

Forum Brief – Dropout Recovery as a Local Economic Development Strategy

A Forum Co-Sponsored by the American Youth Policy Forum and the National League of Cities Institute for Youth, Education, and Families– September 8, 2006

Every nine seconds a student drops out of school. One-third of American students become high school dropouts. Only half of all African American, Latino, and Native American students ever graduate. Fifty-five percent of young adults without a diploma are employed, compared to 74% of high school graduates and 87% of four-year college graduates. Dropouts are 3.5 times more likely to be incarcerated than high school graduates and are much more likely to rely on public assistance than those with a high school diploma. The cost to the public of their crime and welfare benefits is estimated to total \$24 billion annually in the United States. Increasingly, local leaders are recognizing the need to see all of their young people as future contributors to their communities—and the extreme costs of failing to educate all youth.

Andrew Moore, Senior Consultant to the National League of Cities' Institute for Youth, Education and Families (NLC-IYEF) provided an overview of findings from a forthcoming publication on cross-system efforts to re-engage disconnected youth in nine U.S. cities. The League is focusing on disconnection – from caring adults, school, work and community – because it greatly increases chances that youth will be diverted from a healthy development of career, family formation, and adult life. The two-year NLC-IYEF study focuses on nine cities: Albany, NY; Baltimore, MD; Boston, MA; Philadelphia, PA; Corpus Christi, TX; San Diego, San Francisco, and San Jose, CA. As in many cities, youth in these communities face issues such as truancy, homelessness, gangs, violence, substance abuse, crime, high recidivism rates, and suicide.

NLC-IYEF believes cross-system collaboration is a crucial strategy because it addresses the complex and systemic nature of the problem, the need to combine human and financial resources, and the importance of coordinating the work of multiple agencies working with young people and their families. Municipal leaders can facilitate collaboration with counties, school districts, foundations, and businesses by articulating a vision and championing the issue in their communities; convening multiple stakeholders and providers; commissioning research and other data collection; and co-financing efforts.

Moore described key funding streams, often under municipal control, which can be coordinated to support programming for disconnected youth, such as: Community Development Block Grant funds; funding for housing, homelessness, and health; law enforcement block grants; workforce (Workforce Investment Act [WIA] and Temporary Assistance for Needy Families [TANF]) funds; general revenue; and state grants. Mayoral leadership can also use “leadership influence” to help coordinate use of funding streams for child welfare, education, and juvenile justice.

Successful collaboration requires a clearly defined lead agency or intermediary. In Philadelphia, the Department of Human Services has taken on this role; in Corpus Christi it is the Parks Department, and in San Jose, the Mayor's Gang Prevention Task Force takes the lead. Successful collaboration also requires data sharing and accountability structures.

Deborah Feldman, Montgomery County Administrator for Montgomery County, OH, and **Karen Sitnick**, Director, Mayor's Office of Employment Development in Baltimore, MD, provided overviews of their communities' efforts to reconnect out-of-school youth. Feldman and Sitnick described why they believe communities should be concerned with re-engaging disconnected youth, the results achieved in their communities, and federal, state, and local policy obstacles to serving this population.

Feldman described Montgomery County's economic and social landscape. The County is an industrial community struggling to sustain itself in the wake of losing manufacturing jobs to overseas providers. In Dayton, the county's main jurisdiction, 23% of 18-24 year-olds have no high school diploma or GED. When Feldman became Administrator in 1997, two-thirds of the county's budget was going toward criminal justice and related services, with many of these resources only targeted to young people *after* their release from jail. Feldman realized that "no one was responsible for dropouts until they committed a crime or had a baby."

Feldman collaborated with leaders in the business and education communities and criminal justice systems to create the Montgomery Out-of-School Youth Task Force, which developed recommendations to guide the county's plans for dropout recovery. In light of existing efforts within the schools to prevent dropouts, the task force decided to focus on recovery. The task force worked to establish alternative pathways to degree completion that did not necessarily involve returning students to the schools they had left (which represented little other than failure to these youth). The task force recommended a system to serve out-of-school youth which:

- Offered small, personalized programs emphasizing relationships with caring adults and career opportunities leading to long-term employment
- Mobilized the entire community
- Included funding that followed the student out of traditional school into alternative programs, with such funding being based on performance
- Asked the State of Ohio to dedicate funding for out-of-school youth
- Recognized the Workforce Development Policy Board as having responsibility for continued focus on long-term strategies
- Recognized the Montgomery County Family and Children First Council as having responsibility for working with at-risk students on issues of truancy/chronic absenteeism, retention, assessment, providing program choice, adult support, and career exploration
- Included an annual report card to the community

The task force turned to Sinclair Community College, an organization with tremendous credibility in the government and business sectors and the wider community, as well as existing infrastructure, to support the development of the Fast Forward Center (FFC), a referral center for out-of-school youth. The FFC serves young people ages 15-21 and is funded by federal Temporary Assistance for Needy Families funds, the state of Ohio, gifts and pledges, Montgomery County, Sinclair Community College, and a 21st Century Community Learning Center Grant.

In order to access state education funds, the task force built upon existing charter schools to serve out-of-school youth and also created several new ones.

Between 1999, when the task force began, and 2004, Montgomery County's dropout rate has been cut in half – from 25% to 12%. In addition, the FFC has been recognized as a Model Program in Career and Technical Education by the National Dropout Prevention Network.

Sitnick explained that out of Baltimore's approximately 80,000 youth ages 16-24, half are not in school. Of this number, half do not have a diploma or GED and half are unemployed. Approximately 4,000 students drop out of school each year in Baltimore City. Twenty thousand young people who could and should be employed in Baltimore's labor force are not. This problem is particularly urgent because in the coming decade the city is expected to produce many new high quality job opportunities in health care, the military, and biotechnology.

Taking the lead from the 1994 School to Work Opportunities Act, the Mayor's Office of Employment Development made it a priority to support workforce transition for all students. To do this, the Office formalized a Youth Provider's Network made up of over 50 youth providers, community based organizations, and local and state agencies, such as Career Academy, Living Classrooms Fresh Start, Civic Works, Job Corps, and Chesapeake Youth Center. The Network sponsored conferences and provided technical assistance, published newsletters, and established cross referrals between city agencies, community-based organizations, human services, and schools. The Office also partnered with the local school district to explore ways that school funding could follow students out of school into alternative programs.

In 1999, the U.S. Department of Labor made a significant commitment to out-of-school youth by announcing the Youth Opportunity Grant program (YO). The city secured a grant of \$44 million to further develop its own system. Specifically, the city formalized protocols for recruiting and serving out-of-school youth, established a Youth Practitioners Training Institute, crafted contracts, and set benchmarks and goals. The three central goals were to increase labor market skills and secure employment, raise educational attainment rates, and fully tap youths' potential for becoming productive and self supporting citizens.

Baltimore's Youth Opportunities system offered a comprehensive list of services, including:

- Advocacy & mentoring
- Individualized career planning
- A range of educational options: pre-GED, GED, credit recovery, HS diploma, and college entry
- Workforce readiness and skills training and job opportunities
- Mental and physical health services
- Recreation and cultural enrichment
- Peer support groups
- A broad network of partnering organizations

Baltimore has conducted a thorough outcome evaluation in order to determine the return on the YO grant investment in their city. The study compared participants and non-participants of similar demographics; looked at employment, earnings, academic gains and credentials, teen pregnancy, juvenile crime; and surveyed employers to gauge work readiness. The evaluation

documented significant improvements in outcomes due to the following key structural features of the Baltimore YO system:

- Strong collaboration and resource sharing
- Links to workforce via high growth industries
- Consistency in case management, reports, accountability, and referral protocols
- A Youth Practitioners Training Institute
- Continuous quality improvement
- Marketing outcomes to local businesses
- Significant support from Mayor O'Malley, who supported Baltimore's YO system with a \$3 million grant after the DOL grant expired, and encouraged interagency YO support between the Baltimore's Departments of Health, Recreation & Parks, Social Services, and Police

Highlights from the Question and Answer Session

Feldman explained that while the WIA has ambitious goals, its implementation guidelines have been very restrictive for Dayton. Temporary Assistance for Needy Families funding, in contrast, has been flexible and facilitated collaboration with other youth providers. Summer youth programs, for example, were funded entirely through TANF, whereas WIA does not fund summer programs. Sitnick mentioned that Baltimore has had trouble accessing WIA funds and that there has been a 45% decrease in WIA funding.

Both Feldman and Sitnick suggested that collaboration between the Departments of Labor and Education could make flexible federal funding more accessible to municipalities. They also suggested that the Department of Education offer financial incentives for schools, which often feel under attack during discussions about funding alternative education, to collaborate with alternative providers.

Presenter Bios

Deborah A. Feldman has served as Montgomery County's Administrator since June, 1997. With a total of almost 25 years of service to Montgomery County, Ms. Feldman has been involved with all aspects of county government, having served as Assistant Administrator, Human Resources Director, and Financial Analyst in the county's Office of Management and Budget. As county administrator Ms. Feldman serves, under the direction of the Board of County Commissioners, as the chief administrative officer of the county and is responsible for the effective administration of all commission departments.

Ms. Feldman has been a leader in many critical community issues including serving as chairperson of the Montgomery County Out-of-School Youth Task Force which focused on the problem of high school dropouts in Montgomery County. She has remained a strong advocate for young people at risk, presently serving as the Chair of the Out-of-School Youth Advisory Committee. Through the efforts of the Out-of-School initiative in cooperation with area school districts, Montgomery County has seen its overall dropout rate decline from 25% in 1999 to 12%

in 2006. Ms. Feldman also chairs the Homeless Solutions Leadership Team, created to develop a ten-year plan to end chronic homelessness and reduce overall homelessness in Dayton and Montgomery County.

Ms. Feldman has received the YWCA Women of Influence Award and the Dayton Daily News Top Ten Women Award.

Andrew Owens Moore is a Senior Consultant to the National League of Cities' (NLC) Institute for Youth, Education and Families. Currently, he leads NLC's efforts to establish the Municipal Network on Disconnected Youth as an information hub and source of assistance for cities seeking to re-engage older youth who have become disconnected from school, work, and the community. On NLC's Municipal Leadership for Expanding High School Options and Alternatives project, he is coordinating technical assistance to five cities and helping develop and support joint policy strategies among the network of intermediaries that comprise the Alternative High School Initiative. Earlier, Mr. Moore spent 15 years building the nationwide network of service and conservation corps and one year as an Atlantic Fellow in Public Policy in the United Kingdom. He holds degrees from the University of Pennsylvania and Princeton University.

Karen Sitnick was appointed Director of the Mayor's Office of Employment Development (MOED) in March 2000. She is a member of the Mayor's Cabinet, serving on the Mayor's Human Services and Economic Development Committees. Ms. Sitnick is also serving her second term as president of the Maryland Workforce Development Association, a consortium of the state's 12 local workforce investment areas. As director of MOED, Ms. Sitnick is responsible for administering a \$20 million budget and guiding approximately 250 city employees in the implementation of workforce development initiatives responsive to the needs of Baltimore's businesses, citizens and youth. MOED oversees a variety of workforce development programs for businesses and jobseekers. The agency provides grant funds for businesses to participate in customized training for new employees and to upgrade the skills of their incumbent workers. MOED's menu of services for jobseekers includes workplace readiness, career counseling, job-specific skills training, job placement and retention. A large number of programs for youth are also offered by MOED, ranging from the YouthWorks Summer Jobs program, a dropout prevention program called FUTURES and the Youth Opportunity program, a comprehensive youth development program for thousands of out-of-school young people from Baltimore's most impoverished neighborhoods.

A long-time youth advocate, Ms. Sitnick co-founded the development of Baltimore's newest Innovation High School, the Academy for College and Career Exploration, which is operated by MOED in partnership with The Johns Hopkins Institute for Policy Studies. This new public high school opened in September of 2004 and combines challenging academics with internships, work, and college experiences.

Ms. Sitnick has over 20 years of experience in employment and training, spanning a wide range of hands-on and administrative positions. She currently serves on and provides direct support to the Baltimore Workforce Investment Board and is a board member of the Governor's Workforce Investment Board, the Maryland Institute for Workforce Excellence, the Baltimore City Foundation and the U.S. Conference of Mayors' Workforce Development Council.

This brief summarizes an American Youth Policy Forum that took place on September 8, 2006 on Capitol Hill, reported by Jedd Cohen.

The American Youth Policy Forum (AYPF), a nonprofit, nonpartisan professional development organization based in Washington, DC, provides learning opportunities for policy leaders, practitioners, and researchers working on youth and education issues at the national, state, and local levels.

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