we can respond by saying we tripled funds for youth programs. Unfortunately, all of that was done in the first year.

The \$2 billion program will give us the speech we need for liberal and moderate-to-liberal audiences. This program is:

- pro work and productivity;
- pro basic skills and education;
- pro dealing with the urgent needs of our cities and distressed rural communities;
- pro compassion for the disadvantaged;
- pro civil rights.

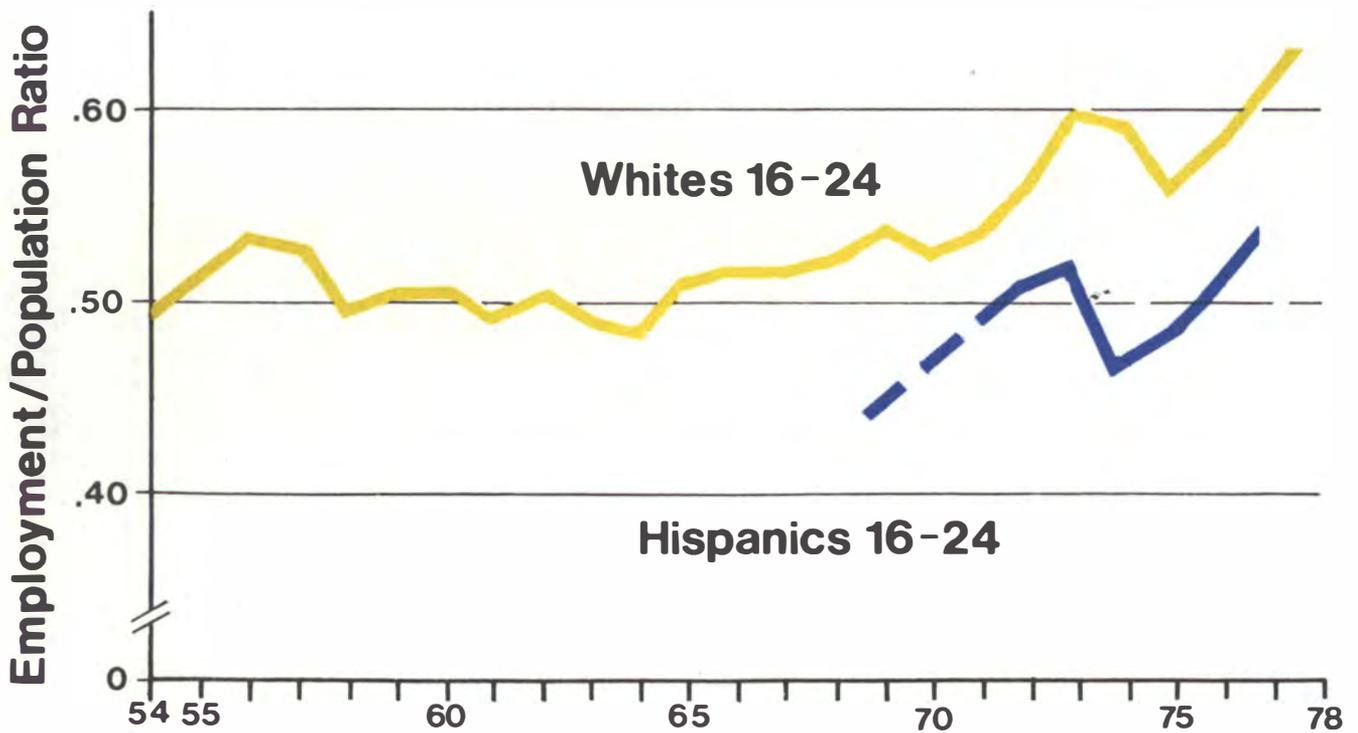
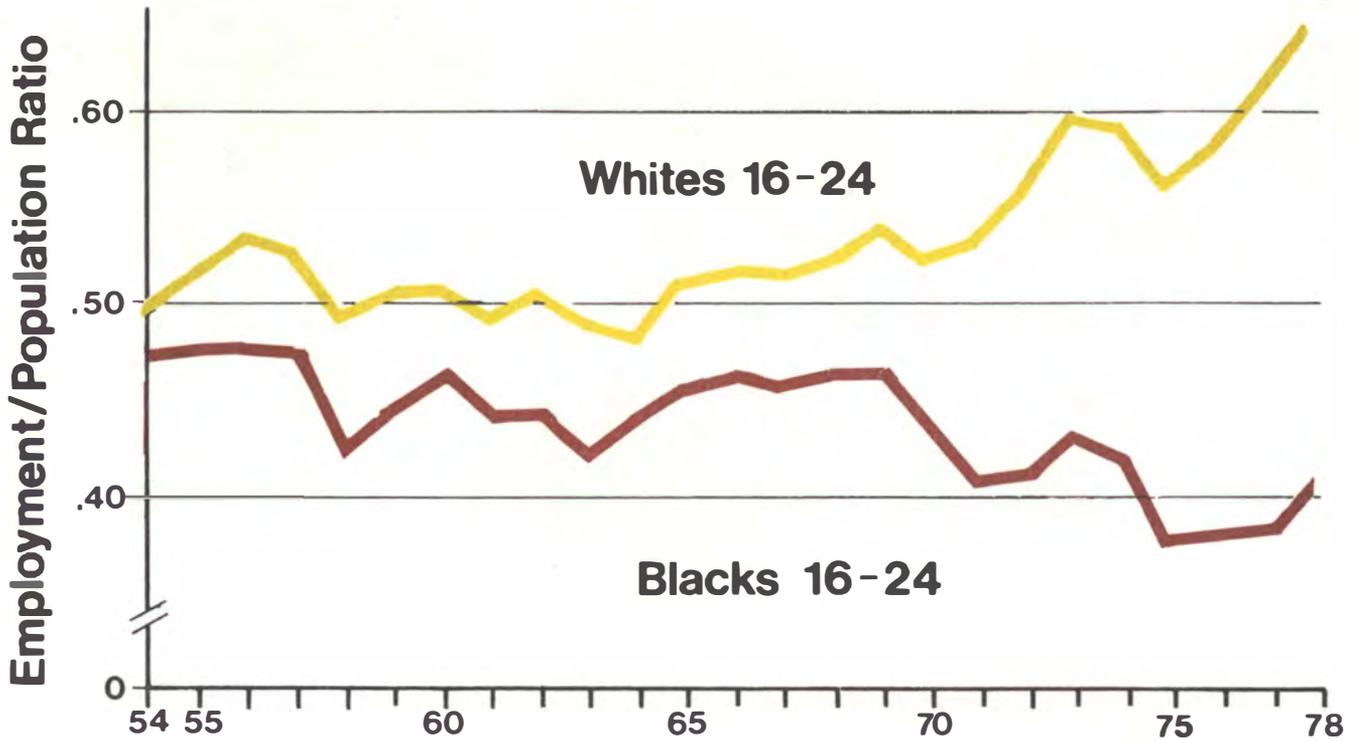
It reinforces your entire progressive record and helps to negate the Udall line of argument about the second term. We can say we are mapping out a strategy whereby these kids who have been neglected and doomed to failure in the past can get the help they need to learn to read and write and count, to find and hold jobs, and to contribute in a productive way to the economic strength and future of our country.

**CLOSING AMERICA'S JOB GAP:
THE CHALLENGE OF LOWERING
YOUTH UNEMPLOYMENT
IN THE EIGHTIES**

**VICE PRESIDENT'S TASK FORCE
ON YOUTH EMPLOYMENT**

Who's Losing Ground?

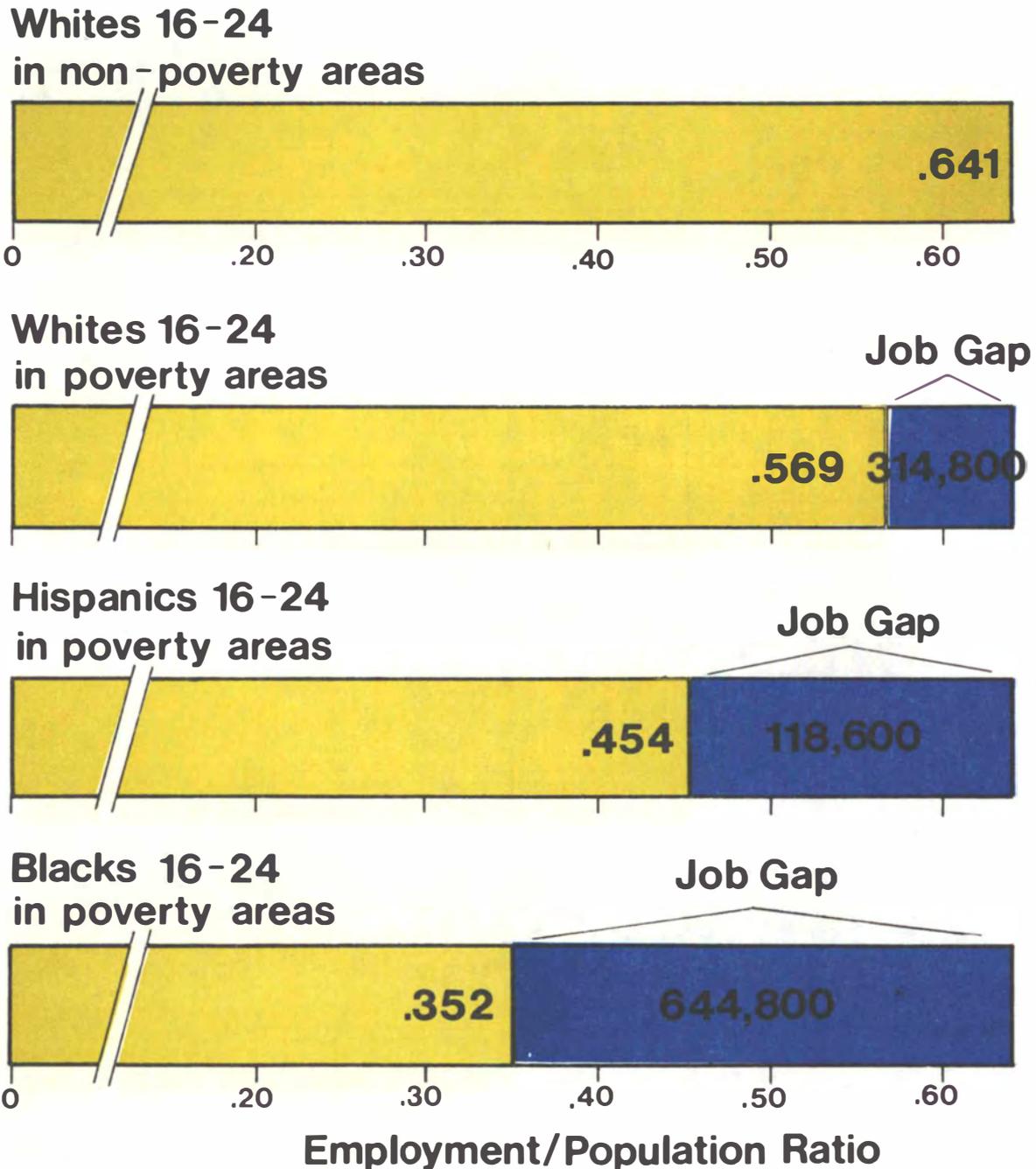
Employment/Population Ratios Over 25 Years (1954-1978)



Source: Department of Labor Data

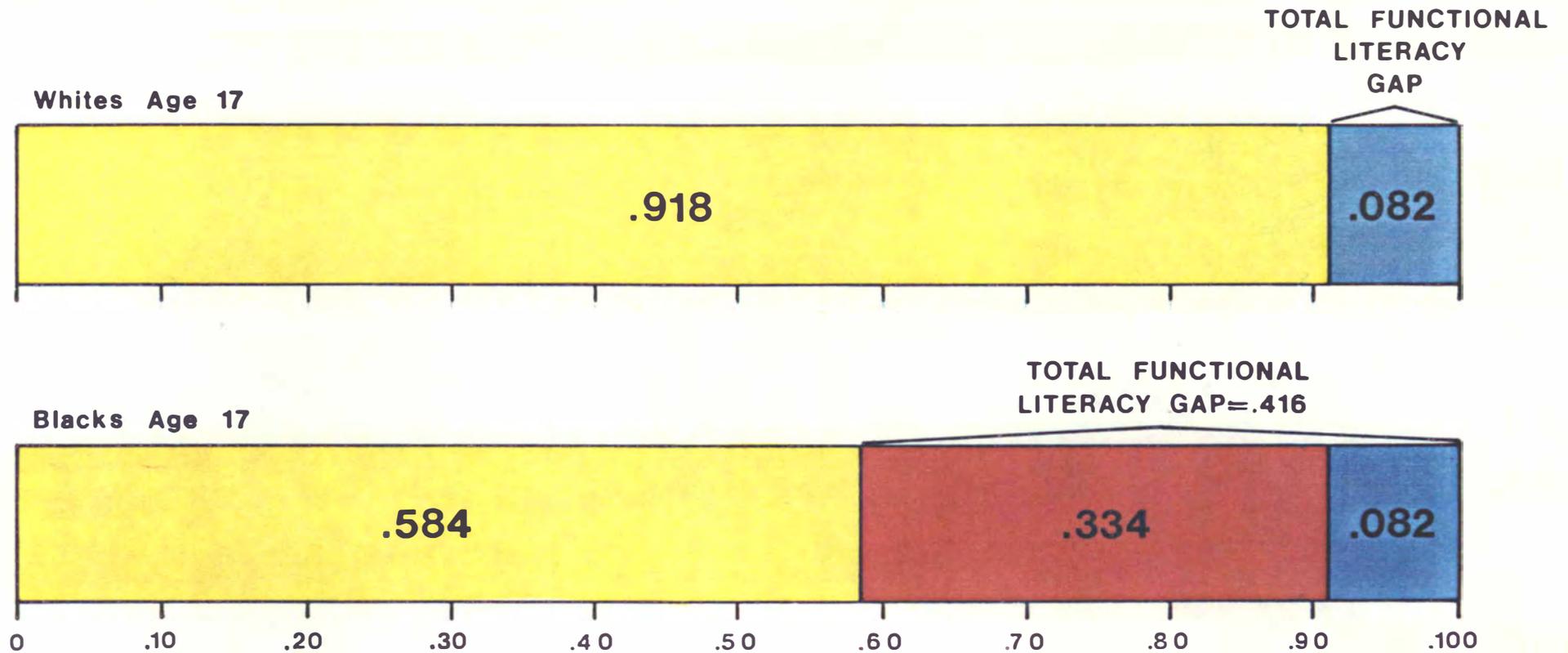
Equalizing Opportunities:

Closing the Job Gap for Poor Youth 1978



- Employment/Population Ratios
- Jobs necessary for parity with white youth in non-poverty areas

Closing the Functional Literacy Gap*



- Functionally literate to population ratio
- Proportion who must become functionally literate for population to be 100% functionally literate
- Proportion of Blacks who must become functionally literate to achieve parity with Whites

* Data for Hispanics not available

Source: *Functional Literacy, Basic Reading Performance*, prepared for the National Right to Read Effort in cooperation with the National Assessment of Educational Progress, 1976.

Task Force

FINDINGS

1. Over 2 million young people have a serious labor market problem.
2. Employers won't hire young people who can't read and write.
3. Employers won't take a risk on hiring young people who lack a track record of work experience--a resume.
4. Our current employment programs are too complex: 4 plans, 56 reports and 3 eligibility systems.
5. Local partnerships among the mayor, the schools, the private sector and voluntary organizations are critical.
6. More resources are needed.

THE WHITE HOUSE

WASHINGTON

December 18, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Review Memorandum
on Youth Employment

We are scheduled to meet with you at 4 p.m. on Wednesday, December 19 to discuss our proposed youth initiatives. Attached for your review, in preparation for that meeting, is the Domestic Policy Review Memorandum on Youth Education, Training and Employment. These proposals and funding options grow out of the work of the Vice President's Task Force over the last nine months and extensive consultations within the administration (OMB, CEA, DOL and DOE) and with interest groups and Congressional representatives.

An Executive summary of the findings, proposals, and funding options is provided for your convenience. Also included are several attachments in support of the DPR memo:

- o A report on the activities of the Task Force (Tab A)
- o A summary of the DOL proposal (Tab B)
- o A summary of the DOE programs (Tab C)
- o Tables on resource and program level options. (Tab D)

I believe the initiatives we propose can have a significant impact on the problem of youth unemployment and will be a solid political plus if and only if we propose adequate funding. To go below the \$2 billion in budget authority (\$800 million outlay and deficit impact) we have recommended runs the risk of turning a year's work and a strong potential plus into a negative issue. I strongly believe this is the kind of "bright spot" needed in our tight domestic budget.

EXECUTIVE SUMMARY OF THE
DOMESTIC POLICY REVIEW MEMORANDUM (DPR)

ON
YOUTH TRAINING, EMPLOYMENT AND EDUCATION PROGRAMS

INTRODUCTION

In April 1979, a DPR on youth employment was initiated at your request. DPS has directed the Review with the cooperation of the Vice President's Task Force on Youth Employment. Three of four programs authorized in the Youth Employment and Demonstration Projects Act (YEDPA) expire at the end of September, 1980. If we are to pass new legislation in the coming sessions of Congress, we must be prepared to submit our proposals in January.

This memorandum seeks your decisions on youth programs and budget levels and your authority to begin consultation with interest groups and Congressional staff on options you choose.

While the Task Force made a number of findings which have been confirmed by outside groups, the following are the most important:

- o Employers have said overwhelmingly that they are unwilling to hire young people who lack basic literacy and computation skills and knowledge of the world of work. Illiteracy and unemployment are highest among minority youth.
- o Employment and training programs can be greatly improved and simplified by consolidating the current categorical programs and using financial incentives rather than regulations to encourage good performance. More must be done through these programs to serve older youth in longer term training and employment.

The initiatives we are proposing would address these findings. They emphasize mastery of basic literacy and computation skills at the secondary school level, and provision of employment opportunities that are closely linked to learning experiences and clearly structured to develop marketable skills and good work habits.

BACKGROUND

The Administration's record in DOL youth employment programming includes almost a three fold increase in funding from 1977 (\$777m) to 1979 (\$2.1b). Other initiatives include establishment of Private Industry Councils and the Targeted Jobs Tax Credit. Spending for education programs has also increased by 60 percent under this Administration, though existing programs emphasize young children and post-secondary education.

The Administration's findings and recommendations are consistent with reports from outside groups, including the National Commission on Employment Policy, the Carnegie Council on Higher Education, and the Organization for Economic Cooperation and Development.

THE PROBLEM

Overview

The employment, training, and educational problems of youth are not general, they are highly concentrated among disadvantaged and minority youth who are in turn heavily clustered in central cities and rural poverty areas. That clustering reinforces and exacerbates the social and economic consequences of these problems.

The following points on the problem are key:

- o Less than 8 percent of the 36 million youths aged 16 to 24 in 1977 reported that they had experienced 15 weeks or more of unemployment in total over the past year. Many of these youth were in school, others may have been too discouraged to search for work.
- o About 2 million youths both came from families with income below 85 percent of the BLS lower living standard and reported severe unemployment over the past year.
- o The unemployment situation for black youth is the easiest to document:
 - The employment/population ratio for black male youth (16-24) has fallen over the last 15 years.
 - For black males, aged 16 to 19, the unemployment rate has risen from 23 percent to 42 percent over the period from 1964 to 1978. Black female teenagers began that period with a 33 percent unemployment rate that rose to 44 percent by 1978.

- Racial discrimination and differences in the quality of schooling are likely to play a major role in explaining the difference in unemployment problems faced by black and white youth.
- o There has been good progress on wage equality, but there has been a sharp decline in the percentage of minorities who work at all. Over half the 16-19 year old non-white males reported no work at all in 1977.
- o While the overall youth portion of the labor force will decline in the next decade, the minority youth population, those most at risk, will continue to expand throughout most of the eighties.
- o Over the past decade, there has been considerable convergence of the number of years of schooling between whites and blacks. Indeed by 1974, school attainment rates for nonwhites were close to or above the rates for whites at every age between 16 and 34.
- o While basic skill levels of elementary school students improved during the first part of the seventies, there has been a decline in performance on more complex verbal and quantitative skills among older children.
- o Minority low income youth do especially poorly on measures of functional literacy. 42 percent of 17 year old black youth versus only 8 percent of white youth were found to be functionally illiterate in one recent national test.

WHAT HAVE WE LEARNED FROM CURRENT PROGRAMS TO GUIDE OUR POLICIES?

We have considered evidence on the effectiveness of current programs. Although this evidence is often inconclusive, it does provide guidance for design of improved policies.

o Compensatory Education

- Experience with Title I of the Elementary and Secondary Education Act (ESEA) indicates that increasing the resources devoted to teaching reading and mathematics improves achievement. However, these funds have been heavily concentrated in the first few years of schooling.

o Vocational Education

- While careful studies have not, in general, found any systematic long-term benefits for males who attend vocational high schools, there is evidence of earnings gains for women, though apparently at the cost of reinforcing occupational segregation.
- Postsecondary vocational technical skill centers are beneficial, though they are rarely located where disadvantaged youth have easy access to them.

o Youth Program Lessons

- From pre-YEDPA programs we have learned that having a job while in school is associated with higher subsequent wages. Studies of Job Corps indicate that it has a significant positive impact on the earnings of youth.
- From YEDPA we know that
 - . A large number of young people can be put into jobs and training relatively quickly -- over 700,000 youth served in 2 1/2 years.
 - . High school dropouts will often return to school if they are offered a nontraditional setting.
 - . The programs which are most effective at placing youth in the private sector combine basic education and well supervised work experience.
 - . Inadequate time for planning is one of the biggest obstacles to effective programs at the local level.

Policy Recommendations

The education and employment proposals summarized in detail in the PRM are designed to provide a coherent set of services and opportunities for disadvantaged in-school youth and those out-of-school with serious labor market problems.

o In-school young people

School systems would have the lead responsibility. A new federal program for the first time would concentrate on improving basic educational skills in junior and senior high schools. Funds would go to about 3,000 especially poor school districts. Joint planning with CETA and the private sector would be required, to provide students with part-time work experiences designed to increase their motivation to learn.

o School age (16-18 year old) out-of-school young people

Prime sponsors and the school system would share responsibility for those of school age who have dropped out. Our program would provide alternative schools and part-time jobs for dropouts, as the most effective ways to serve these youth.

o Older, (18 to 21 year old) out of school youth

For these young people, by far the worst off and most disadvantaged group, the program would concentrate through the CETA system on providing opportunities to learn basic skills, gain work discipline, develop specific skill training and obtain private sector employment. Emphasis would shift from short term work experience to longer term training and private sector placement.

PROGRAM LEGISLATIVE RECOMMENDATIONS

DOL: The Youth Career Opportunity Act would authorize:

o Local Career Preparation Programs

- a formula-funded block grant to prime sponsors that folds together the three YEDPA programs* which expire in 1980 and integrates planning of the summer program with the year-round effort
- Funds more sharply targeted than under present programs through a special formula benefitting urban and rural jurisdictions with high concentrations of poverty and unemployment
- Special incentives to support coordination with school systems and to address selected national priorities

* Youth Employment and Training Program (YETP)
 Youth Community Conservation and Improvement Program (YCCIP)
 Youth Incentive Entitlement Pilot Projects (YIEPP)

o Existing National Programs

- continuation of Job Corps, which has demonstrated success, and Senator Jackson's Young Adult Conservation Corps
- continued support for interagency demonstration programs, and technical assistance to community based organizations, prime sponsors and schools and research and evaluation.

DOE: Basic Education and Skill Training Initiatives would authorize:

o Basic Skills/Employability Training

- a new basic skills program targeted on low scoring youngsters in high poverty schools, including limited English speaking ability students.
- competition among eligible schools within a district for funds, with emphasis on school-wide efforts designed to improve measured achievement and reduce dropout and absenteeism rates.
- a basic skills effort closely related to skills training and work experience developed in cooperation with CETA
- a share of the resources could be directed through the vocational education system and used for basic skills development for vocational education students.

o Targeted Vocational Skill training

- a new discretionary grant program (with a 50% State match) to stimulate the development of post-secondary vocational training in up to 50 urban and rural areas with high youth employment. Low-income youth (18-21) would participate, and close ties with private industry for work experience opportunities and placements would be required. No payment for "bricks and mortar" would be allowed; contracts would be with existing community colleges, school systems or other existing institutions.

RESOURCE LEVEL ISSUES

There is agreement on the basic elements of a new youth initiative. These include:

- o Consolidation of four of the current youth programs operated at the local level into a single more flexible grant with greater emphasis on accountability.
- o Re-focusing these programs to concentrate on training and placing older, out-of-work youth, while continuing to provide part-time work experience for in-school youth, in cooperation with school systems.
- o Institution of a new effort to teach basic reading and math skills critical to employability in poverty area junior and senior high schools by combining enhanced basic skill instruction with work experience.
- o Greater linkage of both employment and training and school programs to the private sector.

However, there is disagreement on the level of resources to be assigned to this new program. Options are summarized below and described in more detail in Attachment D.

Option 1 - \$3 billion in FY 1981 BA, \$850 million outlays. This option, originally advanced by the agencies, would provide:

- . \$1.5 billion in added funding for DOL employment and training programs, bringing the total to \$3.6 billion.
- . \$100 million in first year planning and demonstration funding for the new education basic skills component.
- . \$1.4 billion in forward funding (as for other education programs) for the first program year of the basic skills component which would begin in September 1981. Funding would be targeted on the 2,500 rural and 500 urban school districts with the highest number and concentration of low-income students.

. Basic education help to 1.3 million youth (about half the estimated "universe of need. An additional 200,000 years of training or work experience for disadvantaged youth for a total of 600,000 (820,000 including other CETA titles). DOL estimates the universe of need at about 2 million.*

. Maximize support from big constituencies.

However, OMB, DPS and the agencies agree that there are administrative risks in attempting to initiate a program of this magnitude, that this program level could in all likelihood not be achieved until well into the second year that large unobligated balances could result.

Option 2 - \$2 billion in FY 1981 BA, \$800 million outlays. The agencies and DPS recommend this option, which would provide:

- . \$1 billion in added funding for DOL employment and training programs, bringing the total to \$3.1 billion.
- . \$100 million in first-year planning and demonstration funding for the new education component.
- . \$900 million in forward funding (as for other other education programs) for the first program year of the basic skills education initiative which would begin in September 1981.
- . Basic education help to nearly 900,000 students (about one-third of the estimated "universe of need") and an additional 111,000 training and work experience service years, for a total of 518,000 (838,000 including other CETA titles).

Option 3 - \$500 million in BA, \$50 million outlays. This option, supported by OMB, would provide:

- . Continuation of DOL employment and training programs at the current level of \$2.1 billion, with greater flexibility in administration.

* There is disagreement on the appropriate universe of need figure. The DOL estimate is close to that accepted by the National Commission on Employment Policy and outside groups.

- \$50 million in new money for first-year planning and demonstration funding for the new education basic skills component.
- \$450 million in forward funding for the first program year of the basic skills program which would begin in September 1981.
- Basic education help to nearly 450,000 students (about one-sixth of those estimated to be eligible, and continuation of the existing service level of over 400,000 employment and training opportunities (620,000 including other CETA titles).

OMB supports this option which establishes a major discretionary basic skills grant program. The complexities of implementing the sophisticated education and CETA joint programming envisioned here, as well as the experience we have had with severe management problems in rapidly expanding programs in this area, both argue for the developmental approach embodied in this option. OMB believes that the tripling of DOL youth program spending since you took office (\$777m in 1977 to \$2,436m in 1980), combined with increasing recognition that the problem is not widespread and general, but rather highly concentrated, argues not for more resources but for more aggressive and imaginative efforts to direct existing resources to those youth in the greatest need. The proposed consolidation of some Labor youth programs is a helpful step in this direction. OMB believes that the consolidation is likely to be supported by Governors and mayors, even with no new dollars, because it reduces red tape in programs, all of which they operate.

On the education side, all evidence suggests that a root problem of structural unemployment is lack of basic literacy and computation skills. OMB is persuaded -- even with recent funding increases in ESEA Title I and vocational education -- that some additional highly targeted resources could help to improve school performance. However, OMB believes the best way to initiate this new program is to phase it in. It would not be wise to threaten the effectiveness of the new Department of Education by asking it to mount a very large new program during this start-up year.

DPS believes that Option 3 would severely disappoint key constituencies, Congressional leaders and experts who have followed the course of the youth PRM. Two thirds of the DOL universe of need are out-of-school and are those in severest need. DPS predicts that without roughly equal resources for employment and training it will be very difficult to achieve the program consolidation we recommend.

DECISIONS

Option 1 _____

Option 2 (DPS, DOL, DOE) _____

Option 3 (OMB) _____

ADDITIONAL DECISION ISSUES

1. Vocational Skill Centers

Vocational skill centers (often known as area vocational schools) have proven effective in providing occupational training to postsecondary students (18-21) in skills in demand in the area in which they are located. However these schools are rarely located in or near inner-city poverty areas, and therefore fail to serve students from disadvantaged backgrounds.

The agencies and DPS recommend devoting \$150 million of the education resources to a State matching program (50-50 in the first year with Federal share declining to zero in the fifth year) which would encourage establishment of vocational skills centers for disadvantaged students in target areas. The centers would be established through contracts with existing agencies, and no payment for "bricks and mortar" would be allowed.

Arguments for

- o Meets an important need for advanced skill training in urban areas.
- o Helps satisfy vocational education constituency which is powerful on the Hill.
- o Leverages State funds.

Arguments against

- o Should wait for expiration/extension of Vocational Education Act in 1981.
- o Could be funded by DOL programs (although this would be essentially at the discretion of local mayors).

OPTIONS AND DECISIONS

Include skills centers initiative (DPS, DOL, DOE) _____

Do not include (OMB, CEA) _____

2. Summer Youth

We have agreed to integrate the summer youth program as a component of the youth block grant --simplifying planning and application/evaluation procedures.

In addition, OMB recommends that the Administration revive our unsuccessful effort of last year to eliminate eligibility of 14 and 15 year olds.

Arguments for:

- o This group is less in need of work than older youth and not officially included in unemployment statistics.
- o Provision of summer jobs for 14 and 15 year olds can disrupt the casual labor market.
- o The supervision required for younger participants increases administrative difficulty.

Arguments against

- o Sentiment in Congress clearly is against elimination of 14 and 15 year olds from the program.
- o Prime sponsors are not required to serve these age groups.
- o Unemployment among this age group is higher than for older youths and crime rates are rising.

OPTIONS AND DECISIONS

Renew effort to eliminate eligibility for 14 and 15 year olds (OMB, CEA) _____

Allow continued eligibility (DPS, DOL, DOE) _____

NOTE: In general Secretary Hufstedler agrees with these recommendations which were developed in close cooperation with HEW and her transition staff. We have agreed that she will take the lead in shaping the details of the education component.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

FROM:

THE VICE PRESIDENT *wjm*
STU EIZENSTAT *Stu*
JIM McINTYRE *Jim*
CHARLIE SCHULTZE *CLS*
RAY MARSHALL *Ray*

SUBJECT:

Domestic Policy Review (DPR)
Memorandum on Youth Training,
Employment and Education Programs

INTRODUCTION

In April 1979, you approved a DPR on the above subject. DPS has directed the Review under the Vice President's Task Force on Youth Employment. The Task Force has held an extensive series of consultations, seminars and conferences around the country with a spectrum of American groups and individuals representing Congress, education, business, labor, community and voluntary organizations. Even the NFL Players Association was involved, interviewing young people directly about their needs and problems. The Task Force also commissioned a series of papers. A detailed record of the Task Force's efforts appears at Tab A.

This memorandum outlines for you our recommendations and policy options for youth training, employment and education policy and seeks your decisions on youth programs and budget levels. Three of four programs authorized in the Youth Employment and Demonstration Projects Act (YEDPA) expire at the end of September, 1980. The Secretary of Labor is also required to report to Congress next March with his recommendations for integrating these three youth programs into Title II of CETA.

If we are to pass new legislation in the coming session of Congress, we must be prepared to submit our proposals in January. Therefore, we are also asking authority to begin consultation with interest groups and Congressional staff on the options you choose.

We have outlined for your consideration major new education and employment initiatives to address the needs of disadvantaged youth. These new programs build on our past experience and emphasize:

- o mastery of basic literacy and computation skills at the secondary school level as the key to future employability;
- o employment opportunities that are closely linked to learning experiences and clearly structured to develop marketable skills and good work habits;
- o working partnerships among educators, employment and training officials, community based organizations, and private sector employers;
- o increased flexibility for local decision makers, along with greater accountability for program outcomes;
- o targeting resources on areas and youth with greatest need, with services to eligible youths based on their individual needs.

BACKGROUND

The Administration's record in DOL youth employment includes a three fold increase in spending from 1977 (\$777m) to 1979 (FY 1980 \$2.4B). Other initiatives include establishment of Private Industry Councils and the Targeted Jobs Tax Credit.

We have also increased funds available to education by some 60% above the proposed 1978 Ford budget. However, federal education funds go predominantly to elementary school children and those enrolled in college. Only a small share goes to those in junior and senior high school. Vocational Education is currently funded at about \$800m.

The YEDPA dollars have funded a variety of experimental and demonstration youth-employment programs across the nation. The Administration's study of the problem has been complemented by reports from outside groups, including the National Commission on Employment Policy (Eli Ginzberg, Chairman) and the Carnegie Council on Higher Education (Clark Kerr, Chairman), and a review of youth employment problems in the USA, Germany and Denmark by the Organization for Economic Cooperation and Development (OECD). Ginzberg and Kerr both identified the problem as critical to the Nation, and recommended policy steps parallel to this PRM, and substantial funding to put the policy into effect.

THE PROBLEM

Overview

The employment, training, and educational problems of youth are not general. They are highly concentrated among disadvantaged and minority youth who are in turn heavily clustered in central cities and rural poverty areas. That clustering reinforces and exacerbates the social and economic consequences of these problems.

Overall Youth Unemployment

Even though youth unemployment is often perceived as a pervasive problem, less than 8 percent of the 36 million youths aged 16 to 24 in 1977 reported that they had experienced 15 weeks or more of unemployment in total over the past year. Many of these were, of course, engaged in schooling.

On the other hand, some may have been too discouraged to even report they were unemployed and wanted to work. This makes it difficult to identify the true magnitude of the problem. We do know that about 2 million youths both came from families with income below 85 percent of the BLS lower living standard and reported at least 15 weeks of unemployment over the past year. We also know that the majority of those youth were white, although blacks and Hispanics are represented in disproportion to their numbers in the population.

Unemployment Among Black Youth

The seriousness of the unemployment situation for black youth is the easiest to document statistically. The employment/population ratio for black male youth (16-24) has fallen over the last 15 years both absolutely and relative to their white peers, although a slight upward trend has been noted since 1977. For black males, aged 16 to 19, the unemployment rate has risen from 23 percent to 42 percent over the period from 1964 to 1978. Black female teenagers began that period with a 33 percent unemployment rate that rose to 44 percent by 1978. The level of unemployment and the increase were much higher for two black groups which have, until recently, been growing rapidly: those in central cities and those attending school. During this same period, the overall youth unemployment rate remained relatively stable.

In the most recent data unemployment for all 16 to 19 year olds was 15.9 percent. Unemployment for black teens was 33.1 percent. Only part (perhaps half) of the difference between the white and black youth unemployment rates can be explained by differences in the demographic composition, amount of schooling, and poverty background of the two groups. Racial discrimination and differences in the quality of schooling are likely to account for a large portion of the remaining difference. Occasions for discrimination in the urban labor market have increased as fewer of the rising number of young white males were absorbed by the military and most went into the general labor market.

Some Findings About Youth Unemployment To Guide Us

From research that the Task Force and others have conducted, we have found that:

- o most youths find jobs without experiencing much if any unemployment;
- o youth unemployment rates in the United States are consistently higher than those for adults in part because youths move between jobs more frequently as they search for better opportunities or move in and out of the labor force;
- o A surprisingly large share of total weeks unemployed is borne by a relatively small group. To be exact, 75% of the total weeks of unemployment for those 16 to 24 in 1977 was experienced by those who were unemployed for a total of 15 weeks or more in the course of the year. This group - 2.9 million young people - represents just 10% of the total youth labor force. If we were able to help this group it would have a significant impact on overall youth unemployment rates.
- o There has been good progress on racial wage equality. Since 1967 the wage gap between black and white male workers 20 to 24 has been closing, from 24 percent in 1967 to only 8 percent in 1977.

But, there has been a sharp decline in the percentage of minorities who work at all.

For minority men 20-24 the percentage reporting any work in the year has fallen from 86 percent in 1967 (close to the white 89 percent) to 74 percent in 1977 (while the white percentage rose to 91).

For 16 to 19 year old minority males, the percentage reporting any work dropped even more sharply, from 69 percent in 1967 to 47 percent in 1977. Put another way: over half of the 16-19 year old non-white males reported no work at all in 1977;

- o the disadvantaged have special employment hurdles because they often lack the employed friends and relatives who could provide an access to good jobs, and therefore, they need formal help with job search;
- o Short spells of early unemployment seem to have no effect on subsequent labor market performance. Long term, early post-school unemployment, especially for minorities, seems to translate into lower earnings for adult men and women - the scarring effect;
- o young inexperienced workers are more likely to be unemployed when general unemployment begins to rise.

Youth Employment and Training Policy

The limits that inflation places on our ability to help disadvantaged youth by operating tight labor markets, and the reduced inflation that would occur through increasing the productivity and employment of youth, argue for targeted structural policies with an emphasis on training and education. The fact that the youth portion of our labor force will actually decline over the next decade should help us in our attempts to deal with the concentrated problems of the disadvantaged youth. Minority youth, the population most at risk, will continue to expand throughout most of the eighties. Whether they will gain from reduced competition from white youth will depend on trends in discrimination and what we do for these young minorities.

Need for Basic Skills

Although the employment problems of disadvantaged youth first occur in their late teens, it is important to realize that lack of a job is a symptom of deeper problems related to discrimination and education. Part of the problem

is showing up in the junior and senior high schools. Over the past several decades, there has been a general increase in the number of years of school attained by persons aged 25 to 29 and considerable convergence of the number of years of schooling between whites and blacks. Indeed by 1975, school enrollment rates for nonwhites were close to or above the rates for whites at every age between 16 and 34, and educational aspirations were generally higher for blacks than for whites.

However, while basic skill levels of elementary school students improved during the first part of the seventies, this was not the case for older students 11 to 17. There has been a decline in performance on more complex verbal and quantitative skills among older children. Further, minority low income youth do especially poorly on measures of functional literacy. 42 percent of 17 year old black youth versus only 8 percent of white youth were found to be functionally illiterate in one recent national test.

When potential workers have few basic skills and little experience and when the minimum wage and other institutions create wage floors, these deficiencies can result in unemployment or part-time employment rather than low-wage employment. Many of those affected will be helped by the Targeted Jobs Tax Credit. However, for those who are illiterate and lack work discipline, the wage level may not be the critical factor. For them, expensive remedial or preventive action is likely to be required.

WHAT HAVE WE LEARNED FROM CURRENT PROGRAMS TO GUIDE OUR POLICIES?

We have considered evidence on the effectiveness of current programs. Although this evidence is often inconclusive, it does provide guidance for design of improved policies.

Compensatory Education. Although early studies were discouraging, it now seems clear that increasing the resources devoted to teaching reading and mathematics improves achievement in those subjects. Title I of the Elementary and Secondary Education Act (ESEA) has made a difference here. However, funds (especially for reading) are heavily concentrated in the first few years of schooling. This has led to improvement in simple reading skills for disadvantaged children, but has not done much to help older children learn more complex skills (often called functional literacy) that are so important to their employability. Even though there is ample evidence that reading can be taught successfully to older children, such a basic skills program for older children probably will not receive significant state and local funding unless the federal government takes the lead. There have also been problems targeting ESEA funds on the disadvantaged and low achievers, which we believe argues for a sharply targeted initiative.

Vocational Education. The majority of vocational education students are at the high school level. Careful studies have not, in general, found any systematic long-term benefits for males who attend vocational high schools. There is evidence of earnings gains for women, though apparently at the cost of reinforcing occupational segregation. Evidence about dropout prevention is inconclusive for men but seems fairly positive for women. Postsecondary vocational technical skill centers are often quite beneficial, though they are rarely located where disadvantaged youth have easy access. Junior and community colleges often offer such services.

Youth Program Lessons. Our youth employment programs provide a wide variety of program options from placement assistance, counselling and part-time work experience to full time, residential training in the Job Corps for older youth. Many of these program options are now being tested and refined under YEDPA. While it is too early to measure the impacts of the YEDPA programs on participants, we do have some information from experiences with earlier programs. There is little evidence that work experience alone in the absence of other education or training has measurable impact on subsequent employment. For men, it appears that having a job while in school is associated with higher subsequent wages. Most of the jobs held by youth have been in the private sector and we don't know for sure whether subsidized public sector jobs will have the same effect.

We have had considerable evaluation of the Job Corps which provides intensive residential training. Findings indicate a significant positive impact on the earnings of youth. The findings are particularly positive for older youth.

From YEDPA, we have already learned the following:

- o We can put a large number of young people into jobs and training relatively quickly - over 700,000 youth served in 2 1/2 years;
- o Prime sponsors have targeted their programs on those most in need to a degree greater than required by law;
- o Locally competing interests like education and prime sponsors can collaborate effectively on joint programs when the federal government provides some resources;

- o High school dropouts will return to school in greater numbers if they are offered the possibility of returning to a nontraditional setting in addition to their original school;
- o Youth can be placed in private sector part-time jobs if the prime sponsor will both pay the wages and assume payroll responsibility;
- o The programs which are most effective at placing youth in the private sector combine basic education and well supervised work experience;
- o Community based organizations are as capable as prime sponsors at running community improvement projects. Both institutions can do a good job if they have prior experience and quality supervisors;
- o The experience of the supervisor is critical for the quality and effectiveness of a specific work site or project;
- o Inadequate time for planning is one of the biggest obstacles to effective programs at the local level. Budgeting, recruiting and even adequate oversight of contractors are adversely affected;
- o The complexity of administration which grows out of three separate eligibility systems for YEDPA and numerous reports diverts attention away from solid program management.

Policy Proposals

The education and employment proposals summarized in detail in the attachments are designed to provide a coherent set of services and opportunities for disadvantaged in-school youth and those out-of-school with serious labor market problems. These proposals respond to the problems we have identified and build on our knowledge of what works best. These initiatives are designed to operate within the policy framework described below for the following categories of youth:

- o In-school young people

School systems would have the lead responsibility. A new federal program for the first time would concentrate on improving basic educational skills in junior and senior high schools. Funds for the new education program would go to 3,000

especially poor school districts. The new effort would build on the small amount of resources already delivered by the current Title I compensatory program to the secondary level. Unlike the Title I program, however, the funds would be very sharply targeted to the poorest and lowest achieving schools. Moreover, within the districts, eligible schools would establish clear objectives for performance in the area of basic skills and would compete for the funds. Programs would be planned by teachers, private industry and the community. Schools would be evaluated on achievement of their basic skills goals. Participation in work experience would include substantial participation in an education component.

Joint planning between the schools and the CETA system would be required for students receiving CETA funded public sector work experience and labor market information. Joint planning with the private sector would be necessary for part-time and summer jobs, and for placement after graduation.

o School age (16-18 year old) out-of-school young people

Prime sponsors and the school system would share responsibility for those of school age who have dropped out. Our program would provide alternative schools within the public school system as well as outside of it and part-time jobs for dropouts, as the most effective ways to serve these youth. These schools would emphasize small classes, individualized instruction, and course work related to student's on-the-job experiences. Our experience indicates that dropouts will not easily return to regular school classrooms. Students would be paid for work but not for classroom training. Both the work and training efforts would require positive performance from participants for continued enrollment. All enrollees will be in a program including both education and work.

Private sector participation in the design of training programs would be encouraged. Every effort would be made to assure private sector work experience and employment opportunities through the Targeted Jobs Tax Credit, cooperative work study, on-the-job training and other incentives to private industry. Supportive services would also be emphasized for those youth with special needs.

o Older, (18 to 21 year old) out-of-school youth

For these young people, by far the worst off group and most disadvantaged we seek to help, the program would concentrate on providing opportunities to learn basic skills, gain work discipline, develop specific skill training and obtain private sector employment. Rather than the past pattern of short term public sector work experience programs or short term training, emphasis would be shifted to longer term training and private sector placement. The local business sector, working through the Private Industry Council system of CETA Title VII, would be asked to help design training programs and increase access to private sector jobs.

PROGRAM LEGISLATIVE RECOMMENDATIONS

DOL: The Youth Career Opportunity Act

Under the DPR the Department of Labor's training and employment proposals, outlined below and summarized in Attachment B, call for initiatives to consolidate, expand and redirect several of our current youth programs through amendments to CETA.

These proposals reflect the following additional principles:

- o Employment programs for youth must be developmental and designed to take account of the needs of youth at different ages and with different problems.
- o Publicly-funded work experience must be well planned and supervised and deliver "a day's work for a day's pay".
- o Preparatory youth programs must develop in youth the coping skills needed to: look for and hold beginning jobs; set career courses; work dependably at entry level jobs; acquire basic reading and writing skills; and develop career job skills.
- o Locally designed and individually determined benchmarks are needed for participants to track their achievements and to document their skills to prospective employers.
- o Local program operators must be held to performance standards. More successful projects would receive more money.

- o Program consolidation and block grants are important to simplify administration and give local operators greater flexibility.

The new Act would authorize:

- o Local Career Preparation Programs
 - a formula-funded block grant to prime sponsors that folds together the three YEDPA programs which expire in 1980 and integrates planning and administration of the summer program with the year-round effort (this achieves program consolidation and greater local flexibility);
 - a formula that concentrates funds most heavily in those areas (rural and central cities) where the youth unemployment problems are most acute;
 - special incentives to support (a) stipends for work experience for in-school youth, (b) alternative education programs in the educational system, and (c) school-based counselling programs;
 - special incentive matching grants to address selected national priorities for the private sector, community based organizations and youth with special needs;
 - concentrated supplemental assistance to urban and rural jurisdictions with high concentrations of poverty and unemployment.
- o Career Entry and System Development Programs
 - continued support for interagency programs, like those initiated under YEDPA in such special emphasis areas as energy conservation, transportation, housing rehabilitation and services to youth with special needs; technical assistance to community based organizations, prime sponsors and schools and research and evaluation.

DOE: Basic Education and Skill Training Initiatives

The Department of Education's proposals, described in Attachment C, are designed to improve the quality of education for junior and senior high school students in poverty communities, with an emphasis on improving basic literacy and computation skills. The new initiatives reflect the following principles:

- Basic education and employability skills (while important in their own right) are critical for successful entry and progression in the job market. Schools must assume responsibility and be held accountable for providing these skills to in-school youth.
- Schools must begin early to identify and retain potential dropouts. Improving student skills can help, since among the strongest predictors for dropping out of high school are poor grades, low test scores, and being held back a grade.
- Part-time work closely tied to a learning experience can be an effective way of motivating students to learn and to remain in school. The transition to full-time employment after graduation is also eased for students who work while in school. In European nations the private sector plays a major role in providing part-time work and skill training. In Germany, for instance, 46% of 16 and 17 year olds are in programs that combine public school instruction with paid private sector work and training.
- Vocational skills training is particularly effective for older youth and required for certain jobs but disadvantaged youth have limited access to high quality skill training. The Bureau of Occupational and Adult Education estimates that students in cities of 500,000 or more are accessing vocational education at half the rate of students in suburban and rural areas.
- The individual school should be the focal point. Research indicates that successful program outcomes are more likely when teachers, administrators, parents, and the community work together to design and mount a program.

A new Act would authorize:

o Basic skills/employability training

- A new program initially focused on the neediest junior and senior high students in approximately 3,000 high poverty/high unemployment school districts.
- The program would be targeted on low scoring youngsters in poverty schools with some factor to take account of limited English speaking ability students.
- There would be competition among eligible schools within a district for funds, with emphasis on school-wide efforts designed to improve measured achievement and reduce dropout and absenteeism rates.
- Schools would be required to involve the private sector, parents, teachers, and community based groups in the development and implementation of their plans.
- The basic skills efforts would be closely related to skills training and work experience developed in cooperation with CETA.
- Schools would receive three year grants -- refunding would be contingent on successful improvements in student achievement and reduction in dropouts and absenteeism.
- Some share of the resources, perhaps 20%, could be directed through the vocational education system to the high priority districts and schools and matched with other vocational education resources. These funds could then be used for basic skills development for vocational education students.

o Targeted Vocational Skill Training

- A new discretionary grant program -- matched 50/50 by state funds -- to stimulate the development of vocational training in a number of urban and rural areas with high youth unemployment, but would prohibit spending on "bricks and mortar."
- CETA eligible youth (18-21) mostly at the postsecondary level would participate.
- Close ties with private industry for work experience opportunities and placements would be required as a condition of a grant award.

NON-LEGISLATIVE INITIATIVES

Other Agencies

In addition to the legislative proposals, we are proceeding with a number of non-legislative programs based on proposals submitted by agencies who participated in the Vice President's Task Force. The details of these programs are currently under discussion. The initiatives we are pursuing include:

EEOC and OFCCP - establishment of policies by which employers, as part of their voluntary affirmative action programs and Title VI conciliation agreements agree to use CETA and similar training programs as sources to recruit minority youth for entry level jobs.

Agriculture - initiatives to link 4-H youth entrepreneurship programs with CETA youth employment programs.

DOD - better linkages between the military and CETA for work experience, classroom training and the military.

HUD - utilize incentives with grant-in aid recipients and encourage better linkages between CETA and public housing programs to expand employment opportunities for youth.

DOT - training programs for young people for transit and rail careers.

OPM - federal participation in training programs and hiring of CETA eligible youth who satisfactorily complete training and work experience.

Special Private Sector Initiatives

At your request John Filer, new Chairman of the National Alliance of Business will undertake several initiatives to encourage business to voluntarily hire more youth, including:

- o Increased promotion of the targeted tax credit;
- o A White House meeting with business, education and community leaders to promote model programs of proven success.
 - Kaiser Aluminum's Adopt-a-School
 - Control Data's Fair Break Program
 - Norton Simon's 1% plan

RESOURCE LEVEL ISSUES

There is agreement on the basic elements of a new youth initiative. These include:

- o Consolidation of four of the current youth programs operated at the local level into a single more flexible grant with greater emphasis on accountability.
- o Re-focusing these programs to concentrate on training and placing older, out-of-work youth, while continuing to provide part-time work experience for in-school youth, in cooperation with school systems.
- o Institution of a new effort to teach basic reading and math skills critical to employability in poverty area junior and senior high schools by combining enhanced basic skill instruction with work experience.
- o Greater linkage of both employment and training and school programs to the private sector.

However, there is disagreement on the level of resources to be assigned to this new program. Options are summarized below and described in more detail in Attachment D.

Option 1 - \$3 billion in FY 1981 BA, \$850 million outlays. This option, originally advanced by the agencies, would provide:

- . \$1.5 billion in added funding for DOL employment and training programs, bringing the total to \$3.6 billion.
- . \$100 million in first year planning and demonstration funding for the new education basic skills component.
- . \$1.4 billion in forward funding (as for other education programs) for the first program year of the basic skills component which would begin in September 1981. Funding would be targeted on the 2,500 rural and 500 urban school districts with the highest number and concentration of low-income students.

- . Basic education help to 1.3 million youth (about half those estimated to be eligible. An additional 200,000 years of training or work experience for disadvantaged youth for a total of 600,000 (820,000 including other CETA titles). DOL estimates the universe of need at about 2 million.*

- . Maximize support from big constituencies.

However, OMB, DPS and the agencies agree that there are administrative risks in attempting to initiate a program of this magnitude, that this program level could in all likelihood not be achieved until well into the second year that large unobligated balances could result.

Option 2 - \$2 billion in FY 1981 BA, \$800 million outlays. The agencies and DPS recommend this option, which would provide:

- . \$1 billion in added funding for DOL employment and training programs, bringing the total to \$3.1 billion.
- . \$100 million in first-year planning and demonstration funding for the new education component.
- . \$900 million in forward funding (as for other other education programs) for the first program year of the basic skills education initiative which would begin in September 1981.
- . Basic education help to nearly 900,000 students (about one-third of those estimated to be eligible) and an additional 111,000 training and work experience service years, for a total of 518,000 (838,000 including other CETA titles).

Option 3 - \$500 million in BA, \$50 million outlays. This option, supported by OMB, would provide:

- . Continuation of DOL employment and training programs at the current level of \$2.1 billion, with greater flexibility in administration.

* There is disagreement on the appropriate universe of need figure. The DOL estimate is close to that accepted by the National Commission on Employment Policy and outside groups.

- . \$50 million in new money for first-year planning and demonstration funding for the new education basic skills component.
- . \$450 million in forward funding for the first program year of the basic skills program which would begin in September 1981.
- . Basic education help to nearly 450,000 students (about one-sixth of those estimated to be eligible, and continuation of the existing service level of over 400,000 employment and training opportunities (620,000 including other CETA titles).

OMB supports this option which establishes a major discretionary basic skills grant program. The complexities of implementing the sophisticated education and CETA joint programming envisioned here, as well as the experience we have had with severe management problems in rapidly expanding programs in this area, both argue for the developmental approach embodied in this option. OMB believes that the tripling of DOL youth program spending since you took office (\$777m in 1977 to \$2,436m in 1980), combined with increasing recognition that the problem is not widespread and general, but rather highly concentrated, argues not for more resources but for more aggressive and imaginative efforts to direct existing resources to those youth in the greatest need. The proposed consolidation of some Labor youth programs is a helpful step in this direction. OMB believes that the consolidation is likely to be supported by Governors and mayors, even with no new dollars, because it reduces red tape in programs, all of which they operate.

On the education side, all evidence suggests that a root problem of structural unemployment is lack of basic literacy and computation skills. OMB is persuaded -- even with recent funding increases in ESEA Title I and vocational education -- that some additional highly targeted resources could help to improve school performance. However, OMB believes the best way to initiate this new program is to phase it in. It would not be wise to threaten the effectiveness of the new Department of Education by asking it to mount a very large new program during this start-up year.

DPS believes that Option 3 would severely disappoint key constituencies, Congressional leaders and experts who have followed the course of the youth PRM. Two thirds of the DOL universe of need are out-of-school and are those in severest need. DPS predicts that without roughly equal resources for employment and training it will be very difficult to achieve the program consolidation we recommend.



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VICE PRESIDENT'S TASK FORCE
ON YOUTH EMPLOYMENT
SIX-MONTH ACTIVITY REPORT

October 5, 1979

P O L I C Y A N A L Y S I S



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VICE PRESIDENT'S TASK FORCE
ON YOUTH EMPLOYMENT

Reports

In the next few months, the Task Force will issue the following:

1. Final Report - A compendium of the research and analysis undertaken over the past 10 months will be issued by the Task Force at the end of the year. It will consist of three components:
 - a. Summary report - A 40-page review of the major findings and conclusions of the Task Force.
 - b. Major report - An extensive examination (150 pages) of the issues related to youth employment.
 - c. Appendices and Special Studies - A 300-page attachment of the major research which the Task Force has undertaken.
2. Report on the Universe of Need - A 150-page synthesis of the dimensions and causes of the youth unemployment problem, focusing on the job gap, the education gap, and other special problems of young unemployed persons. This report will be based on extensive research undertaken by the Department of Labor, the Department of Health, Education and Welfare, and the Law Enforcement Assistance Administration. (The Universe of Need constitutes Phase I of the Task Force's work).
3. Youth Employment Data Resource Book - A 250-page compendium of the various analytical data relevant to the examination of youth employment, including such factors as population distribution by age, race and sex; income and poverty status; labor force and employment status; social mobility; and educational status.
4. Reader on Youth Employment - A 300-page collection of selected research and issue-papers which provides additional perspectives and a clearer understanding of youth unemployment problems. Unlike the Appendices to the Final Report, this will have appeal to a broad audience of policy makers.

Reports (Cont'd)

5. Report on What We Have Learned from Existing Programs -
A 300-page review and analysis of the federal programs which both directly and indirectly affect youth employment. Over the past few months, 18 federal agencies have assisted the Task Force in undertaking an extensive examination of these programs.



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Seminar Series

The Task Force has held weekly seminars for federal agency representatives to discuss factors contributing to youth unemployment. The topics and speakers in this seminar series have included:

- a. What We Have Learned in the Last Fifteen Years - Eli Ginzberg, Professor of Economics, Columbia University; Chairman, National Commission on Employment Policy.
- b. Where Are the Unemployed Young People? - Paul Osterman, Professor of Economics, Boston University, and Frank Levy, The Urban Institute.
- c. The Effects of Immigration Policy on the Youth Labor Market - Lionel Castillo, Commissioner of Immigration and Naturalization Service and Michael Piore, Professor of Economics, Massachusetts Institute of Technology.
- d. The Challenge of Inner City Youth - Bill Ross, Director, Recruitment and Training Program (RTP).
- e. The Role of Crime and the Criminal Justice System - Charles Silberman, Lawyer, author of Criminal Violence, Criminal Justice, Crime in Police Courts and Crime in America, and Peter Edelman, Lawyer.
- f. Looking to the 80's: Education and Youth Employment John Porter, Superintendent of Public Instruction for the State of Michigan.
- g. The Potential for Educational Progress - Ron Edmonds, Special Assistant for Public Instruction to the Chancellor of the New York City Schools, and Greg Wurzburg, Director, National Council on Employment Policy.

Seminar Series (Cont'd)

- h. Preparing Young People for Work: The Role of the Private Sector - Denis Detzel, Director of Public Policy, McDonald's Corporation.
- i. Preparing Young People for Work: The Role of the Military - David Gottlieb, Dean, College of Social Science, University of Houston.
- j. A Comprehensive View of Youth Employment - Richard Freeman, Professor of Economics, Harvard University, Associated with National Bureau of Economic Research.
- k. Special Problems for Young Women in the Labor Market - Phyllis Wallace, Professor of Economics and Industrial Relations, Massachusetts Institute of Technology, and, Mary Corcoran, Assistant Professor of Political Science, University of Michigan.
- l. Operation Outreach: Youth Perspectives on Unemployment - Brigg Owen, Harold McLinton, and Mac Alston, Members of the National Football League Players Association.
- m. View from the Local Scene - Ann Michel, Syracuse Research Corporation (former CETA prime sponsor director), and Nancy Abate, Executive Director, Youth Services Project, Inc., Chicago, Illinois.
- n. Youth Employment at Work - Cliff Fraiser, Executive Director, New Cinema Artists, Inc., New York, New York, and six young people from that organization.
- o. Looking to the Future: Alternative Strategies for Youth Employment Programs - Bernard Anderson, Director of Social Sciences, Rockefeller Foundation.



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ON YOUTH EMPLOYMENT

Issue Papers

A number of issue papers are being prepared for the Task Force. These papers provide substantial new issue as well as analytical support to the examination of youth employment. These papers include:

- a. David Swinton, Urban Institute, Towards Defining the Universe of Need for Youth Employment Policy (prepared for Oakland Conference).
- b. Frank Levy, Urban Institute, Inner City Youth Employment.
- c. Richard Elmore, University of Washington, Youth Employment Delivery System.
- d. David Gottlieb, University of Houston, Age Status Differentials and Intervention Strategies.
- e. Leonard Goodwin, Worcester Polytechnical Institute, The Social Psychology of Poor Youth in Relation to Employment.
- f. Robert Hill, Research Director, National Urban League, Discrimination and Minority Youth Employment.
- g. Harvey Brenner, Johns Hopkins University, Estimating the Social Costs of Youth Employment Problems in the U.S., 1947-1978.
- h. David Robison, Consultant, Policy Options for Involving Small Business in Youth Employment.
- i. Gilbert Cardenas, Brookings Institute, Labor Market Information on Hispanic Youth.
- j. Richard Santos, University of Texas, Youth Employment Policy Options from the Hispanic Perspective.

Issue Papers (Cont'd)

- k. Allen Grawbard, Consultant, Alternative Approaches to An Effective Educational Component of a Youth Employment.
- l. Ann Michel, Syracuse Research Corporation, Management Tools for Youth Employment Programs.
- m. Vern Goff, Task Force Staff, Employment Problems of Young Women.
- n. Martin Levin, Brandeis University, Implementation Obstacles Under YEDPA: Nine Case Studies.
- o. Philip Vargas, American University, An Approach to Increasing The Employability of Youthful Drug Users.
- p. David Zimmerman, Mathematica, Public Service Jobs: Critical Lessons.

These will be available after they are circulated for comment.



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Conference Papers

As a part of the five conferences sponsored by the Task Force, a number of analytic papers were commissioned. Among them were:

- a. The Universe of Need for Youth Employment. The Reality Behind the Statistics, Marion Pines, Robert Ivry and Joel Lee.
- b. Search for Effective Schools: The Identification and Analysis of City Schools that are Instructionally Effective for Poor Children. Ronald Edmonds
- c. Basic Education, Barbara Jackson
- d. Training and Motivation, Marcia Freedman
- e. Training and Motivation of Youth, George R. Quarels
- f. Public Job Creation in the Inner City, David R. Zimmerman
- g. Public Job Creation: A Means to An End, Ann Michel
- h. Supportive Services: A Conceptual Framework, Frederick P. Nader
- i. Supportive Services: The Paradox of Success, Joan Moore, Ramon Salcido, Robert S. Garcia
- j. Interagency Collaboration in Work Programs: A Status Report, Robert Taggart, Daniel Dunham, and Evelyn Ganzglass

Conference Papers (Cont'd)

- k. An Overview of Issues and Options for Involving Community-Based Organizations in Youth Employment,
Janet Rosenberg
- l. Community-Based Organizations and CETA: Issues for the 80's (What are CBO's, Where Did They Come From, and What Have They Done For Us Lately?),
Robert Schrank
- m. The Current Role of Community-Based Organizations in Employment and Training Programs for Youth,
Janice O. Mapp
- n. Evaluating CBOs: Learning From Experience and Applying What We Know, Robert Landmann
- o. Program and Policy Options For Community-Based Organizations With Regard to Youth Employment,
Peter B. Edelman
- p. Some Reflections on the Role of Community-Based Organizations in Employment and Training Programs,
Lamond Godwin



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VICE PRESIDENT'S TASK FORCE
ON YOUTH EMPLOYMENT

Brandeis University

Over the past few months, the Center for Public Service of Brandeis University has assisted the Task Force in the following areas:

- a. Seminar Series -- The Center for Public Service, on behalf of the Task Force, has coordinated the various speakers for the seminar series which the Task Force hosted for federal agency representatives. In addition, the Center has provided a one-page synopsis of the major points made in each of 15 seminars.
- b. Issue Papers -- On behalf of the Task Force, the Center of Public Service has provided administrative support in monitoring the contracts for the numerous issue papers which the Task Force has commissioned.
- c. Issue Meetings -- At the request of the Task Force, the Center for Public Service has convened several small sessions with youth employment specialists to discuss the current analytic work being done on specific topics. These meetings have focused on:
 - Differentials in Black and White Employment Rates
 - Hispanic Youth Employment
 - Youth Incentive Entitlement Pilot Projects
 - Teenage Pregnancy
 - Youth Community Conservation and Improvement Project
 - Youth Employment Training Program
 - Local Program Operators: Examining What Works (co-sponsored with the National Institute of Education)

- d. Implementation Review -- The Center for Public Service is preparing a series of nine case-studies of exemplary programs funded under the Youth Employment and Demonstration Programs Act (YEDPA). In addition to those case studies, the Center will provide to the Task Force an analytical report detailing issues relating to the successful implementation of those programs, as a way of assessing the reasons why particular programs are effective.
- e. YEDPA Lessons -- The Center for Public Service is conducting a review of the Youth Employment and Demonstration Programs Act (YEDPA), with an eye toward eliciting the lessons of "what works, what doesn't and why", based on one and one-half years of program experience. The Center has reviewed more than 150 program reports and case studies in preparing the YEDPA lessons in the areas of:
- public sector job creation
 - private sector access
 - education
 - supportive services
 - management

P O L I C Y O U T R E A C H



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VICE PRESIDENT'S TASK FORCE
ON YOUTH EMPLOYMENT

Conferences

The Task Force has held five conferences during the past few months to solicit the views of nearly 1200 people. The conferences were designed to focus on "best practice"; researchers and program operators were invited to discuss "what works, what doesn't and why".

1. Job Corps Conference on
April 6-7
Breckinridge, Kentucky
Major speakers included:
Willard Wirtz, Director, National
Manpower Institute
Ray Marshall, Secretary of Labor
Dorothy Height, Director, National
Council of Negro Women

2. Employing Inner City Youth: The Challenge of the 80's
August 1-3
Oakland, California
Major speakers included:
Honorable Richard Hatcher, Mayor,
Gary, Indiana
Bernard Anderson, Director of Social
Sciences, Rockefeller Foundation
David H. Swinton, Senior Research Associate,
The Urban Institute
Ronald R. Edmonds, Senior Assistant to the
Chancellor of Instruction, New York City
Public Schools
Ronald Brown, Vice President for
Washington Operations, National Urban League
Ted Watkins, Director, Watts Labor Community
Action Committee
Carlos Duran, Operation Manager, Office of
CETA, State of New Mexico

2. Employing Inner City Youth: The Challenge of the 80's
(Cont'd)

Robert Green, Dean, College of Urban
Development, Michigan State University
Barbara Jackson, Dean, School of Education,
Morgan State University

3. Youth with Special Needs

September 6-7

Boston, Massachusetts

Major speakers included:

Honorable Albert Kramer, Presiding Justice,
District Court of East Norfolk, Quincy
District Court

Dr. Kristin Moore, Senior Research Associate,
The Urban Institute

Richard D. Conner, Vice President for
Business Development, Control Data, Inc.
Raymond Rodriguez, Director, Colorado
Springs CETA Consortium, Colorado

4. Community Based Organizations and Youth Employment:
A Partnership

September 18-19

Little Rock, Arkansas

Major speakers included:

Honorable Bill Clinton, Governor, Arkansas
Elton Jolly, Executive Director, OIC's
of America

Pedro Garza, Executive Director, SER/Jobs
for Progress

Toni Edwards, National Council of Negro Women
Charles Bannerman, Chairman of the Board,
Delta Foundation

5. Workplaces and Classrooms: A Partnership of the 80's

September 26-29

Baltimore, Maryland

Major speakers included:

Rev. Leon Sullivan, President
OIC's of America

Honorable Ray Marshall, Secretary,
Department of Labor

Paul Ylvisaker, Dean of the Faculty,
Graduate School of Education, Harvard
University

Kenneth Clark, President, Clark, Phipps,
Clark and Harris, Inc., New York, New York

Albert Shanker, President, American Federation
of Teachers

Stuart Eizenstat, Assistant to the President,
The White House

James Vasquez, Superintendent of Schools,
Edgewood Independent School System,
San Antonio, Texas



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VICE PRESIDENT'S TASK FORCE
ON YOUTH EMPLOYMENT

Congressional Breakfasts

The Task Force sponsored with the National Council on Employment Policy a series of 5 Congressional Breakfasts for 40 high staffers.

Youth Incentive Entitlement Program	March 9
Summer Youth Employment Program	March 27
CETA/LEA Linkages	May 4
CETA and the Private Sector	May 24
Universe of Need Briefing	August 6



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Roundtables

A series of five "roundtable" discussions have been held around the country at which over 200 representatives of the business and education communities have shared their experiences, perceptions and concerns regarding youth employment with the Task Force.

Site and Host Selection

Birmingham	July 9-10	Mayor David Vann
Hartford	July 18-19	John Filer, Chairman, Aetna Life & Casualty Company
Los Angeles	July 31-August 1	Dr. Ruben Mettler Chairman, TRW Chauncey Medberry Chairman, Bank of America
Houston	August 6-7	David Gottlieb, Dean College of Social Sciences, University of Houston
Chicago	August 20-21	Robert MacGregor, President, Chicago United Rodger Anderson President, Illinois National Bank and Trust Company



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White House Briefings: Local Affiliates

The Task Force has conducted a total of 17 White House briefings for individual program operators/administrators at the request of a number of national organizations. These briefings involved approximately 350 local program affiliates. Participants include:

SER	June 7
OIC	June 13
National Collaboration for Youth	June 15
American Vocational Association	June 21
Joint Center for Political Studies	July 16
National Business League	July 17
National Retail Federation	August 8
Indian Youth Council	August 9
National League of Cities Youth Task Force	August 22
National Restaurant Association	August 28
National Black Veterans	August 30
IBM	August 30
National Association of State Boards of Education	September 12
Women's Advisory Council	September 13
National Urban League	October 4
United Way of America	October 9
Community Based Coalition (TWO/Watts Labor Action)	October 10

- U.S. Conference of Mayors
Pittsburgh, Pennsylvania June 9
- OIC 15th Annual Convention
Washington, D.C. June 11
- League of United Latin America
Citizens June 13
Houston, Texas
- National Collaboration of Youth
Washington, D.C. June 14
- National Governors Association
Youth Task Force June 21
Minneapolis, Minnesota
- Operation PUSH July 11
Cleveland, Ohio
- National Association of Counties
Annual Meeting June 14
Kansas City, Missouri
- National Urban League July 22
Chicago, Illinois
- U.S. Hispanic Chamber of Commerce July 27
Washington, D.C.
- Conference on Alternative State
and Local Public Policies August 3
Philadelphia, Pennsylvania
- National Council of La Raza
Washington, D.C. September 6
- Coalition of Labor Union Women
New York, New York September 15
- United Neighborhood Centers of
America October 5
Detroit, Michigan
- SER: Annual Executive Directors
Chicago, Illinois October 8
- NACO, CETA Meeting
Louisville, Kentucky October 15
- Council of Great City Schools
New York, New York November 2



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VICE PRESIDENT'S TASK FORCE ON YOUTH EMPLOYMENT

CONSULTATIONS

A number of major political or policy leaders have met with both the Task Force and White House staff:

- Governor William Clinton, Arkansas
- Mayor Richard Hatcher, Gary, Indiana
- Mayor George Latimer, St. Paul, Minnesota
- Mayor Richard Hofstede, Minneapolis, Minnesota
- Mayor Ernest Morial, New Orleans, Louisiana
- Mayor Marion Barry, Washington, DC
- Mayor Neil Goldschmidt, Portland, Oregon
- Vernon Jordan, National Urban League
- Carl Holman, National Urban Coalition
- Eddie Williams, Joint Center for Political Studies
- Dorothy Height, National Council of Negro Women
- Ted Watkins, Watts Labor Action Committee
- Ronald Brown, National Urban League
- Pedro Garza, SER/Jobs for Progress
- David Lizarraga, Co-chair, National Black-Brown Coalition
- Superintendent Robert Wood, Boston, Massachusetts
- Superintendent Ruth Love, Oakland, California
- Bernard Anderson, Rockefeller Foundation, NYC

CONSULTATIONS (Cont'd)

- Mitchell Sviridoff, Ford Foundation, NYC
- Willard Wirtz, National Manpower Institute
- Cornell Maier, Chairman, Kaiser Aluminum
- William Norris, Chairman, Control Data, Inc.
- John Burns, Boy's Clubs (Former President RCA)
- Doug Fraser, UAW
- Albert Shanker, AFT



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Ancillary Activities

The Task Force has participated in national youth activities conducted by other employment or youth oriented organizations:

- National Commission on Employment Policy: American Assembly
 - Harriman, New York August 8-11

- National Commission on Employment Policy Youth Hearings
 - Detroit, Michigan May 10-11
 - Memphis, Tennessee May 24-25
 - Los Angeles, California June 14-15
 - Philadelphia, Pennsylvania June 28-29

- Organization for Economic Co-operation and Development -- Study Team
 - Washington, D. C. August 12

- German Marshall Fund: Youth Employment Seminar
 - Washington, D. C. September 17

P O L I C Y C O M M U N I C A T I O N S



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VICE PRESIDENT'S TASK FORCE
ON YOUTH EMPLOYMENT

Communications

The Task Force has spent considerable time developing ways to disseminate our findings and information -- and to elicit views from persons regarding specific activities. These activities have included:

- a. Operation Outreach -- During the summer months, more than 200 young people participating in YEDPA programs were interviewed by members of the National Football League Players Association. These hour-long one-on-one interviews, known as "Operation Outreach", provided a candid assessment of youth attitudes toward federal programs, the world of work, and prospects for the future. The final report of this survey is in preparation.
- b. Statistical Presentations -- As part of the Task Force review of agency programs, a series of charts were prepared which clearly identified some of the more important findings. These charts provided data on the job gap for black, white and Hispanic young people; the implications of population density; the anticipated increase in population for black, white and Hispanic persons; and the impact of federal employment, training and education efforts.
- c. Direct Mail -- The Task Force has developed a direct mail capacity, consisting of more than 5,000 names of individuals particularly interested in the area of youth employment, including all those who have attended Task Force roundtables, conferences, briefings and other sessions. In the coming weeks, the Task Force intends to provide these persons with information regarding the dimensions of youth unemployment as well as Task Force reports.

Communications (Cont'd)

- d. Survey Review -- More than 17 national survey and polling firms have been asked to provide data to the Task Force regarding attitudes of both young people and adults toward employment, education and discrimination. This material, provided free-of-charge to the Task Force, will provide a series of anecdotal insights to complement the analytic research being undertaken.
- e. Press -- To date, the press coverage of Task Force activities has included articles on Secretary Marshall's visit to the Job Corps Conference, April, 1979; several articles by New York Times columnist Roger Wilkins on Task Force activities, as well as four articles in the Baltimore Sun detailing the recent "Workplaces and Classrooms" conference in Baltimore, Maryland.
- f. Speeches -- Drafts of speeches have been prepared for various Administration officials including the Vice-President, Stuart Eizenstat, and Assistant Secretary Ernest Green.

The New York Times

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U.S. BEGINS A REVIEW ON JOBS FOR YOUTHS

Study, Led by Mondale, to Assess
the Effect of Federal Program

By ROGER WILKINS

The White House has begun a review of the arsenal of youth employment programs that constitute, in the words of one Federal manpower official, "the largest social experiment the nation has ever undertaken."

The evaluation, which was described as the most exhaustive ever and will be directed by Vice President Mondale, was undertaken as the Carter Administration prepared to seek an extension of the Youth Employment Demonstration Programs Act of 1977. Although the Government has sponsored numerous attempts to provide jobs, it has obtained little information about which programs work and why.

The review also follows private criticism of the Administration by black political figures, black civil rights activists and even some Republican Congressmen who contend that youth employment programs have not received enough funds.

Nearly \$1 Billion Allocated

As it carries out the review, according to Administration officials, the White House will try to build a bipartisan coalition in Congress behind its effort to develop a "broad youth policy" and to improve interagency coordination of Federal youth programs.

The review will focus on the elements of the youth employment package Congress passed in 1977, which itself was designed to find out how to crack the problem of high youth unemployment. Although Federal manpower administration attribute recent gains in minority

Continued on Page D7, Column 4

U.S. BEGINS A REVIEW ON JOBS FOR YOUTHS

Continued From Page A1

youth employment to these programs, the unemployment rate for black teenagers last month was 35.5 per cent; the rate was 5.7 percent for the overall work force and 16.1 percent for teenagers generally.

Congress allocated nearly \$1 billion for the programs — the Youth Employment and Training Program, Youth Community Conservation and Improvement Program, Youth Incentive Entitlement Pilot Project and the Young Adult Conservation Corps — in the current fiscal year, and the Administration is seeking \$2 billion for the 1980 fiscal year, which begins on Oct. 1. The whole package will expire on Oct. 1, 1981, unless Congress extends it.

"We're engaged in a huge enterprise here," Robert Taggart, Administrator of the Office of Youth Programs, said in a recent interview. "The difference between now and the 60's is that our programs are being conducted under carefully controlled conditions and we're spending \$10 million on our evaluations."

Better Coordination Sought

"The President and the Vice President decided to mount the evaluation effort from the White House because of the importance they attach to the problem," Gail Harrison, a spokesman for the Vice President, said. "And while Secretary of Labor Marshall and some of his people are obviously working hard on this problem, you can achieve better interagency coordination here than from any other point in the government."

The review findings, which are to be submitted to President Carter by early summer, will encompass all programs related to youth employment. Of particular interest, according to Labor Department spokesmen, are vocational education programs and work-study programs in the Department of Health, Education and Welfare and after-school tutorial programs conducted at housing projects and administered by the Department of Housing and Urban Development.

One of the major tasks already undertaken by the Vice President's group, according to Administration sources, is the involvement of members of Congress and their aides at an unusually early stage in the effort to formulate the new legislation.

"We've already begun a series of breakfast meetings with members of Congress who are substantively involved with this issue and with some of their staff experts," Assistant Labor Secretary Ernest Green said recently. "We're trying to give them practical notions of what we've done based on our actual experience. We want to lay a solid foundation for the legislation we're going to develop and we want to have bipartisan support."

Administration officials are fairly confident that they have a worthwhile package to sell. Mr. Taggart notes, for example, that between December 1977 and June 1978, 250,000 employment training positions were created, the fastest such buildup in history. He also asserts that in this period, all of the growth in nonwhite teen-age employment was a result of these programs.

Experimentation Encouraged

"There is an enormous degree of experimentation in these programs," Mr. Taggart said. For example, in the Youth Employment and Training Program, some participants are simply provided with jobs, others are given services such as counseling and a third group is provided with a mix of work and services.

Labor Department officials remarked on the extraordinary leeway Congress provided the Administration in setting up the program in terms of urging experimentation and indicating in advance that some failure would be tolerated in the interest of increasing knowledge about the subject. They also remarked on the bipartisan nature of the effort, saying that Congressional Republicans had been instrumental in shaping the existing law.

Senator Robert Stafford and Representative James Jeffords, Republicans of Vermont, hold key positions on the Congressional committees that will consider the Administration's proposals next year. Both of them have said that they view youth unemployment as an important issue and have vowed to support the Administration as long as it does not skimp on funding.

"This is one of the most important problems the country faces," Representative Jeffords said in an interview. "But a lot of what we do looks insignificant when compared with the need. I think we need to expand what we're doing, but that's hard with the fiscal restraints."

Tab B
DOL Proposals

SUMMARY OF RECOMMENDED LABOR DEPARTMENT YOUTH PROGRAM

The Labor Department youth program would emphasize a restructuring of career preparation programs for teenagers and increased priority on intensive training and career entry employment for older and out-of-school youth. Program improvements are proposed that emphasize better sequencing of developmental opportunities, firm standards of individual and program performance, and the compilation of individual records of participation to document the achievement of career competencies. While the proposal includes a wide variety of program offerings for a full spectrum of disadvantaged youth, it shifts emphasis to older and out-of-school youth because analysis suggests this group has the greatest need for training and employment programs. It is also assumed that greater reliance for serving younger, in-school youth will be placed on the education system under the companion program developed by the Office of Education.

Major features of the proposed new legislation include:

- o legislative consolidation of the two major YEDPA formula grant programs and the entitlement pilot projects authorized by current law, with reduced paperwork and greater flexibility for prime sponsors to tailor programs to individual and local needs. The summer program would be retained as a separate program but operated with improved coordination with other youth efforts through administrative consolidation.
- o requirements in all youth programs for the development of individualized service programs suitable to youths of different ages and stages of development, for the establishment of locally developed benchmarks for measuring participant performance and acquired competencies and for increased monitoring of the content of all program activities.
- o emphasis on out-of-school youth with particular focus on intensive career entry training and employment for older youth involving the private sector as much as possible.
- o authorization for government funding of limited duration private sector work experience for inexperienced youth.

- o special incentives to serve hard-to-reach youth including teenage mothers, juvenile offenders and the handicapped, etc.
- o special incentives for coordination of programs with education agencies; for the development of alternative education programs for high school dropouts; for the introduction of Employment Service programs into schools to provide counselling and placement services and to increase vocational training resources for youth under CETA Title II B.
- o special federal initiatives to promote linkages with other federal agencies to encourage hiring and training of disadvantaged youth in such areas as housing rehabilitation, energy conservation and environmental improvement; to expand private sector internship programs; and to provide more advanced training for some Job Corps participants.
- o supplemental assistance to urban and rural prime sponsors to serve sub-areas with high concentrations of youth unemployment.
- o two year funding in formula grants and adequate funding for advanced project planning and work supervision.

Program design emphasizes greater local option in preparatory youth work experience and employability skills development assistance, increased national involvement in career training and career entry employment, but with individualized assistance so that a mix of services is available to participants including:

- o Employability skills development assistance, offering occupational information, vocational aptitude testing, job search coaching and other measures designed to sharpen world-of-work "coping skills." Available in conjunction with other assistance or alone; focused on youth not served through the education system.
- o Preparatory work experience, supplying the need for job opportunities where youth can acquire or demonstrate disciplined work habits that indicate readiness for career entry and more highly skilled training or work.

- o Career training and remediation, equipping young adults (18-21) with necessary basic skills in reading, speaking, writing, and math as well as providing them occupational training geared closely to the requirements and needs of the private sector. These activities include Job Corps and skill training and remediation for youth under CETA Title II-B.
- o Career entry employment, addressing the deficit in available work through PSE or OJT for young adults, preferably 18-21, who have minimally adequate preparation but are unable to obtain jobs. Such employment will be carried out under special federal initiatives and under CETA Title II-D and VI.

Four budget options are presented. The options range in incremental outlay cost over current service levels from zero to \$1.5 billion in the first full year of implementation, which is assumed to be FY 1983. Table 1 provides a comparison of the distribution of outlays and service levels under each option with the current service level.* Current services to youth include not only those under the current Youth Employment and Demonstrations Project Act (YEDPA), but also about \$1.6 billion in services provided to youth under age 21 under CETA Titles II, VI and VII assuming continuation of these programs at current levels. As shown in the table the Department's proposals would shift the overall patterns of expenditures in the direction of out-of-school youth and more intensive types of service. At the lower budget options this increase would inevitably come at the expense of service to in-school youth. The effects of these shifts are summarized by comparing service levels and distributions at the zero resource and \$1 billion level.

With no additional resources, the proposal would provide:

- o a slight spending shift toward employment and training of older youth; no additional youth served.
- o formula grants reduced by \$145 million.
- o a new incentive allocation of \$150 million.
- o a \$100 million supplement to prime sponsors for distressed neighborhoods, replacing the Youth Incentive Entitlement Program.

With a \$1 billion increase, the proposal would provide:

- o formula grants increased by \$200 million over the current level.

*Note that prime sponsors will have considerable flexibility in determining the actual mix of services and client populations. The estimated service patterns shown in Table 1 are based on current program experience and expected response to the incentives offered by the new program.

TABLE 1
Expenditures and Service Units by Type of Service
Alternative 1983 Budget Outlay Levels
(FY 1981 Dollars)

Option	Service Units ^{1/}				Total Service Units
	Employability Assistance	In School Part-Time Work Experience	Summer Jobs	Out of School Work Experience, Employment and Training	
Current program Service Levels					
\$ - millions	106	178	904	2,902	4,090
Number served	305,200	118,300	930,000	341,300	1,694,800
1. No New Resources					
\$ - millions	99	157	845	2,989	4,090
Number served	281,300	105,600	868,800	352,100	1,608,800
Increase over current	-23,900	-12,700	-61,200	+10,800	-86,000
% Increase over current	-7.8%	-10.7%	-6.6%	+3.2%	-5.1%
2. +0.5 Billion					
\$ - millions	103	168	875	3,446	4,592
Number served	293,300	112,000	899,400	402,300	1,707,000
Increase over current	-11,900	-6,300	-30,600	+61,000	+2,200
% Increase over current	-3.9%	-5.3%	-3.3%	+17.9%	+0.1%
+0.75 Billion					
\$ - millions	106	178	904	3,652	4,840
Number served	305,200	118,300	930,000	424,800	1,778,300
Increase over current	-	-	-	83,500	+83,500
% Increase over current	-	-	-	+24.5%	+5.0%
4. +1.00 Billion					
\$ - millions	106	178	904	3,902	5,090
Number served	305,200	118,300	930,000	452,400	1,805,900
Increase over current	-	-	-	+111,100	+111,100
% Increase over current	-	-	-	+32.6%	+6.6%
5. +1.50 Billion					
\$ - millions	135	225	904	4,326	5,590
Number served	387,400	149,100	930,000	502,700	1,969,200
Increase over current	+82,200	+30,800	-	+161,400	+274,400
% Increase over current	+26.9%	+26.0%	-	+47.3%	+16.2%

1/ The duration of service provided by each unit depends on the type and mix of service. The average duration for the components of each type is as follows (note that some service types are the weighted average of several component services):

- In-school Programs - 9 months
- Public Service Employment - 12 months
- Non-Residential Career Entry Training - 6 months
- On-the-Job Training - 6 months
- Job Corps .6 - .9 years
- Summer Jobs - 3 months

Note that to the extent that individuals participate in more than one type of program - e.g., both in-school and a summer job - the number of individuals served during a year will be less than the sum of the service units. Conversely to the extent that more than one person is served by a SE or training slot the number of individuals served will be greater than the service units.

Unit Cost assumptions used in deriving service levels are provided in Appendix Table 1a.

- o incentive allocations of \$400 million.
- o supplements to prime sponsors for distressed neighborhoods of \$400 million.
- o higher unit costs in formula funds for older youth and career entry projects.
- o modest increases in service to older youth in the Job Corps and other federally-run programs, offset by reductions elsewhere.

The effects of these two options are summarized in four tables presented below. First, the number of program opportunities would decline in the zero increase option--because of the increased emphasis on more intensive training and service to out-of-school youth. Under the \$1 billion option the number of opportunities would increase by about 110,000 over the current level and by 196,000 over the zero resource option. In that option the increase in job opportunities would be achieved entirely by increasing year-round jobs rather than summer jobs.

SERVICE UNITS
(thousands)

<u>Program Type</u>	<u>Current</u>	<u>Zero Increase</u>	<u>\$1 Billion Increase</u>
Employability Assistance	305	281	305
Career Training	125	134	177
Summer Jobs	930	869	930
Part-time School-year Jobs	118	106	118
Full-time Jobs	216	218	275
Totals	1695	1609	1805

Second, the proportion of spending for older youth would be increased. In the \$1 billion option, service to youths under 17 would remain relatively constant while service to 18-19 year olds would increase by 26 percent and service to 20-21 year olds would increase by 40 percent compared to current allocations by age.

Tab C
DOE Proposals

SUMMARY OF RECOMMENDED EDUCATION DEPARTMENT PROGRAMS

This appendix describes the rationale and details of two proposed new efforts to meet the educational needs of youth in high poverty, high youth unemployment areas of the country. The proposals are grounded in the evidence put together by the Vice President's Task Force over the past year and are similar to proposals in the recent reports of the Carnegie Commission and the National Commission on Employment Policy. Each of the proposals will require new legislation and commitment of FY 1981 funds.

- o First, and most important, we propose a major commitment to aid junior and senior high schools in urban and rural areas of substantial poverty to ensure that their needy students reach competence in the basic skills and other skills essential to employment. Twenty percent of the resources for this program will be directed through the vocational education system to provide the same basic skills training to needy youth in vocational education programs. These vocational education funds will be matched with other vocational resources on an increasing basis over the years of the program.
- o Second, we propose a highly targeted effort for older, CETA-eligible students (ages 18-21) to receive training in specific occupations through the vocational education system. New sites (but not new buildings) would be established in areas of very high poverty and youth unemployment. Industry would be given the opportunity to aid in the development of the programs in return for insuring that students are placed in private sector work experience settings and are guaranteed jobs upon graduation.

RATIONALE

The evidence of need for improvement of the effectiveness of junior and senior high schools in high poverty areas is set out in the policy review memorandum. Here we briefly summarize that evidence and go on to review what we know about how to design effective educational programs to meet the need. The discussion is divided into sections addressing the nature of the educational problem and effective strategies, the need for targeting services, and issues of participation and accountability. The information contained in this discussion was used to develop the two education proposals.

The Educational Problem and Effective Strategies

In developing the educational component of this initiative we drew on a substantial number of solid facts. First, young people who lack any of several distinct kinds of skills will have trouble entering the labor force. The most critical set of skills is in the areas of basic literacy and computation. The stigma of illiteracy pervades an entire adult life and restricts employment opportunity -- and test scores show a disturbing decline in verbal and math skills among students in grades 5 through 12. Also important are employability skills: locating job opportunities, knowing how to behave in an interview, arriving at work punctually, and so on. Finally, to perform specific job tasks, youth need the kinds of special skills now taught in high-quality vocational education programs.

Second, the educational system has a responsibility to teach all these skills more effectively, especially to the youth who characteristically suffer from poor employment prospects. In the area of basic skills, for example, test scores are particularly low among poor and minority youth. When high school students took a test called the Mini-Assessment of Functional Literacy in 1975, 42 percent of black students but just 8 percent of white students failed to meet the criteria for everyday reading skills. Three out of four low-income students are below average in basic skills achievement.

Third, we know that special federal funding, when it supports well-designed school programs, can raise academic proficiencies and improve employability. Recent evaluations indicate that children in compensatory education programs supported by Title I of the Elementary and Secondary Education Act are making greater educational gains than they could be expected to make without Title I. So far, however, this benefit has been concentrated in the early grades because few school systems offer such programs for older students: in 1978-79 less than 20 percent of Title I funds were spent at the junior and senior high level; less than 100,000 of the 11 million total 10th - 12th grade students were enrolled in Title I programs.

Fourth, obtaining a high-school diploma is one significant way for a youth to improve his or her job prospects. At all age levels and for both sexes, high-school dropouts are two to three times as likely to be unemployed as high school graduates. A diploma opens access to further education and symbolizes the attainment of skills that are important for employability and job performance. Thus a major policy goal must be to increase the likelihood that young people, especially those whose backgrounds may give them poor employment prospects, will stay in school longer. The results for these young people will be not only improved credentials but also improved skills -- since increased time spent on learning is the single most powerful means we have to increase skills. We also know some strategies for keeping students in school longer:

- o Improving students' skills in earlier grades can help, since among the strongest predictors for dropping out of high school are poor grades, low test scores, and being held back a grade. Many schools now provide intensive work in basic skills in the early grades (often with the federal aid provided under Title I of the Elementary and Secondary Education Act). While this instruction shows good results, it needs to be followed up with related work in the later grades.

- o Work experience in tandem with school (such as cooperative education) has been shown at the postsecondary level to be an effective way of motivating students to remain in school. At the secondary level the data are scarce but indicate that the effect is in the same direction. Moreover, recent data indicate that work experience while in high school positively influences both student achievement and future earnings. It prepares students for work by exposing them to the demands of the workplace and by encouraging the development of good work habits.

Fifth, there are effective ways of teaching youth the specific skills they need for job performance. Vocational programs that teach specific skills are most effective with older students, and they work best when the school has developed close ties with local employers.

Sixth, for youth who have already dropped out, we know that returning to traditional educational programs may not be the best answer. Dropouts seem most likely to gain skills they need through alternative programs that do not resemble the schools they have decided to leave.

Seventh, although we argue for efforts to retain youth in school longer, we do not assume that all high schools are now meeting their students' needs. The states' moves to test student competencies clearly indicate that the public is dissatisfied with the skills of high-school graduates. If the high-school diploma is to remain useful in gaining a job, it will need more credibility as evidence of skills. Moreover, both junior and senior high schools are patently in need of reform. Vandalism, drug abuse, alcoholism, and violence are among the visible manifestations of the problems plaguing many schools. In their educational programs, the junior and senior high schools are generally fragmented into specialized courses with specialist teachers. Thus a student who has failed to learn essential skills may find that no one adult pays sustained attention to his or her progress.

In summary, we can base an educational initiative on the following conclusions from research and experience:

- o Skills are important for job entry.
- o Many youth, especially the poor and minorities, lack skills.
- o Educational interventions supported by special federal funds can effectively teach skills.
- o A high-school diploma is important for access to college and to a job.
- o There may be some effective strategies for keeping students in school long enough to obtain their diplomas.
- o Specific skills are best taught to older students and in programs linked to local employers.
- o Junior and senior high schools need a stimulus to reform.

Targeting Services

Our initiatives must be carefully targeted in two ways. Assistance should go to the communities, schools, and individuals in greatest need, and it should go to recipients with the capability to use it well.

Communities vary greatly in the seriousness of their youth unemployment problems. To a striking degree, the worst problems appear in the cities and in other areas of highest poverty. The proportion of youth ages 14 to 21 from poor backgrounds who seek and obtain employment is only 36 percent, compared with 64 percent for non-poor youth. Youth in high-poverty areas have the lowest employment/population ratios: among poor white youth it is 75 percent of the ratio for the total population of white youth; among poor Hispanic youth it is 45 percent of the ratio among all Hispanic youth; and among poor black youth it is a mere 35 percent of the ratio among all black youth. Similarly, educational problems are especially acute in poor and minority communities, especially in some cities. Ninth-grade students in Washington, D.C. are 2.8 years below the national norms in reading and math achievement. New York City schools experience a dropout rate of 45 percent. Clearly, some communities are in particularly dire need of answers to their problems of youth unemployment and unsuccessful schools.

For the greatest effectiveness, special assistance should be targeted to the school building. One reason is that schools, especially junior high schools, have fairly homogeneous student populations. Within a school district a few schools typically serve areas characterized by acute poverty and youth unemployment. Another reason to target on school buildings is based on the research evidence that the most effective programs are those that are implemented schoolwide. When the school's administrators, teachers, students, and parents carry out an overall plan with some clear, shared goals, the program is most likely to work. A third reason to work at the school level has to do with instructional strategy: students in the upper grades who need extra work on essential skills should have that work infused into all their school subjects. Research shows that when reading becomes an integral part of science, social studies, and so on, students can learn more effectively than when they have only special remedial reading help during a small portion of the school day.

Furthermore, individual schools vary in their ability to make good immediate use of increased funds. This is not an argument for overlooking the needs of the students served by less effective schools in high-poverty areas. Such schools should receive support and assistance in planning so that they can implement more resource-intensive programs. But with limited funds available to address the educational factors in youth unemployment, the funds should initially be targeted on those schools in high-poverty areas with a demonstrated capacity for effective program planning and implementation.

At the level of the individual student, services must be targeted within a coherent educational program that extends over a period of years. Too often, students receive special educational services sporadically -- for just a year or two with no followup, for example. The same students may later participate in employment-oriented programs that are not coordinated with the school's regular or special-purpose educational programs. The results are fragmentation of services, diffusion of adults' responsibility for students, and disappointing outcomes. Thus each student's program should be developed in a long-term perspective that integrates school, home, and work experiences. At any one time, special services should be targeted in relation to a record of what that student has already done and what he or she knows how to do.

In summary, targeting is important at three levels:

- o Communities with the most severe problems should receive help.
- o Within school districts, the individual school building is the logical focal point for assistance: because schools often serve homogeneous neighborhoods, some serve very high-poverty neighborhoods; the school should deliver special educational services in an integrated fashion; and the school should show the capacity to implement a program effectively.
- o For students, services must be targeted on individual needs, goals, and capabilities.

Participation

There are several good reasons to believe that broad participation in program planning and implementation will enhance the effectiveness of local educational programs for youth employment.

First, the research on the impact of innovative school programs indicates clearly that these programs are more likely to succeed when teachers, administrators, parents, and other citizens work together on their planning and implementation. Developing broadly based commitment to the program seems essential. A number of studies converge in stressing the importance of planning and management at the school-building level: agreement among all participants on program focus and structure in the school; strong administrative leadership; frequent, regular staff meetings; collaborative decision making; and parent involvement. Accordingly, schools should set up planning and management mechanisms like "school-site councils" in which all concerned parties decide how to allocate the building's resources. This procedure would be an improvement over the more fragmented decision making encouraged by federal categorical programs that now specify how funds must be specially earmarked and allocated.

The research on effective programs also indicates that planning and implementation take time: a school needs to gear up over a period of more than a year in order for a substantial new program to begin working smoothly; and the time increases when outside resources are perceived as transitory "soft" money.

Second, in the specific area of employment-related education, a new program needs broad-based participation for several additional reasons: various groups in the community may have their own employment initiatives that should be coordinated with the schools' work; they have expertise to contribute; and their participation can help link the schools' efforts to jobs for youth. If a school is developing a plan for increasing youth employment prospects, a number of groups in the community must know, approve, and develop some ownership of the plan. CETA prime sponsors, community-based organizations, private industry councils, and labor unions are the most important of such groups.

Third, the involvement of the same groups is also crucial at the state and school-district levels. For example, if money is flowing into a district from both CETA and education sources to attack the problem of youth unemployment, private industry councils could usefully advise both the CETA prime sponsor and the school system on the effective, coordinated use of the two pools of money.

Ensuring accountability

For both students and schools, clear goals and shared expectations about program outcomes will contribute to the success of this initiative. Articulating goals and checking frequently on their attainment can have these effects:

- o increasing the students' focus on what they want to get out of their own program participation;
- o increasing the schoolwide focus on implementing a coherent program;
- o providing a record of individual and collective accomplishments; and
- o maintaining quality control in the nationwide effort.

As individual students progress through a program, they need to acquire a record of "benchmarks" indicating what they have learned. Locally developed or selected tests should provide these benchmarks at regular intervals.

The needs of each student, which must be the basis for designing that student's individual program, should also dictate what accomplishments will be tested. In addition, state standards for students' minimum competencies should be part of the basis for benchmarks. This does not mean, though, that the progression of benchmarks should stop with minimum competencies. More advanced and specialized skills should also be verified and recognized.

Experience with the way schools implement new programs shows that a shared understanding of the concrete accomplishments expected from a program contributes to more effective implementation -- and, therefore, to realization of the intended goals. Thus the schools participating in this initiative should be given clear performance standards. Such standards would also continue to ensure the targeting of funds to schools that can use them effectively: only if a school successfully met its performance standards could it count on continued funding.

RELATIONSHIP TO LABOR YOUTH EFFORT:

The proposals outlined here have been developed to dovetail with the Labor Department proposals for the youth unemployment initiative. The high priority target youth population will be practically identical for the Education and Labor efforts. However, the Education proposals focus on youth in school, while Labor focuses on those who are out of school. Labor's proposals for a consolidated approach emphasizing competency in basic skills, work experience, and specific skill training are complemented by education proposals for improving compensatory services to teenage youth and for offering special vocational training in high-poverty rural and urban settings.

These efforts will also complement the prime sponsor funds for education contained in the Labor proposal. These funds will support work experience stipends and job counseling and placement services for in-school youth, with a priority on the youth in especially high poverty areas and schools. The funds will also be used to stimulate alternative settings within the school system to entice dropouts to return and graduate. All of the activities will add to the impact of the education proposals or extend the population of students served by Education and Labor programs.

Finally, the proposed programs will encourage strong and productive relationships between the Education and Labor systems serving needy youth. Particularly at the local district and school site levels, substantially improved coordination of these systems is critical to an effective overall program for youth.

EDUCATION PROPOSALS:

The characteristics of the two education proposals flow directly from the discussion in the Rationale section of this paper.

I. Junior High -- Senior High School Basic Skills/Employability Skills Training Program:

This effort is the first priority and the cornerstone of the education proposals. We propose a new program designed to aid needy students to obtain and hold gainful employment by improving their competencies in basic skills, by increasing their chances to graduate from high school and by insuring that they are offered assistance and information about obtaining work.

- o Highest priority will be given to improving the basic skill levels of the neediest students.
- o Funds would flow by formula to approximately 3,000 of the most needy of the 13,000 school districts in America. These districts have the highest concentrations of poor families and the highest percentages of youth unemployment. Roughly, two-thirds of the funds will go to inner city areas and one-third to poor rural areas.
- o Twenty percent of the funding for the program will flow through the vocational education system to improve the supply of vocational services to inner-city and rural areas. These funds will be distributed through the same formula as the other funds. In addition, they will be matched at increasing rates (reaching a 100% match in 3 years) by other vocational funds for spending on the targeted schools. The vocational resources will be used to pay for the same kind of basic skills and employability skills training as the other 80% of the funds.
- o Within districts junior and senior high schools with especially high percentages of poverty or low achieving students will be eligible to receive funds. In general only schools with over 50 percent poverty or 50 percent very low achieving students will be eligible, although exceptions will be made so that school districts which have integrated will not be hurt.
- o Eligible schools will have a planning year to develop school-wide strategies for insuring that all students reach specified goals in the basic skills, for reducing the drop-out rate, and for improving rate of attendance. In addition, the schools would be required to develop close relationships with private industry and the CETA system to aid in student job placement.

- Teachers, parents, community based organizations, private industry and other relevant parties will have to be included in the planning and in the sustained implementation of the plan.
- The plan will have to address the way in which the entire school program would focus on improving students' basic skills and on reducing the drop-out rates. Specifically, the area of remedial basic skills programs, opportunities for work experience, job placement and counseling, inservice teacher training and specific skill training would have to be considered in the plan.
- o Only schools with high quality plans will receive funding. In urban areas school superintendents with the advice of a committee made up of representatives of industry, the Prime Sponsor, the unions, parents and community based organizations would select schools from among those submitting plans. In rural areas the state education agency would be required to work closely with the local districts to ensure the quality of the plans.
- o Schools with especially effective plans will receive two to three year funding to implement their plans. At the end of the initial funding period the schools would be held accountable for their progress in attaining the goals.
- o Other eligible schools will have the opportunity to develop effective plans and receive funding in succeeding years.
- o During implementation schools would be continually held accountable for the delivery of services specified in the school-wide plan and for meeting yearly goals. Local education agencies would be required to develop effective ways of evaluating the success of the program and using the evaluation information to feed-back and improve the program.

II. Targeted Urban Vocational Initiative:

Specific occupational skills training at a skills center with a very close relationship to private industry is one of the most desirable effective training alternatives for older youth who have decided not to attend college. The Federal government would stimulate the development of such alternative vocational training in urban and rural settings with very high youth unemployment.

The need for such stimulation is very clear. Cities with populations over 500,000 represent 22.8% of the Nation's population but are served by only 9.3% of the secondary and 8.1% of the postsecondary vocational schools. At the postsecondary level rural areas have only 7% of the vocational education schools for 24% of the population. The program would contain a strong work experience component with private industry.

This proposal builds on our knowledge of effective vocational education programs: these programs serve older youngsters, they have a strong work experience component, and most especially they have a very close relationship to local private industry. The proposal also addresses the need for increased vocational opportunities for youth in high unemployment areas. The program would be a Federal discretionary effort with the following characteristics:

- o Grantees would be school districts: The one-hundred school districts with the nation's highest poverty and youth unemployment would be eligible. In addition, the highest youth unemployment school district in every state would be eligible.
- o Sites would only be funded if clear evidence were made available of close ties with private industry in order to insure the relevance of training, opportunities for cooperative work experiences and to increase the chances for graduates to obtain private-sector jobs.
- o During the first year, planning funds would be available; second-year funds for designing the program, preparing facilities, and for partial implementation would be awarded to locations with successful plans; third year funds would go for program support. State and local governments would be required to provide a successively larger matching share over the years.
- o Schools would have to target on CETA eligible poverty youth to a substantial percentage (at least 75%) of their student body.
- o In order to keep costs under control, the program would emphasize training in service sector jobs such as banking, life insurance, or transportation, and in small industry occupations in the local areas.

IMPACT OF PROPOSED PROGRAMS UNDER DIFFERENT BUDGET OPTIONS

Tables I and II set out the numbers of youth served for different budget options for fiscal years 81-83 for the two proposed new education programs. The budget options set out are the same as those used in the description of the Labor Department proposal. Briefly, the total education funding for these options and the division of funds between the two Education programs at each option for each of the three fiscal years is:

		<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>Option I</u>	<u>Total</u>	\$1000M	\$1000M	\$1500M
	<u>Basic Skills</u>	850	850	1200
	<u>Voc Skills Centers</u>	150	150	300
<u>Option II</u>	<u>Total</u>	\$1000M	\$1000M	\$1250M
	<u>Basic Skills</u>	850	850	1000
	<u>Voc Skills Centers</u>	150	150	250
<u>Option III</u>	<u>Total</u>	\$750M	\$750M	\$1000M
	<u>Basic Skills</u>	600	600	800
	<u>Voc Skills Centers</u>	150	150	200
<u>Option IV</u>	<u>Total</u>	\$500M	\$600M	\$750M
	<u>Basic Skills</u>	500	600	750
	<u>Voc Skills Centers</u>	0	0	0
<u>Option V-VI</u>	(These options would not allocate sufficient funds to initiate a major education reform program.)			

YOUTH TRAINING, EMPLOYMENT AND EDUCATION PRM OPTIONS (RESOURCES)

	<u>1979</u>		<u>1980</u>		<u>1981</u>		<u>1982</u>		<u>1983</u>	
	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>	<u>BA</u>	<u>O</u>
<u>Current Estimate</u>										
DOL ¹	2024	2049	2101	2436	2276	2261	2276	2275	2275	2275
DOE										
Basic Skills ²	143	143	143	143	143	143	143	143	143	143
Voc. Ed. ³	-	-	-	-	-	-	-	-	-	-
<u>Current Services</u>										
DOL					91	370	469	458	559	550
DOE										
Basic Skills ⁵					0	0	0	0	0	0
Voc. Ed.					-	-	-	-	-	-
<u>Options ⁶</u>										
1. <u>\$3b Increment</u>										
DOL					1500	750	1560	1560	1590	1590
DOE										
Basic Skills					1250	50	1361	1200	1474	1361
Voc. Ed.					150	50	163	154	177	100
Other ⁷					100	0	109	100	118	109
TOTAL					<u>3000</u>	<u>850</u>	<u>3193</u>	<u>3014</u>	<u>3359</u>	<u>3160</u>
2. <u>\$2b Increment</u>										
DOL					1000	700	1040	1040	1060	1060
DOE										
Basic Skills					850	50	926	800	1002	926
Voc. Ed.					150	50	163	154	177	100
TOTAL					<u>2000</u>	<u>800</u>	<u>2129</u>	<u>1994</u>	<u>2139</u>	<u>2086</u>
3. <u>\$500m Increment</u>										
DOL					0	0	0	0	0	0
DOE										
Basic Skills					500	50	545	450	590	545
Voc. Ed.					0	0	0	0	0	0
TOTAL					<u>500</u>	<u>50</u>	<u>545</u>	<u>450</u>	<u>590</u>	<u>545</u>

YOUTH TRAINING, EDUCATION AND EMPLOYMENT PRM OPTIONS (PROGRAM LEVELS)¹
 (numbers in thousands)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>Current Estimate</u>					
DOL in-school ²	270	288	243	243	243
out of school	108	119	127	127	127
DOE Basic Skills ³	260	260	260	260	260
Voc. Ed.	-	-	-	-	-
	-	-	-	-	-
<u>Current Services</u>					
DOL in-school			31	31	31
out of school			-	1	1
DOE Basic Skills			-	-	-
Voc. Ed.			-	-	-
<u>Options</u>					
1. <u>\$3b Increment</u>					
DOL in-school ⁴			-	31	31
out of school			84	161	161
DOE Basic Skills ⁵			-	1359	1432
Voc. Ed.			-	15	47
2. <u>\$2b Increment</u>					
DOL in-school			-	-	-
out of school			82	111	111
DOE Basic Skills			-	884	955
Voc. Ed.			-	15	47
3. <u>\$500m Increment</u>					
DOL in-school ⁶			-13	-13	-13
out of school			11	11	11
DOE Basic Skills			-	469	537
Voc. Ed.			-	-	-

Footnotes

Youth Training, Employment and Education PRM Options (Resources)

1. These estimates are for the four YEDPA programs, Job Corps and summer jobs.
2. This estimate includes the share of Title I funds going to junior and senior high students.
3. Existing data do not permit reliable estimates of the base.
4. Subject to further pricing.
5. Same as current estimate.
6. All options are expressed as increments to the current estimate.
7. "Other" includes Upward Bound, Bilingual Education and Adult Education.

Youth Training, Education and Employment PRM Options (Program Levels)

1. In addition to service levels shown in the options, approximately 300,000 youth would also receive very low cost employability development assistance and private sector placement. DOL figures are number of service years, while DOE figures are number of participants. The two are not comparable and, accordingly, not additive.
2. This estimate reflects number of junior and senior high students currently receiving Title I services.
3. 173 (64%) of the 270 service years are for the summer jobs program (approximately 1,000,000 nine-week part-time jobs).
4. The Department has chosen to use the bulk of new resources to provide more intensive services to older, out of school youth.
5. Under our assumptions, two-thirds of the funds would go to junior high students. One-third would serve senior high schools.
6. Under this option service to in-school youth declines by 11% and summer jobs and employability assistance are reduced by 7-8%, reflecting the decision to shift the emphasis to out of school youth.