

Lazar Treschan
Director of Youth Policy, Community Service Society

**Testimony to the Committees on Youth Services and Community Development
of the Council of the City of New York**
March 10, 2009

Issue: How New York City will spend American Recovery and Reinvestment Act of 2009 (ARRA) funds that target youth employment

Recommendation: Ensure that **at least 25 percent** of ARRA youth employment money serves disconnected youth and young adults

Research by CSS has identified the high numbers of young people who are out of school and out of work in New York City.¹ As of late 2008, there were approximately 225,000 young people between 16 and 24 who were not in school and not in work. We know that these numbers are rising – as the New York Times pointed out recently, workers in their teens and early twenties have been the hardest hit in the economic downturn.¹¹ There are very few services available for disconnected youth to help them build basic skills, toward a GED, and become job-ready, before they can be placed in meaningful work experiences.

New York City can use the youth employment funding it will receive through the American Recovery and Reinvestment Act of 2009 (ARRA) to take a major step in the preparation of our larger numbers of out-of-school youth. Out of the national total of \$1.2 billion targeted to youth employment activities, we understand that our City will receive approximately \$35 million. ***We urge you to ensure that at least 25 percent of this \$35 million is used to support programs for out-of-school (“disconnected”) youth and young adults.*** If New York City is required to commit ARRA funds quickly through existing contracts, this should include an expansion and enhancement of the WIA Out-of-School Youth and the CEO-sponsored YAIP programs.

New York City should resist the temptation to spend all of its ARRA youth employment funds on summer jobs. An overwhelming percentage of summer jobs applicants and participants are in-school youth (in high school or college). New York City does not graduate over 40 percent of its high school students -- these young people should be ignored.

Of the \$35 million that the City will receive for youth employment activities, we urge you to ensure that use of these funds will include programs for those young people who need the most support on the path to a brighter future. Specifically, we ask you to consider the following:

- **Given the lack of available funding streams to support disconnected youth, we propose that at least 25 percent of the ARRA youth employment funding be used for programs for youth who are out of school.** Our main concern is that New York City have the ability – and makes it a priority – to include services for disconnected youth, especially those with low literacy levels who are inevitably excluded from most publicly-funded services, because of high outcome measures that they would not be able to meet in the designated program time frames. ARRA legislation recognizes this, stating: *“Year-round youth activities are also envisioned and the age of eligibility for youth services provided with additional funds is extended through age 24 to allow local*

programs to reach young adults who have been disconnected from both education and the labor market.”

New York City should invest ARRA funds to expand and enhance the two existing successful programs for out-of-school youth (OSY and YAIP), allowing them to provide services to disconnected youth with low skills. New York City should be seeking to expand the OSY program as much as possible, given that it offers the only comprehensive service package for disconnected youth and young adults. Whereas it previously could only serve individuals up to age 21, it can now serve the large numbers of disconnected 22-24 year olds with ARRA funds.

As for YAIP, currently, existing YAIP providers search for private money to provide more educational and wrap-around service, so they do not have to “cream” for the strongest applicants. An enhanced YAIP using ARRA funding would give providers funding to additional support for educational and hard skill development before participants enter internships.

Where existing contracts do not provide enough capacity, we urge that the City use negotiated acquisitions or subcontracting mechanisms to allow service provider without existing OSY and YAIP contracts to participate in these expanded programs.

- **ARRA funding provides a critical opportunity to add new capacity to youth employment services. It is important that New York City seize this opportunity to expand the investment in our future workforce, rather than supplant existing funds.**

We urge the City to retain its prior year commitments to youth employment programs, including summer jobs. ARRA funds should also create new opportunities for young people, in addition to restoring funding for existing programs.

Through federal ARRA funding, we have a once-in-a-lifetime opportunity to serve large numbers of disconnected youth and young adults – we should seize this chance to make a meaningful impact on their lives, and, at the same time, strengthen our communities.

ⁱ Treschan, Lazar and Molnar, Christine, “Out of Focus: A Snapshot of Public Funding to Reconnect Youth to Education and Employment.” Community Service Society, June 2008.

ⁱⁱ Erik Eckholm, “Working Poor and Young Hit Hardest in Downturn”, The New York Times, November 9, 2008