



Jeanne B. Mullgrav
Commissioner

June 26, 2009

Dear Community Member:

In preparation for the release of a Request for Proposals (RFP) for Out-of-School Youth (OSY) Programs, the Department of Youth and Community Development (DYCD) has developed the attached Concept Paper, which presents the agency's approach to this important field. The Concept Paper describes an integrated services model that addresses the educational, employment, and social service needs of low-income youth, ages 16 to 21, who are not in school and not working. These programs will be funded by the Workforce Investment Act (WIA) and will incorporate the elements and outcomes required by the federal statute and New York State. Within that context, the RFP will emphasize educational skills gains, collaborations, and green-collar jobs. We welcome your review and comment.

Over the past several months, DYCD has conducted focus groups and consulted with a range of providers, advocates, and experts to elicit input on best practices in the field of out-of-school youth. DYCD has attempted to capture much of that input in the Concept Paper. Community feedback will continue to be an essential feature of this planning process as we develop and finalize the upcoming OSY RFP. I thank you for your careful consideration of this Concept Paper and look forward to your comments.

Please email your comments to conceptpaper@dycd.nyc.gov (enter "OSY" in the subject line of the email). If you prefer, you may mail written comments to the attention of:

Nancy Russell
Department of Youth and Community Development
156 William Street, 2nd Floor
New York, NY 10038

Please note that we are only able to consider written comments received no later than 5:00 p.m. on July 24, 2009.

The Out-of-School Youth Concept Paper will also be posted on our website at www.nyc.gov/dycd. Thank you in advance for distributing this Concept Paper to all who are interested in programs for out-of-school youth and for sharing with us your best thoughts regarding this solicitation.

Sincerely,

Jeanne B. Mullgrav

Out-of-School Youth (OSY) Programs Concept Paper June 26, 2009

INTRODUCTION

In recent years out-of-school¹ youth have become a focus of new program services at the city, state, and federal levels. In New York City (City) there are approximately 160,000 youth aged 16-24 who are not in school and not working.² From the fall of 2007 to October 2008 the number of youth aged 16-19 who were working fell by 8 percent, the largest decline of any age group.³ During the current global economic downturn, it is more critical than ever that youth acquire both educational credentials and occupational skills to take advantage of future opportunities in the labor market. As detailed in this concept paper, the Department of Youth and Community Development's (DYCD's) design for programs for out-of-school youth to be funded by the Workforce Investment Act (WIA) supports Mayor Michael R. Bloomberg's goal "to give the next generation an economic jump-start."⁴ Since 2003 DYCD has been charged with administering the City's youth employment and training programs and now oversees the nation's largest WIA-funded youth initiative. Programs currently funded by WIA, as well as innovative programs such as the Young Adult Internship Program and the Young Adult Literacy Program,⁵ have shown that out-of-school youth can reconnect to educational programs and jobs even in a difficult economic climate.

There is a growing consensus that a high school credential is no longer sufficient by itself for providing access to higher-wage jobs. Even entry-level jobs with career advancement potential are often reserved for those who not only complete high school but also acquire post-secondary educational or vocational credentials. Completion of a vocational certificate program or one year of college has become the "tipping point" that will enable a young person to earn family-supporting wages.⁶ A study in Washington State showed that compared to students who earned fewer than 10 college credits, those who took at least one year's worth of college-credit courses and earned a credential had a significant annual earnings advantage. For example, for those who began college taking Adult Basic Education (ABE) or General Education Development (GED) preparation classes the annual earnings advantage was \$8,500.⁷ However, approximately 50 percent of City youth who are not in school and not working do not have high school diplomas or GED credentials.⁸ Nationwide, only 30-35 percent of persons who take the GED exam enroll in college and only 5-10 percent of them complete one year.⁹

It is essential, therefore, to encourage and support young people to gain the educational credentials and skills that will prepare them for the workforce. Youth can turn the recessionary period to advantage by taking the opportunity to stay in school and become better equipped to compete for jobs when more jobs become available later on. Acquiring training in promising fields such as green jobs, health, hospitality, and retail, also will enhance their employability. At the same time, youth who need to work now should be given all the necessary supports to obtain immediate

¹The term out-of-school youth means a youth not currently enrolled in school who is: a) an eligible youth who is a high-school dropout; or b) an eligible youth who has received a secondary school diploma or its equivalent but is basic skills deficient, unemployed, or underemployed.

²Population Division, New York City Department of City Planning, 2005-2007 ACS PUMS.

³"Working Poor and Young Hit Hard in Downturn," *New York Times.com*, November 9, 2008. See also Steven Greenhouse, "Young and Old Are Facing Off for Jobs," *New York Times*, March 21, 2009.

⁴Press Release, "Mayor Bloomberg, Governor Paterson, Federal, State and City Legislators Announce \$29 Million in Federal Stimulus Funding to Support More Than 17,378 Summer Jobs and Internships Over the Next Year for New York City Youth," May 9, 2009. http://www.nyc.gov/portal/site/nycgov/menuitem.c0935b9a57bb4ef3daf2f1c701c789a0index.jsp?pageID=mayor_press_release&catID=1194&oc_name=http%3A%2F%2Fwww.nyc.gov%2Fhtml%2Fom%2Fhtml%2F2009a%2Fpr208-09.html&cc=unused1978&rc=1194&ndi=1.

⁵The Young Adult Literacy Program and the Young Adult Literacy Program are recent DYCD programs, launched with the support of the City's Center on Economic Opportunity.

⁶Linda Harris and Evelyn Ganzglass, *Creating Postsecondary Pathways to Good Jobs for Young High School Dropouts: The Possibilities and Challenges*, Center for American Progress, October 2008, p. 6.

⁷Ibid, p. 14.

⁸Center for an Urban Future, "New York City's Disconnected Youth," in *Chance of a Lifetime*, May 2006, pp. 4-5.

⁹Op. cit., Harris and Ganzglass, p. 6.

employment. Youth will benefit from job-readiness and employment training, as well as experience in the workplace through activities such as job shadowing and internships, and career development.

To help youth achieve these goals, DYCD is preparing to release a request for proposals (RFP) for its OSY programs. Programming would be tailored to the needs and interests of individual participants and incorporate the elements and outcomes required by WIA.¹⁰ Compared to the last OSY RFP, this RFP will emphasize education skill gain, collaborations, and green-collar jobs. To improve program quality, DYCD will raise the minimum price per participant, allow more flexible subcontracting, and introduce higher staffing standards. These changes are described in detail below.

PROGRAM APPROACH

The purpose of OSY workforce development programs is to provide out-of-school youth with the skills necessary to build a successful career. DYCD aims to fund an integrated services model that embraces a holistic approach by addressing the educational, employment, and social service needs of youth participants. Specifically, DYCD's goals for youth in OSY programs are one of the following: placement in employment that has career potential, placement in an advanced occupational training program, or placement in postsecondary education that leads to an associate's degree or higher.

Youth Development – Program designs should reflect youth development principles that emphasize the cognitive, social, and behavioral competencies that help youth succeed as adults. Effective programs would offer services which are personalized and focus on developing the individual strengths and interests of each youth. In keeping with these principles, programs must also promote positive relationships among adult staff and youth participants and provide the support and follow-up services needed to address the range of challenges participants confront.

Comprehensive Services – Many youth face multiple challenges such as balancing work, school, and family; navigating the educational system; financial concerns such as childcare and transportation; as well as individual needs such as health and housing. In one study, failing in high school was cited by only 35 percent as the reason for dropping out. Youth also left because they needed to work, they were pregnant or parenting or they needed to care for another family member, not because they lacked the motivation to stay in school.¹¹ Programs would incorporate an intensive case management system that would include career and educational counseling, educational supports such as tutoring, and provision of social service supports either directly or through referral.

Collaborations – Successful outcomes for out-of-school youth require a wide array of educational, employment, and support services. DYCD has observed that the most successful current programs have developed ties with employers, training programs, or educational entities in order to provide the full complement of services needed. DYCD strongly encourages providers to enter into partnerships in which each entity takes responsibility for OSY program services that reflect its unique strength. For example, a contractor serving youth who do not have high school credentials could provide intensive GED preparation and partner with an accredited training provider or community college that offers occupational training in a high-growth area. Or the OSY contractor could develop a relationship with a college, employer, or training provider to effect high-quality placements for youth after they exit the OSY program.

PROGRAM COMPONENTS

There are two main OSY program components: educational services and employment services. Under the integrated services model, these two areas would be complementary. DYCD recognizes that while some providers may implement both components equally well, others may focus on only one. DYCD strongly encourages partnerships among providers that can offer complementary education and employment services. A proposer that intends to partner with another entity should include in its proposal a detailed plan to demonstrate how staff and resources from two or more organizations will be coordinated. The primary contractor would be responsible for WIA intake and eligibility determination, assessment, individual service strategies, and outcome reporting. The primary contractor would also

¹⁰For the Workforce Investment Act of 1998, 29 USCS 2801 et seq., go to <http://www.doleta.gov/usworkforce/wia/act.cfm>. See also <http://www.doleta.gov/usworkforce/wia/finalrule.txt>; Training and Employment Guidance Letter No. 17-05 at <http://wdoleta.gov/directives/attach/TEGL17-05.pdf>; and Training and Employment Guidance Letter No. 17-05 Change 1 at <http://wdr.doleta.gov/directives/attach/TEGL/TEGL17-05c1.pdf>.

¹¹Op cit., Harris and Ganzglass, p. 3.

coordinate basic skills remediation and work readiness and occupational training, as well as supportive and follow-up services.

Educational Services

Activities should enhance participants' basic educational skills in literacy and math, help participants achieve GEDs, and encourage participants to pursue post-secondary education. Since most youth seek out OSY programs in search of jobs, educational opportunities must be intertwined with employment services and flexible enough to enable youth to participate while working, for example through evening or weekend classes. The educational component would consist of pre-GED or GED instruction or college remediation classes complemented with tutoring and study skills training and incorporating alternative learning methods, such as project-based and computer-assisted learning. Academic skills instruction may be combined with vocational training. Woven throughout the program should be the message that college is an achievable goal. This message should be underscored by program offerings, which could include college remediation classes, college application and financial aid workshops, college tours, and speakers.

School to Career – Programs should help young people make the connection between education and a successful career. Out-of-school youth who have not graduated from high school should be encouraged to return to school. Alternatively they should be assisted in attaining the GED credential. Out-of-school youth who have attained a high school credential may still lack the skills needed for employment and will benefit from work readiness as well as vocational skills training. Recognizing that high school is the critical, but minimum credential, all youth should be encouraged to pursue post-secondary education or occupational training.

Making the connection between education and employment requires understanding the needs of employers. Employer input must inform the design and vocational training content of programs. Employers should be enlisted for job placements as well as to expose youth to employment opportunities through activities such as job shadowing and internships. By thus involving the employers, programs will create an iterative learning environment in which academic and employment skills are interwoven.

Postsecondary Pathways – There is a need for aggressive intervention to increase the postsecondary enrollment and success of out-of-school youth. Many GED recipients are not prepared for college. One study found that only 13 percent of those who entered with GEDs were fully proficient in basic skills at the time of enrollment and nearly 40 percent did not earn any college credits in their first term.¹² On the other hand, it was found that GED students who persist earn higher average grades than graduates of New York City high schools, although they lag in credit accumulation.¹³ Programs should implement innovative strategies to expand access to postsecondary education and vocational credentialing as well as to promote persistence. Many youth would benefit from intensive GED instruction that would reduce the time required to reach the threshold of postsecondary education. In one successful program model, students attend classes on college campuses in which they pursue mastery of academic and vocational skills simultaneously. Some programs provide the required college remediation courses prior to matriculation, thus reducing the tuition costs for those courses. Others group students in learning communities in which they travel together while pursuing the GED or navigating the first college courses and receive comprehensive supports which enhance their chances of success.

In all cases, youth should be encouraged to consider the possibility of college as an option. College enrollment could mean matriculation in a degree-granting program at a two-year or a four-year college or enrollment in an occupational training program offered on a college campus. As part of an ongoing assessment process, program staff would assist youth in determining which choice would best suit their needs.

Employment Services

Activities should provide job-readiness and occupational training, opportunities for relevant and meaningful experiences such as internships or job shadowing, business start-up and career development. Recognizing the “stop and start” nature of initial employment experiences, job placements and work-related experiences should be used as an opportunity for experiential learning. As participants gain experience, their goals for skills attainment and education credentials may shift. Flexible, individualized services should improve program retention and outcome

¹²CUNY Office of Institutional Research and Assessment, “College Readiness of New York City’s GED Recipients,” November 2008.

¹³Ibid.

achievement. Providers will be expected to work with participants to develop individual career plans that reflect long-term goals, including post-secondary education.

Providers will be required to demonstrate strong employer linkages to ensure that services and training directly reflect the needs of employers and lead to job opportunities for youth that expose them to career pathways. In addition, the technical or occupational skills attained must conform to standards developed or endorsed by employers and must result in the attainment of a recognized degree or certificate.

Occupational Training Areas – In a recessionary economy it is important to identify promising occupational fields for youth and target training to those areas. Occupational fields such as health, hospitality, and retail have traditionally held promise for disconnected youth because of labor demand, a variety of entry-level positions, and the potential for career progression. While these industries have experienced steep declines during this recession, the U.S. Department of Labor projects their overall growth over the next period.¹⁴ Among the top 30 occupations projected to grow the most during the period 2006-2016 are many within these three industries: registered nurses, food preparation workers, home health aides, nursing aides, waiters and waitresses, and medical assistants. One particularly promising area within the health field is medical records and health information, which offers higher than average job prospects, opportunity for career advancement, a living starting salary, and wide training availability.

One area of anticipated expansion is that of green-collar jobs. Five emergent industries that warrant attention due to labor demand and expected growth are transportation (mass transit, hybrid vehicles); energy (building retrofits, energy-efficient building maintenance, energy management, renewable energy, green roofs), urban forestry (park maintenance, tree planting, open space design, urban agriculture); green product development (green manufacturing, recycling); and environmental monitoring and remediation (brown-field remediation, indoor environmental quality treatment).¹⁵ Green enterprise is projected to be a key component in the Obama administration's economic recovery plan. For example, \$5 billion has been allocated for weatherization projects with New York State receiving \$404 million, the largest amount of any state. Weatherization funds must be obligated by September 30, 2010 and will impact job creation in the City.¹⁶ At the local level, Mayor Michael R. Bloomberg has developed a long-term agenda through PlaNYC¹⁷ to create a more sustainable City through parks development, building retrofitting, and waste management. Most recently he announced legislation to reduce greenhouse gas emissions from government, commercial, and residential buildings, projected to create 19,000 construction jobs over the next period.¹⁸

Current training providers, including The City University of New York's (CUNY) continuing education system, have recognized these trends, and many training courses in these occupational areas are available. OSY contractors should seek partnerships with providers who offer such trainings which provide some of the most promising career pathways for disconnected youth.

Required Program Elements

Recruitment and Enrollment – Providers will actively develop and implement an effective outreach and recruitment plan to identify and register eligible youth. Programs would outreach to schools and community organizations to engage potential program participants and work with parents and guardians to secure necessary documentation.

Assessment – As part of enrollment, providers will assess each participant to determine academic, work-readiness, and personal skills. Based on this assessment, providers will distinguish whether the most appropriate career development plan will include pre-GED or GED services, job placement, advanced training for an occupational certificate, or college matriculation and work with the participant to develop an individualized service strategy to accomplish both short-term and long-term goals.

Program Retention – Activities should engage youth and motivate them to remain in the program until successful completion. Additionally, the contractor may offer modest monetary incentives, including weekly stipends,

¹⁴See *Employment Projections, 2006-2016*, U.S. Department of Labor, Bureau of Labor Statistics, 2007, <http://www.bis.gov/news.release/ecopro.nr0.htm>.

¹⁵Urban Agenda, "Green Collar Sector Overview," <http://www.urbanagenda.org/roundtable2.htm#sectors>.

¹⁶New York State Recovery Web site: www.recovery.ny.gov.

¹⁷ See <http://www.nyc.gov/html/planyc2030/html/home/home.shtml>.

¹⁸Press Release, "Mayor Bloomberg and Speaker Quinn Announce Major Package of Legislation to Create Greener, Greater Buildings Plan for New York City," April 22, 2009, <http://www.nyc.gov/portal/site/nycgov/menuitem.c0935b9a57bb4ef3daf2f1c701c789a0/in...>

transportation allowances, or achievement awards, which would be budgeted into the program. Non-monetary incentives, such as tickets to special events, merchandise, or gift certificates from local merchants, may also be provided. Recognition ceremonies for milestone achievements can bolster the confidence of participants and encourage them to complete the program.

Employer and Education/Training Linkages – Providers will be expected to demonstrate employer linkages through written agreements specifying the contributions the employers will make to the program. Employers should be involved in several aspects of OSY programs. For example, employers may provide input into both educational and skills training curricula, participate in program activities such as mentoring, job shadowing, and mock interviews, and provide participants with access to the workplace through internships or job placements. In turn, the provider will commit to extensive follow-up services, including regular communication with employers who have hired program participants.

Providers will be encouraged to establish linkages with postsecondary educational institutions, such as community colleges, and occupational training providers, to augment their educational services.

Support Services – The integrated services model for OSY requires strong case management and comprehensive guidance and counseling. Support services should address areas such as health, housing, child care, and legal services. These services may be provided directly or through referrals to other organizations; however, support services are best delivered on site whenever possible. Other support services may include assistance with transportation, proper work attire, and work tools, substance abuse counseling, and support groups. Mentoring relationships, such as those established with adult program staff members, should also offer individualized support for youth participants. All referrals to services, whether provided on site or by an outside agency, must be tracked by the provider.

Follow-Up Services – Programs will employ a dedicated staff person to provide participants with at least 12 months of follow-up support after program exit. The last year of a renewal term will be for follow-up services only.

Follow-up services should be rich enough to provide ongoing support in educational and employment placements. Providers will serve as a resource to identify and address issues that arise for participants, employers, and educators in those placement settings. In addition, providers will be expected to assist with promotions and additional job placements as needed, help youth realize their educational goals, and counsel youth in long-term education and career planning. Providers will be required to report on the follow-up services that participants receive and their results.

Program Parameters

Funding and Contract and Program Duration – The total funding available for WIA programs is uncertain and will depend on WIA reauthorization and federal budget deliberations. Nevertheless, DYCD anticipates awarding approximately 25 contracts, with programs in each of the five boroughs. It is also anticipated that the term of the contracts awarded from this RFP will be three years, from July 1, 2010 to June 30, 2013, with an option for DYCD to renew for up to three additional years. The programs will operate year-round, with each participant receiving up to 12 months of direct services and 12 months of follow-up. Services should be offered during the daytime, as well as in the evenings and on weekends, to accommodate participants' employment and internship placements.

Subcontracting – Subcontracting is allowed up to 45 percent of the total program budget.

Target Population – The target population for OSY programs is low-income youth between the ages of 16 and 21 who have barriers to obtaining and keeping employment or completing an educational program as defined by WIA and who are not attending school.

Contractor Qualifications – For-profit and not-for-profit organizations are eligible for contract award.

Staff – Each provider will retain, employ, or subcontract for at least the following:

- a full-time program director, dedicated solely to the OSY program;
- a staff member with a four-year degree and education credentials;
- a placement specialist with a four-year degree and applicable experience to develop jobs or assist with college/occupational training placements or both, as appropriate for the program; and

- a staff member who is a certified social worker, credentialed counselor, or other certified mental health professional.

Per Participant Cost – The recommended per-participant cost ranges from \$7,500 to \$10,000. Higher per-participant rates will be considered based on the proposer’s justification.

Performance Measures and Contract Payment Tied to Performance

Payment Structure – It is anticipated that the payment structure of the OSY contracts will be based on line-item budget reimbursement with 15 percent payable only upon achievement of the three performance milestones specified below. It is also anticipated that performance-based payments will be tied to a portion of each contractors’ participants attaining the milestones, each of which is worth 5 percent of the total performance-based payments.

- Placement in employment or the military or enrolled in postsecondary education and/or advanced training/occupational skills training in the first quarter after exit;
- Placement in employment or the military or enrolled in postsecondary education and/or advanced training/occupational skills training in the third quarter after program exit (does not have to be the same placement as the first quarter placement); and
- Attainment of a credential or degree (including a GED) or certificate (as defined by the USDOL/ETA¹⁹), at any point from registration in the program until the end of the third quarter after program exit.

WIA Measures – DYCD may adjust the performance outcome measures to reflect any changes required by WIA regulations. Currently, these regulations require reporting on the following three measures, more completely described in the attached appendix:

- Placement in employment or education
- Attainment of a degree or certificate
- Literacy and numeracy gains

Planned Method for Proposal Evaluation

It is anticipated that proposals will be evaluated pursuant to evaluation criteria set out in the RFP. These will include the quality and quantity of successful relevant experience, demonstrated level of organizational capability, and quality of proposed program approach and design.

Anticipated Procurement Timeline

It is anticipated that DYCD will issue the OSY RFP in the Fall of 2009.

Conclusion

This paper outlines DYCD’s initial conception of OSY workforce development programs to be selected through the forthcoming DYCD OSY RFP. DYCD invites public comment on this document.

Please provide comments by email to Conceptpaper@dycd.nyc.gov no later than July 24, 2009. Comments may also be mailed to:

Nancy Russell
Department of Youth and Community Development
156 William Street, 2nd Floor
New York, New York 10038

¹⁹USDOL/ETA, “Training and Employment Guidance Letter,” (TEGL), 17-05.

APPENDIX

WIA Performance Measures

- 1. Placement in Employment or Education** – *Of those who are not in post-secondary education, employment, or the military at the date of participation:*
The number of participants who are in employment or the military or enrolled in post-secondary education and/or advanced training/occupational skills training in the first quarter after the exit quarter divided by the number of youth participants who exit during the quarter. (Participants who are in secondary school at exit are included in this measure.)
- 2. Attainment of a Degree or Certificate** – *Of those enrolled in education (at the date of participation or at any point during the program):*
The number of participants who attain a diploma, GED, or certificate by the third quarter after exit divided by the number of youth participants who exited. (Participants who are in secondary school at exit are included in this measure.)
- 3. Literacy and Numeracy Gains** – *Of those out-of-school youth who are basic skills deficient (at or below the eighth grade level in math or English):*
The number of participants who increase one or more educational functioning levels (in any area), divided by the number of participants who have completed a year in the program plus the number of participants who exit before completing a year in the program. (Participants who are not basic skills deficient are excluded from this measure. Participants who are in secondary school are excluded from this measure.)