



# Job Training and Education of Disconnected Young Adults in New Orleans

*Preliminary Analysis of Federal Funding Streams*



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## *Preliminary Analysis of Federal Funding Streams*

### Summary

**Baptist Community Ministries asked The Finance Project to examine the expenditure of federal funds for job training and education of New Orleans' disconnected young adults** (i.e., persons between ages 16 and 24 who are not in school or work). Four major sources of federal funding for job training and education of this population are available: the Workforce Investment Act, Adult Education—Basic Grants to States, Temporary Assistance for Needy Families, and Perkins Career and Technical Education. Louisiana receives approximately \$193 million from these funding streams. Of this amount, approximately 1 percent is being used for job training and education of disconnected young adults in New Orleans.

Two factors help explain why such a low percentage of available federal funds are being used to train and educate disconnected young adults in New Orleans. First, Louisiana is using a large percentage of the funds for other purposes. These funds are intended to help establish the long-term economic self-sufficiency of low-income people, but the state has opted to prioritize other services and other populations. Second, New Orleans is not receiving a proportionate share of federal funds received by the state, in part, because the city has not successfully competed for certain grants and funding opportunities.

Relative to the large need, a small number of disconnected young adults are receiving services, and this number may decrease as the state rolls out a new structure for adult education. If Louisiana seeks to meet the job training and education needs of a greater proportion of disconnected young adults in New Orleans, this will require allocating more of the federal funds already available for job training and education of this population and ensuring New Orleans receives a larger percentage of those funds. To participate in job training and education programs, disconnected young adults also need supportive services, including transportation and child care assistance. Louisiana has federal funds available for these supports if the state improves the coordination of services.



## Study Plan and Context

**Baptist Community Ministries (BCM)** is one of the largest private foundations in Louisiana with a commitment to the greater New Orleans region and to the attainment of a more healthy community. BCM asked The Finance Project (TFP) to undertake research to develop a greater understanding of the available federal funds being spent on job training and education of “disconnected” young adults ages 16 to 30 in New Orleans and identify opportunities to better coordinate the programs and services supported by these federal funds.<sup>1</sup> BCM identified individuals who were most likely to have relevant information. The Finance Project interviewed these individuals and reviewed relevant documents that were provided by interviewees or available publicly.

Table 1: Relationship Between Skill Level and Grade Level	
Grade Level	Skill Level
0.0–1.9	Beginning Adult Basic Education Literacy
2.0–3.9	Beginning Adult Basic Education
4.0–5.9	Low Intermediate Adult Basic Education
6.0–8.9	High Intermediate Adult Basic Education
9.0–10.9	Low Adult Secondary Education
11.0–12.9	High Adult Secondary Education

Source: System for Adult Basic Education Support: <http://sabes.org>

Louisiana ranks last among the states in literacy. “About 600,000 residents age 18 to 64 don’t have a high school diploma, which is nearly 20 percent of the state’s population.”<sup>2</sup> In general, educationally disconnected young adults lack a high school diploma or the equivalent. School-age young adults (i.e., those below age 18) may be able to re-enroll in a K–12 traditional, charter, or an alternative high school program and seek a diploma. Other young adults typically seek an adult education program to attain the skills needed to pass the General Educational Development (GED) exam.

Disconnected young adults have different skill levels that can be related to grade-level equivalency (see Table 1). Most disconnected young adults in New Orleans are believed to be at a grade level below 6.0.<sup>3</sup>

<sup>1</sup> For the purposes of this report, “disconnected” youth are defined as young people between the ages of 16 and 24 who are not in school (enrolled in, or consistently attending, an education, training, or workforce development program) or the labor force. Without attachment to work or school, disconnected youth may be vulnerable to experiencing negative outcomes as they transition to adulthood. They are sometimes referred to as “Opportunity Youth”.

<sup>2</sup> Matthew Dembicki, “States Focus on Revamping Adult Education,” *Community College Times*, April 12, 2011.

<sup>3</sup> Jerome Jupiter, director of educational Services, Youth Empowerment Project, interview by author, October 21, 2011.

*Most disconnected young adults ages 16–24 in New Orleans are believed to be at a grade level below 6.0.*



Students from the Youth Empowerment Project's GED program, New Orleans Providing Literacy to All Youth (NOPLAY)



## Availability of Federal Funds for Job Training and Education

The Finance Project has identified the four major federal funding streams, and their amounts, that are available to Louisiana for job training and education of disconnected young adults: the **Workforce Investment Act, Adult Education—Basic Grants to States, Temporary Assistance for Needy Families, and Perkins Career and Technical Education**. TFP also determined how much of the funding available to Louisiana is coming to New Orleans, how much of the funding available for job training and education is being used for that purpose, and how much of the funding for job training and education is being targeted to disconnected young adults.

### Workforce Investment Act

The federal Workforce Investment Act (WIA) established two funding streams—one for youth and one for adults—though the age ranges for the two funding streams overlap. The purpose of the WIA youth program is to “help low-income youth, between the ages of 14 and 21, acquire the educational and occupational skills, training, and support needed to achieve academic and employment success and successfully transition to careers and productive adulthood.” Eligible youth must be from a low-income family and be deficient in basic literacy skills; a school dropout; among the homeless; a runaway; a foster child; pregnant or a parent; an offender; and/or in need of additional assistance to complete their education or secure and hold employment.<sup>4</sup>

The WIA adult program aims to “to prepare workers—particularly disadvantaged, low-skilled, and under-employed adults—for good jobs by providing job search assistance and training.” Most services must be provided through one-stop career centers. Three levels of service are provided: core, intensive, and training. “Core services” include outreach, job search, placement assistance, and labor market information; these

<sup>4</sup> *Online Catalogue of Federal Domestic Assistance*, 17.259.



Students from the Youth Empowerment Project's Village program in New Orleans

## Availability of Federal Funds for Job Training and Education

services are available to all jobseekers above age 18. “Intensive services” include more comprehensive assessments, development of an individual employment plan, and counseling and career planning. Clients who need additional services to find or retain employment may receive “training services” linked to job opportunities in their communities, including both occupational training and training in basic skills. To promote client choice and involvement in career decisions, participants use an individual training account to select an appropriate training program from an eligible training provider.

WIA also authorizes the provision of supportive services (e.g., transportation and child care assistance) to enable people to participate in the program. Funds are allotted to states based on a statutory formula. States then allocate funds to local workforce investment boards by formula. When funds are limited, priority for intensive and training services must be given to public assistance recipients and low-income populations.<sup>5</sup>

The Louisiana Workforce Commission (LWC) administers WIA youth and adult funds. The LWC entity in New Orleans is called JOBI. To access WIA-funded services, candidates must visit a JOBI center and submit to an eligibility determination process. If they are found eligible, they receive an assessment. Participants can then seek job training and education services from providers approved by the state. Participants can receive a total of no more than \$4,000 for tuition for a period of up to

two years; this amount was reduced from \$6,000 on July 1, 2011.<sup>6</sup>

Out of a statewide total of \$10,705,903 in WIA youth funding, New Orleans is receiving \$1,177,476 (11 percent) for state fiscal year 2012, which ends June 30, 2012. Of this amount, \$421,110 (36 percent) is allocated for training services. Out of a statewide total of \$9,416,298 in WIA adult funding, New Orleans is receiving \$1,034,073 (11 percent).<sup>7</sup> Of this amount, \$364,586 (35 percent) is allocated for training services. The amount of WIA funds allocated to New Orleans is determined by a formula that accounts for population and unemployment rates.<sup>8</sup> According to state policy, at least 51 percent of youth served with WIA youth funding should be out of school. JOBI says it meets this requirement because most youth seeking services are no longer in school.<sup>9</sup>

Further inquiry is needed to determine how JOBI is spending the WIA funds that are not paying for training services. JOBI likely provides assistance with job searches. However, Louisiana receives other federal funds for these types of activities, including \$9 million from the Wagner-Peyser Act-funded Employment Services program.<sup>10</sup>

According to JOBI, if every participant received the maximum allowable amount for training, then 105 people could be served annually through the youth program and 91 people could be served annually through the adult program. The LWC entity did

<sup>5</sup> Ibid, 17.258.

<sup>6</sup> Participants seeking an undergraduate degree can also apply for federal Pell grants through the Louisiana Office of Student Financial Assistance.

<sup>7</sup> These statewide figures are well below those for federal fiscal year 2009: \$35,578,533 for the WIA youth program and \$25,242,198 for the WIA adult program. It is possible that Louisiana received significantly less money in federal fiscal year 2012, because federal fiscal year 2009 included funding from the American Recovery and Reinvestment Act or because Congress made cuts to workforce funds. It is also possible that some of the WIA money received by the state is not reflected.

<sup>8</sup> See “Louisiana’s Demand-Driven Workforce Investment Plan,” April 15, 2011, 53.

<sup>9</sup> Tammie Washington, JOBI senior program coordinator, interview with author, September 27, 2011. The Finance Project does not have data to independently verify the claim that most youth seeking services are no longer in school. JOBI offers a summer jobs program that serves primarily students who are in school.

<sup>10</sup> U.S. Census Bureau, *Consolidated Federal Funds Report 2010*.

not indicate how many participants actually receive training. To enable participation in job training and education programs, participants may also receive various supports, including transportation and child care assistance. JOBI refers participants to other agencies to seek these services, but they often experience delays, eligibility restrictions, and limited availability.

To better link people receiving unemployment benefits with WIA-funded services, Louisiana received a federal Re-employment and Eligibility Assessment grant of \$1,012,400 in May 2010.<sup>11</sup> Statewide this meant requiring people receiving unemployment benefits to enroll in the Louisiana Workforce Commission job search system. Of perhaps greater potential import, the grant also funded caseworker positions in local one-stop career centers; New Orleans, however, was not part of this component of the pilot.<sup>12</sup>

## Adult Education— Basic Grants to States

The Adult Education—Basic Grants to States program provides adult education and literacy services to adults and out-of-school youth who do not have a high school diploma or its equivalent.<sup>13</sup> The Louisiana Community and Technical College System (LCTCS) manages this program and reports that \$9,683,938 is available in 2011–2012. Of this amount, \$7,078,359 is “flow-through” (i.e., used for services across the state); the remainder is retained for administrative expenses.

LCTCS recently assumed jurisdiction over GED programs from the Louisiana Department of Education and is planning a significant redesign of adult education. In state fiscal year 2012, LCTCS is piloting this new structure, called WorkReady U, with nine providers it selected through a request for proposals. Full implementation is expected in state fiscal year 2013. Funding for the pilots came from adult education funds carried over from a previous year.

LCTCS seeks to double the number of GEDs awarded annually through its adult education program by requiring providers to make available “new funding” matches through in-kind donations, campus fees, business donations, and local government grants.<sup>14</sup> To promote coordination of services, LCTCS is requiring providers to submit as part of their proposal signed partnership agreements from the agencies that will provide supportive services to participants. It is not clear whether any minimum or maximum allocations will be required, such that Orleans Parish would be guaranteed a certain amount of funding.

As part of the redesign, LCTCS plans to discontinue GED programs for 16- to -17-year-olds unless they can provide paperwork from the local school district that they have officially dropped out. The theory is that school districts are receiving funding for students who have not dropped out and, therefore, can be expected to provide services.<sup>15</sup> In 2008–2009, this age group accounted for 30 percent of the people served by GED programs statewide—7,966 out of 26,633. One provider indicated

<sup>11</sup> U.S. Department of Labor, “U.S. Department of Labor Announces \$50 Million in Grants to Assist Re-employment Activities in 33 States and District of Columbia,” Press Release, April 15, 2010.

<sup>12</sup> “Louisiana’s Demand Driven Workforce Investment Plan,” 85; and Renee Ellender Roberie, chief financial officer, Louisiana Workforce Commission, interview with author, September 16, 2011.

<sup>13</sup> *Online Catalogue of Federal Domestic Assistance*, 84.002. Louisiana sometimes refers to these adult education funds as Workforce Investment Act funds because they are authorized under Title II of that legislation. However, this funding stream is distinct from the WIA youth and adult funding streams.

<sup>14</sup> Louisiana Community and Technical College System, *Moving Adult Education Forward* (Baton Rouge, LA, February 2011).

<sup>15</sup> Sean Martin, interim executive director, WorkReady U, Louisiana Community and Technical College System, interview with author, October 21, 2011.

some initial problems in getting school districts to sign the required paperwork; however, the process “has been somewhat streamlined.”<sup>16</sup>

The new requirement to document school withdrawal may result in a significant reduction of services for disconnected school-age young adults. Some youth may not be enrolled in a K–12 school; the school district is not receiving funds for this student and may not have access to funds when the student seeks to re-enroll in the middle of the school year.<sup>17</sup> Also, the school district may not offer appropriate programs for returning students and may not engage in aggressive outreach to bring these youth back to school. Meanwhile, the paperwork requirement may prove to be a barrier to school-age youth trying to access GED services through LCTCS.

LCTCS is further redesigning its adult education program so participants will seek a GED and a postsecondary certificate or degree simultaneously. This model is based on a program developed in Washington State called Integrated Basic Education and Skills Training (I-BEST). I-BEST has two teachers in a classroom, one focused on GED attainment and the other on postsecondary learning. A major goal is to ensure that students who do not have a GED can more immediately gain access to postsecondary programs.<sup>18</sup>

One challenge for Louisiana is that pilot sites are not receiving the funding necessary to have two instructors in each classroom, so they are

instead implementing an “I-BEST-like”<sup>19</sup> model. This approach may forfeit a critical ingredient that has produced positive results elsewhere. Another issue is that students must have high intermediate skills in order to participate (i.e., a grade-level equivalency of 6.0 or higher). This excludes most adult learners served in the state.<sup>20</sup> LCTCS recognizes that this high intermediate skills requirement may be especially difficult for young adults living in New Orleans, who tend to have lower skill levels. LCTCS did not indicate whether it has a strategy to help more New Orleans young adults participate in the revamped service model.<sup>21</sup>

### Temporary Assistance for Needy Families

Louisiana receives federal funds through the Temporary Assistance for Needy Families (TANF) program whose purpose is to “assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.” Each year each state receives a set amount that is not tied to the number of recipients. States have some latitude in setting eligibility levels and monthly cash assistance amounts. They also have considerable freedom in deciding how to allocate TANF funds not needed for cash assistance, and they can transfer a limited portion of their assistance grant funds to the Child Care

<sup>16</sup> Jerome Jupiter, author interview.

<sup>17</sup> The state funds school districts based on enrollment counts in October and February. A district does not receive funding for a student who enrolls after February. Beth Scioneaux, deputy superintendent, Office of Management and Finance, Louisiana Department of Education, interview with author, October 26, 2011.

<sup>18</sup> Louisiana is pursuing this model based on a planning grant received through Jobs for the Future’s 11-state Accelerating Opportunity initiative funded by several national foundations. LCTCS was expected to complete and submit its redesign plan by mid-November. LCTCS has already submitted an implementation grant proposal and will hear in May 2012 whether it is one of four to six winners of a \$1.6 million grant. See <http://www.jff.org/projects/current/education/accelerating-opportunity/1251>.

<sup>19</sup> Sean Martin, author interview.

<sup>20</sup> Jerome Jupiter, author interview.

<sup>21</sup> Sean Martin, author interview.

**Table 2: TANF Receipt in Louisiana Relative to the United States**

Number of TANF Families	Households with Income Below \$25,000	Percentage Receiving TANF	National Rank
10,824	519,205	2.1%	49

and Development Block Grant and Social Services Block Grant programs.<sup>22</sup>

At 2.1 percent, the percentage of low-income people in Louisiana receiving TANF is the second lowest in the nation (see Table 2).<sup>23</sup>

State income rules may be one reason for the low TANF participation rate, according to the Louisiana Department of Children and Family Services.<sup>24</sup> Families can become ineligible for cash assistance if they have only a small amount of income. Some states create incentives for participants to earn money by not counting every dollar earned when making TANF eligibility determinations. Interestingly, a preliminary comparison does not suggest major differences between the income rules for Louisiana and those of states with much higher TANF participation rates. Further analysis is warranted to determine why so few low-income families in Louisiana are receiving cash assistance.<sup>25</sup>

For eligible young adults, Louisiana uses TANF to pay for the Strategies to Empower People (STEP) program, which can provide on-the-job training, vocational education, GED courses, education directly related to employment, and job skills

training directly related to employment.<sup>26</sup> STEP participants are automatically eligible for child care support and can receive transportation assistance.

Once an eligibility determination is made, STEP participants receive a comprehensive assessment that includes “workplace literacy, basic skills and educational attainment, interests and aptitude related to employment, barriers to employment, need for education, supportive services such as child care and transportation, and other supportive services. Specialized assessment can occur for issues that arise after an initial assessment has been completed and could include substance abuse, domestic violence, mental health screening, or others as determined by the department.” It is not clear whether barriers exist to participants receiving the needed services identified by these assessments.

The annual statewide cost of STEP is estimated at \$10,001,613 for the federal fiscal year 2011, which ended September 30, 2011.<sup>27</sup> Total annual spending for Orleans Parish is estimated at \$940,000.<sup>28</sup> In August 2011, 370 families were participating in STEP in the Orleans region; statewide, the total was 1,142 families.<sup>29</sup>

<sup>22</sup> *Online Catalogue of Federal Domestic Assistance*, 93.558.

<sup>23</sup> The percentage was calculated by The Finance Project. The number of families receiving TANF is available from the U.S. Department of Health and Human Services. The number of households with incomes below \$25,000 is available from the U.S. Census Bureau. TFP divided recipients by low-income households to get a percentage and then ranked the percentage for each state.

<sup>24</sup> Sammy Guillory, deputy assistant secretary, Louisiana Department of Children and Family Services, interview with author, October 18, 2011.

<sup>25</sup> See The Urban Institute, *Welfare Rules Database*.

<sup>26</sup> “Louisiana’s Temporary Assistance for Needy Families (TANF) State Plan,” December 29, 2010, C-12.

<sup>27</sup> The Louisiana Department of Children and Family Services provided this cost data to The Finance Project.

<sup>28</sup> Tammie Washington, author interview.

<sup>29</sup> Louisiana Department of Children and Family Services, “Monthly Participation of All Families by Region and Parish,” August 2011. The Orleans region includes Jefferson Westbank, Orleans Midtown, Plaquemines, St. Bernard, Jefferson Eastbank, and Orleans Algiers.

Louisiana has redesigned the STEP program as the Louisiana Employment Assistance Program (LEAP).<sup>30</sup> The Louisiana Workforce Commission is administering LEAP. LEAP is limited to 11 locations statewide because of budget constraints; two of the locations are Algiers and MidCity in Orleans Parish. LEAP includes an assessment and a two-week job readiness class. It is not clear whether LEAP includes any other job training, such as occurred under STEP. It is also not clear whether the LWC-conducted LEAP assessment considers all the issues that are part of the comprehensive STEP assessment or whether the LEAP assessment replaces the one carried out under STEP.

LEAP participants take the Test for Basic Adult Education, which yields a grade-level equivalent (see Table 1). If they score below 6.0, they are referred back to the Louisiana Department of Children and Family Services for “an alternate and appropriate placement.”<sup>31</sup> It is not clear what type of alternative placement the department provides.<sup>32</sup>

TANF is also used to fund the Jobs for America’s Graduates (JAG) program, which provides job training for young adults ages 12 to 22 who have already dropped out of school or who are at risk of dropping out of school.<sup>33</sup> JAG is operating at 59 sites statewide; the sites were determined through a competitive grant process. Eight of the sites are for out-of-school youth. New Orleans has one JAG site, which received \$50,000, but it is not for out-of-school youth.<sup>34</sup> A new grant competition occurs each May. Total spending statewide is \$3,868,731 for federal fiscal year 2011.<sup>35</sup>

Much of the \$196 million in TANF funds received by Louisiana in federal fiscal year 2011 was used for services for populations who are not disconnected from job training and education programs. These initiatives cost \$127 million (see Table 3).

Louisiana can allocate more TANF funding to train and educate disconnected young adults, regardless of whether they are receiving cash assistance. Therefore, TANF eligibility need not be expanded in order to expand TANF-funded job training and education. Expanding TANF-funded job training and education, however, would require changing the way some TANF funds are now used.

## Perkins Career and Technical Education Funding

The Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV) affords still another funding stream for training and education of disconnected young adults. Each state must distribute at least 85 percent of its award to local agencies to fund secondary and postsecondary institutions that provide career and technical education services. In federal fiscal year 2010, Louisiana received \$21,041,943 from this funding stream.<sup>36</sup>

The Louisiana Community and Technical College System administers the Perkins funds. It had delegated responsibility for secondary-level programs to the Louisiana Department of Education. Under Louisiana’s five-year Perkins plan, 56 percent of funds are allocated for secondary-level eligible

<sup>30</sup> LEAP will also provide employment and training services to Supplemental Nutritional Assistance Program (formerly the Food Stamp program) recipients who are mandatory work registrants.

<sup>31</sup> Louisiana Department of Children and Family Services, “Client Success Through Partnership,” PowerPoint presentation, n.d.

<sup>32</sup> The Finance Project inquired about the alternative placement but did not receive information about it.

<sup>33</sup> Jobs for America’s Graduates is a national model that has six “program applications,” one of which is the out-of-school program. Visit <http://www.jag.org/>.

<sup>34</sup> Louisiana Department of Education, <http://www.doe.state.la.us/divisions/dpafs/jag.html>.

<sup>35</sup> Debbie Schum, Louisiana Department of Education, deputy superintendent, Office of College and Career Readiness, interview with author, September 12, 2011.

<sup>36</sup> U.S. Bureau of the Census, *Consolidated Federal Funds Report 2010*.

**Table 3: Other TANF-Funded Initiatives**

Initiative	Amount	Percent
Private Prekindergarten	\$7,500,000	5.9%
LA4 (prekindergarten program for four-year-olds)	\$67,537,849	53.0%
Court Appointed Special Advocate	\$4,670,000	3.7%
Child Protection Investigation/Family Services	\$23,944,101	18.8%
Family Violence	\$3,743,820	2.9%
Substance Abuse	\$3,935,687	3.1%
Early Childhood Supports	\$3,946,621	3.1%
Nurse Family Partnership	\$3,702,621	2.9%
Microenterprise Development	\$272,767	0.2%
Individual Development Account	\$1,202,665	0.9%
Drug Courts	\$4,647,770	3.6%
Homeless	\$849,776	0.7%
Abortion Alternatives	\$1,500,000	1.2%
<b>Total</b>	<b>\$127,453,677</b>	<b>100%</b>

Source: Louisiana Department of Children and Family Services.

recipients. Of this amount, 30 percent is allocated to local education agencies based on their proportion of the statewide student-age population and 70 percent is allocated to them based on their proportion of the statewide student-age population from families with income below the poverty level.<sup>37</sup>

In total, New Orleans received \$803,368 for the 2010–2011 school year, half of which went to LCTCS. The Recovery School District received \$225,079, and the Orleans Parish School Board received \$176,705. LCTCS uses its Perkins funds for equipment needed for career and technical education courses, which generally are not available to disconnected young adults. The Recovery School District used its funds to train staff and purchase equipment at high schools, some of which have career and technical education programs. The Orleans Parish School Board used its funds for staff training and software associated

with students dually enrolled in secondary and postsecondary programs.<sup>38</sup>

## Other Federal Funds

Numerous other, but lesser, federal funding streams are targeted to specific populations, such as veterans, dislocated workers, disabled individuals, abused and neglected children who are aging out of foster care, and delinquent youth and adult offenders who are returning from a period of confinement. These funds can be used for different purposes, including job training and education. Significant federal expenditures also occur in support of postsecondary education, including student loans and grants. These funds could be used to support postsecondary attainment for students who simultaneously enroll in GED and postsecondary programs.

<sup>37</sup> Louisiana Community and Technical College System, “2008–2013 State Plan for Implementation of the Perkins CTE Improvement Act of 2006.

<sup>38</sup> The Perkins allocations are available through the web-based system of the Louisiana Department of Education’s Grants Award program. The budgets for Orleans Parish and the Recovery School District are available through the department’s eGrant Management system.



## Analysis of Expenditures for Job Training and Education

**The analysis focused on the allocation and use of available federal funds for job training and education of disconnected young adults and the coordination of services to facilitate participation.**

### Allocation and Use of Available Funds

The results of The Finance Project review are reflected in the table in the appendix and are summarized in the diagram below, which shows that Louisiana is receiving about \$193 million in federal funding that could be used for job training and education of disconnected young adults. Of that amount, about \$17 million, or approximately 9 percent, is allocated to New Orleans. Actual spending on job training and education for all young adults is approximately \$3 million in New Orleans; of this amount, approximately \$2 million is used for disconnected young adults. Consequently, of the federal funds available for and received by Louisiana for job training and education of disconnected young adults, approximately 1 percent is being used for this purpose in New Orleans.

Two factors help explain why such a low percentage of available federal funds are being used for job training and education of disconnected young adults in New Orleans. First, Louisiana is using a large percentage of the funds for other purposes. These funds are intended to help establish the long-term economic self-sufficiency of low-income people, but the state has opted to prioritize other services and other populations. Second, New Orleans is not receiving a proportionate share of federal funds received by Louisiana, in part, because the city has not successfully competed for certain grants and funding opportunities.

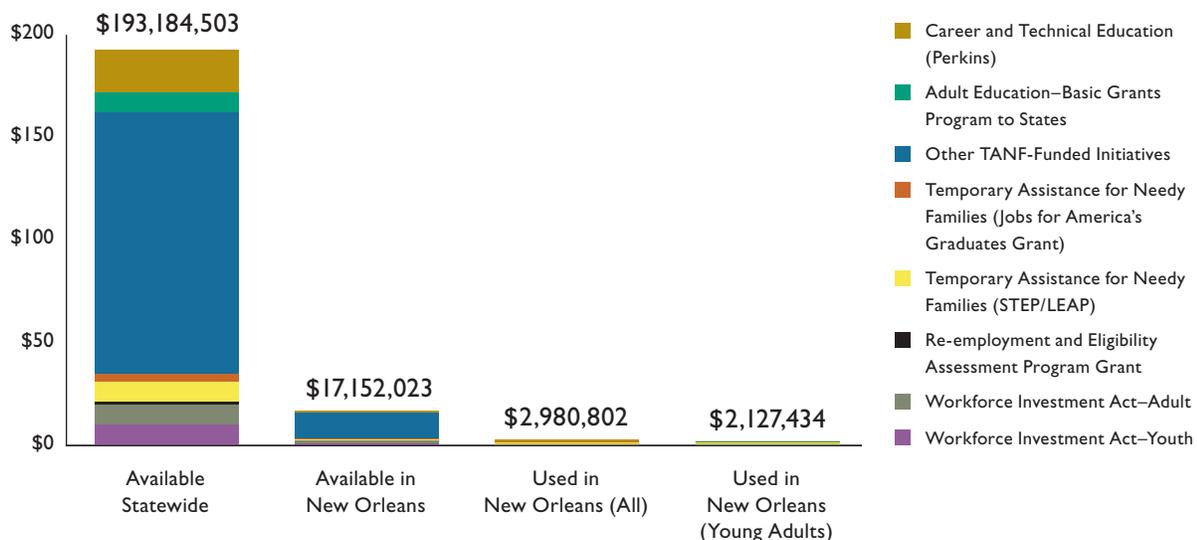
*Louisiana is receiving about \$193 million in federal funding that could be used for job training and education of disconnected young adults. Approximately 9 percent is allocated to New Orleans.*

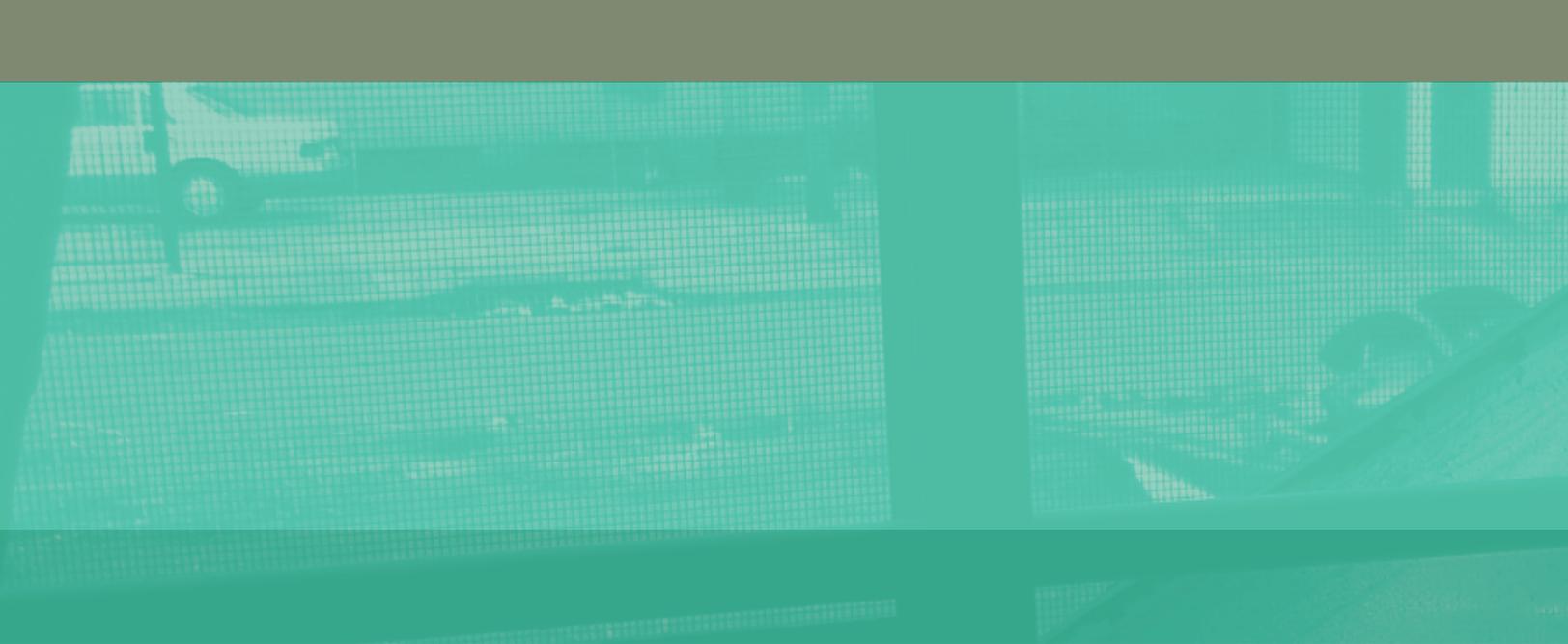
## Coordination of Services

Louisiana has restructured its executive branch to reduce the number of state agencies that administer job training and education programs. The GED program was moved from the Louisiana Department of Education to the Louisiana Community and Technical College System; however, LCTCS has complicated this scenario by restricting GED funding to school-age young adults. The Louisiana Department of Children and Family Services contracts with the Louisiana Workforce Commission to provide GED and job training for low-income parents; however, participants must still become involved with LCTCS for various education and job training programs and with other agencies for supportive services.

LCTCS and LWC still run somewhat separate operations. LCTCS has a network of providers awarded grants through Adult Education—Basic Grants to States. LWC primarily refers people to providers who are licensed by the state.

## Federal Funding Available for Job Training and Education in Louisiana





## Recommendations to Serve More Disconnected Young Adults

**Louisiana recently announced a reduction in the number of students dropping out of high school.**<sup>39</sup> Yet 30 percent of students are still dropping out, and a large number of young adults, particularly in New Orleans, lack a high school diploma or its equivalent. Moreover, many of these young adults lack basic skills. To increase the number of disconnected young adults in New Orleans who are attaining the skills needed for sustained employment and career advancement, Louisiana needs to maximize funds available for pre-GED and GED services, ensure participants' easy access to needed supportive services, and enhance coordination among provider networks.

### *For All Disconnected Young Adults*

- Louisiana should consider how to allocate a greater proportion of available funding to the job training and education of disconnected young adults in New Orleans.
- Louisiana should determine whether disconnected young adults are receiving the supports and services they need to participate in job training and education programs, including transportation, child care, and health and mental health services.

### *For School-Age Young Adults (Below Age 18)*

- The Jobs for America's Graduates program is a primary source of funding for the education of disconnected school-age youth. New Orleans needs to successfully compete for a grant to implement this model in as many sites as possible.
- The Louisiana Community and Technical College System is barring school-age youth from its programs unless they can provide a form signed by a school district showing that they have formally withdrawn (i.e., dropped out of school). The impact of this policy requires close examination. In the meantime, the New Orleans school districts and operators can use more of its federal Perkins funding to reach out to disconnected school-age youth and provide appropriate education services.

<sup>39</sup> Louisiana Department of Education, "Louisiana Achieves Historic Gain in Four-Year High School Graduation Rate," Press Release, October 17, 2011.

*30 percent of students are still dropping out, and a large number of young adults, particularly in New Orleans, still lack a high school diploma or its equivalent.*



Students from the Youth Empowerment Project's New Orleans Providing Literacy to All Youth (NOPLAY) Summer Scholars program

### ***For Young Adults with Lower Skills (Grade Level Below 6.0)***

- Better coordination between LCTCS and LWC services is needed. LCTCS is moving to a model that requires participants to have high intermediate literacy skills (i.e., grade level 6.0 and above), which many young adults in New Orleans do not have. To fill this gap, LWC will need to target its federal funding to young adults with lower skills.
- Only a small number of people in Louisiana are receiving job training and education funded through Temporary Assistance for Needy Families, in part, because so few low-income families are eligible to participate. The state has an abundance of TANF funds that are not being used for cash assistance; these funds can be used to significantly expand job training and education programs in New Orleans.
- LWC is modifying its job training program for TANF-eligible participants. LEAP is replacing STEP. Participants must still receive the various assessments required under STEP and then receive the supports and services identified by those assessments.

## Appendix: Major Federal Funding Sources for Job Training and Education of Disconnected Young Adults in Louisiana and New Orleans

Federal Funding Source	Available Statewide	Available in New Orleans	Used in New Orleans (All)	Used in New Orleans (Young Adults)
<b>Workforce Investment Act–Youth</b>	\$10,705,903	\$1,177,476	\$421,110	\$421,110
<b>Workforce Investment Act–Adult</b>	\$9,416,298	\$1,034,073	\$364,586	\$364,586
<b>Re-employment and Eligibility Assessment Program Grant</b>	\$1,012,400	\$0	\$0	\$0
<b>Temporary Assistance for Needy Families (STEP/LEAP)</b>	\$10,001,613	\$940,000	\$940,000	\$940,000
<b>Temporary Assistance for Needy Families (Jobs for America’s Graduates Grant)</b>	\$3,868,731	\$50,000	\$50,000	\$0
<b>Other TANF-Funded Initiatives</b>	\$127,453,677	\$12,745,368	\$0	\$0
<b>Adult Education–Basic Grants Program to States</b>	\$9,683,938	\$401,738	\$401,738	\$401,738
<b>Career and Technical Education (Perkins)</b>	\$21,041,943	\$803,368	\$803,368	\$0
<b>TOTAL</b>	<b>\$193,184,503</b>	<b>\$17,152,023</b>	<b>\$2,980,802</b>	<b>\$2,127,434</b>

Federal Funding Source	Allocation to New Orleans	Services Provided	Eligibility Criteria and Target Population	Coordination
<b>Workforce Investment Act–Youth</b>	Considers population and unemployment rates	Up to \$4,000 for tuition over 2 years	14 to 21 years old; 95 percent must have incomes below federal poverty level	Participants can receive child care and transportation but must seek those services through other agencies
<b>Workforce Investment Act–Adult</b>	Considers population and unemployment rates	Up to \$4,000 for tuition over 2 years	18 years and older; 50 percent must have income below 200 percent of federal poverty level	Participants can receive child care and transportation but must seek those services through other agencies; GED programs administered by community college system
<b>Re-employment and Eligibility Assessment Program Grant</b>	New Orleans was not part of the pilot project	Case management for unemployed persons	Receiving unemployment benefits	Seeks to link the unemployment and job training systems
<b>Temporary Assistance for Needy Families (STEP/LEAP)</b>	Based on proportion of TANF recipients	2-week job readiness class; perhaps additional services based on assessments	Receiving TANF with work activity requirements; must score 6 or higher on Test for Basic Adult Education	Agency contracts with workforce commission to provide or contract for services
<b>Temporary Assistance for Needy Families (Jobs for America’s Graduates Grant)</b>	Competitive grants: one project in New Orleans for in-school youth	Services for in-school or out-of-school youth	12 to 22 years old; at risk of dropping out or has dropped out	Unclear how programs for out-of-school youth are connected to other similar programs
<b>Other TANF-Funded Initiatives</b>	Estimate: 10 percent	Used for preschool and other services unrelated to education and training of disconnected youth adults	N/A	
<b>Adult Education–Basic Grants Program to States</b>	Moving to competitive grants	Moving to GED and post-secondary dual-enrollment program	16-to-17-year-olds must document no longer enrolled in K–12 school	Providers are required to get signed partnership agreements as part of proposals
<b>Career and Technical Education (Perkins)</b>	Considers overall population and low-income population; secondary-level students gets half of funding	Equipment for postsecondary technical courses; equipment and professional development in career and technical programs in Recovery School District and Orleans Parish	Enrolled in community or technical college, or career or technical education K–12 program	



### ***Acknowledgements***

Baptist Community Ministries (BCM) is grateful for their partnership with the Youth Empowerment Project and the Partnership for Youth Development in the development of this report and, more importantly, their work to address the critical needs of children and youth living in post-Katrina New Orleans. To learn more about each organization, visit [www.youthempowermentproject.org](http://www.youthempowermentproject.org) and [www.nolayouth.org](http://www.nolayouth.org). A special thank you is also extended to Pam Stevens and staff at the Cowen Institute for Public Education Initiatives for assisting BCM in reviewing materials and draft versions of this report.

### ***About Baptist Community Ministries***

Beginning its service to the community in 1924 as Southern Baptist Hospital and later as Mercy+Baptist Medical Center, BCM redeployed its assets through the sale of its hospital facilities in 1995. One year later, BCM used income from its invested endowment to begin making grants to community nonprofit organizations in the Greater New Orleans area in Orleans, Jefferson, St. Bernard, St. Tammany, and Plaquemines Parishes. One of the largest private foundations in Louisiana, BCM has funded more than 270 programs and initiatives submitted by over 140 nonprofit organizations. BCM has special interests in health, education, public safety, and governmental oversight. To learn more, visit [www.bcm.org](http://www.bcm.org).

### ***About The Finance Project***

The Finance Project is an independent nonprofit research, training, consulting, and technical assistance firm for public- and private-sector leaders nationwide. It specializes in helping leaders plan and implement financing and sustainability strategies for initiatives that benefit children, families, and communities. Through a broad array of tools, products, and services, The Finance Project helps leaders make smart investment decisions, develop sound financial strategies, and build solid partnerships. To learn more, visit [www.financeproject.org](http://www.financeproject.org).

