

**Hearing on Opportunities for Youth and Young
Adults to Break the Cycle of Poverty**

HEARING

BEFORE THE

SUBCOMMITTEE ON HUMAN RESOURCES

OF THE

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED FIFTEENTH CONGRESS

FIRST SESSION

MAY 17, 2017

Serial No. 115-HR03

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**Hearing on Opportunities for Youth and Young Adults to Break the Cycle of
Poverty**

U.S. House of Representatives,
Subcommittee on Human Resources,
Committee on Ways and Means,
Washington, D.C

WITNESSES

Gerald Chertavian

Founder and CEO, Year Up

Jameela Roland

Graduate, Year Up

Martrice Manuel

Senior Program Director, Youth Scholars, Skills, and Services

Cheryl A. Oldham

Vice President of Education Policy, U.S. Chamber of Commerce



WAYS AND MEANS

CHAIRMAN KEVIN BRADY

Chairman Smith Announces Human Resources Subcommittee Hearing on Opportunities for Youth and Young Adults to Break the Cycle of Poverty

House Ways and Means Human Resources Subcommittee Chairman Adrian Smith (R-NE) announced today that the Subcommittee will hold a hearing entitled “Opportunities for Youth and Young Adults to Break the Cycle of Poverty” on **Wednesday, May 17, at 10:00 AM in 2020 Rayburn House Office Building**. This hearing will highlight innovative approaches to helping vulnerable youth transition into adulthood and move up the economic ladder.

In view of the limited time to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to make a submission, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Wednesday, May 31, 2017**. For questions, or if you encounter technical problems, please call (202) 225-3625.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any materials submitted for the printed record, and any written

comments in response to a request for written comments must conform to the guidelines listed below. Any submission not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

All submissions and supplementary materials must be submitted in a single document via email, provided in Word format and must not exceed a total of 10 pages. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. The name, company, address, telephone, and fax numbers of each witness must be included in the body of the email. Please exclude any personal identifiable information in the attached submission.

Failure to follow the formatting requirements may result in the exclusion of a submission. All submissions for the record are final.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available at <http://www.waysandmeans.house.gov/>

OPPORTUNITIES FOR YOUTH AND YOUNG
ADULTS TO BREAK THE CYCLE OF POVERTY

Wednesday, May 17, 2017

House of Representatives,
Subcommittee on Human Resources,
Committee on Ways and Means,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:00 a.m. in Room 2020, Rayburn House Office Building, Hon. Adrian Smith [Chairman of the Subcommittee] presiding.

*Chairman Smith. The subcommittee will come to order.

Good morning, and welcome to today's hearing on opportunities for youth and young adults in seeking to break the cycle of poverty.

There is an alarming trend happening in this country -- 1 in 7 16- to 24-year-olds in the U.S. are not in school and are not working. This totals more than 5.5 million youth nationwide. Most concerning, these young people are not entering the workforce at a time when the national unemployment rate is now 4.4 percent, and the economy is making some progress.

By failing to get started in the workforce when we know jobs are available, these young people are putting themselves at a disadvantage from the get-go. Workers who do not graduate from high school face higher rates of unemployment, regardless of economic conditions, dwindling job prospects, and lower lifetime earnings.

We also know unemployment disproportionately affects minorities who account for some of our country's fastest-growing population. Without gainful employment and the ability to build a career, the consequences are dire for these young people and their families. Many will have significant difficulties gaining the skills and knowledge to attain self-sufficiency, putting them and their children at risk of falling into a life of poverty and the need for long-term government support.

The risks of not addressing this trend are also critical for American businesses, which have millions of job openings but are unable to find skilled and talented employees to hire. Our economy cannot grow if it cannot rely on American workers to produce

While this Subcommittee works day in and day out to help people move from welfare to work, we often focus on the adults already within the system receiving benefits from programs like Temporary Assistance for Needy Families or Unemployment Insurance. But what if we focused on what works in helping young people before they ever have to set foot into an unemployment or welfare office?

While there are dozens of major federal programs dedicated to helping these youth, from job training and education to social services and juvenile justice, we have not seen major improvements in desired outcomes such as program completion, improved wages, or increased self-sufficiency.

Sometimes it is because the government-directed solution does not address the strengths of the participants. For youth who struggled in high school, dropping them on the doorstep of a 4-year university may not be the best solution.

The Government Accountability Office has written multiple reports on these programs, identifying duplication, poor employment outcomes and educational attainment, and lack of coordination for youth seeking these services. Today the GAO is releasing yet another report detailing very low participation in the numerous work incentive programs offered to young adults transitioning off the Supplemental Security Income, or SSI, program.

Less than 1-1/2 percent of SSI youth participate in the largest of SSA's work incentive programs, the student earned income exclusion, which permits children receiving SSI to attempt work without being concerned about their eligibility status or benefit amount.

In addition, few, if any, youth on SSI receive vocational training and education services offered by the Department of Education, despite recent changes to the law requiring them to focus on this population.

This is why we are here today -- to discuss innovative program and partnerships which are addressing this trend and providing young people transitioning into adulthood with the necessary skills and support to find work and climb the economic ladder.

One such example is The HUB located in Lincoln, Nebraska, which provides a central access point for young adults. The HUB assists 16- to 24-year-olds, often without a high school diploma, transitioning into adulthood who are disconnected from their family and their community. It provides a 16-week hands-on program known as Project HIRE, which addresses potential barriers to employment and gives youth the problem-solving skills needed to address situations as they arise. The HUB then helps these young people attain employment and provides support along the way to ensure success.

We know the best way to reduce poverty is through work and work-related experiences, such as on-the-job training and employer-sponsored internships and apprenticeships. These experiences not only provide occupation skills training for

available jobs, but they also help in growing an individual's network, improve soft skills, and build resumes.

Instead of counting 5.5 million young people out, our focus needs to be on innovative approaches, which help these opportunity youth find private sector employment and career development.

Today I am excited to learn from our witnesses about how their evidence-based practices, which focus on results, highlight how the private sector can help in leading these efforts and provide a roadmap to improving young people's outlook on the future.

I now yield to the distinguished ranking member, Mr. Davis, for the purposes of an opening statement.

*Mr. Davis. Thank you very much, Mr. Chairman, and I, too, want to thank all of our witnesses for coming to share with us this morning.

Across America, nearly 5 million young people are disconnected, not working, and not in school. In my congressional district in Chicago, almost 17,000 young people, 17 percent of youth between ages 16 and 24, are not working or going to school. The rate is even higher for young African American men.

In 2014, nearly half of African American men between the ages of 20 and 24 in Chicago were disconnected from both school and work. Just as in a rural district like Chairman Smith's, some of these young people are dealing with serious issues like disabilities, substance abuse, mental and physical health challenges, and caregiving responsibilities.

But many others are struggling with less visible challenges -- communities with fewer role models and fewer jobs, a lack of skills and a lack of confidence that they can acquire skills to get good jobs. Those youth that drift in the wind, if we don't catch them and anchor them to our communities and our economy, many of them will go from struggling youth into struggling adults, with higher unemployment rates, lower wages, and more physical and mental health problems.

The problem is complicated, but some successful organizations, including some represented at our witness table today, are finding that the solution is difficult but simple. Reach out a hand to these youth, believe in them, and help them to believe in themselves. And, most importantly, stay with them and help them tackle all the challenges they are facing.

The question for us today is, how can our subcommittee support this good work? How can we empower our communities to do more of it?

At least 17 states use a portion of their social services block grant funds for programs to serve at-risk youth. In my State of Illinois, the SSBG funds a significant investment in

support for pregnant and parenting teens, as well as an at-risk youth program intended to keep young people out of the juvenile justice system.

The social services block grant can be part of the solution. Our committee has worked hard on a bipartisan basis to help children avoid foster care when possible, and to do better by those who do need to be in care. Older foster youth become disconnected at high rates, especially a year or two after their foster care ends.

Our child welfare programs can be part of the solution, helping these young people build social capital they need to become successful adults. More than 1/4 of parents served by the Temporary Assistance for Needy Families program, or TANF, are under age 25, and most of them are not engaged in school or work. Youth over age 20, who are considered adults by TANF, are especially struggling. Improvements to TANF can be a part of the solution.

And, of course, at our most recent hearing, we heard about the impressive work evidence-based home visiting programs are doing to support teen parents. MIECHV is part of the solution.

We have an opportunity to make a real difference for today's youth and tomorrow's adults. I look forward, Mr. Chairman, to working with you and our colleagues to find and explore opportunities to take action and support solutions that work.

Again, I thank you very much for holding this hearing, and yield back the balance of my time.

*Chairman Smith. Thank you. Without objection, other members' opening statements will be made a part of the record.

I certainly want to thank our witnesses, welcome our witnesses, and all those participating and observing here today. Grateful for your input and your offering of solutions.

As we know, in Washington, too often it is real easy to cite what the problem is, and yet finding the right solutions and moving forward on those I think are certainly what we want to focus on, and certainly appreciate your bringing your expertise here into the room today.

I would like to welcome, again, our witnesses, so we have Mr. Gerald Chertavian. Am I saying that right?

*Mr. Chertavian. You are.

*Chairman Smith. You know, my last name being Smith, I am a little challenged by maybe sometimes even Jones.

But we also have Ms. -- Mr. Chertavian is founder and CEO of a program called Year Up, and we also have, as evidence perhaps of a successful program, as a graduate of Year Up, Ms. Jameela Roland. Welcome. Thank you for being here.

We also have Mr. Martrice Manuel, senior program director with Youth Scholars, Skills, and Services. And also Ms. Cheryl Oldham, vice president of education policy at the U.S. Chamber of Commerce.

Witnesses are reminded to limit their oral statements to 5 minutes. You will see the light there on the table there. Once it turns yellow, you want to bring that plane in for a landing, a safe landing of course, but we certainly appreciate your being here.

We will begin with Mr. Chertavian. You may begin.

STATEMENT OF GERALD CHERTAVIAN, FOUNDER AND CEO, YEAR UP

*Mr. Chertavian. Thank you, Chairman Smith, Ranking Member Davis, and all members of this Committee, for your kind invitation to testify today. My name is Gerald Chertavian. I am the founder and CEO of Year Up, which is now the nation's largest and fastest-growing youth-serving program started in this century.

I would like to begin today by describing the talent crisis that is currently facing our country. Across America, as we have just heard, more than 5 million young adults called "opportunity youth" are out of school and out of work, unable to find a path to self-sufficiency or a family-sustaining wage.

This represents 1 out of 7 of all young adults and 1 out of 5 young adults of color, and it costs our nation \$97 billion in lost revenues and increased social services. And, at the same time, we are projecting 12 million American jobs will go unfilled over the next decade, simply because employers can't find the skilled talent they need for the 21st century economy.

This paradox is the result of a market failure. Our education and training systems are increasingly out of touch with employers' needs and out of reach for young people. Correcting this failure is both a moral imperative and an economic necessity.

To give you a sense of what this opportunity looks like, this opportunity divide looks like I would like to share with you a story of one of our graduates named Greg Walton. Ten years ago, Greg was sitting in the South Bay Correctional Facility in Boston. He was in the wrong place at the wrong time and was sentenced to a year in prison.

Having grown up in foster care, without a stable home, you can imagine how limited Greg's opportunities were upon release from prison. But his story didn't end there. Today Greg is a technology executive at the Massachusetts Institute of Technology. He has worked there for the past 9 years and recently received the 2017 MIT excellence award, one of the highest honors awarded to staff at MIT.

Greg is also a homeowner, a taxpayer, a loving husband, an extremely doting father of 2 beautiful children. I saw him recently and he told me -- and this really stuck with me -- he said, "Gerald, I don't think you will ever understand how it feels to carry our children over the threshold of the home that we bought with our hard-earned money, and to tuck those children into a bed that they will never be without."

Now, Greg's story shouldn't be viewed as exceptional. It actually should be viewed as what is possible when we provide deserving young adults with a hand up, not a handout.

Seventeen years ago, I sold my technology business to a public company and founded Year Up. The mission was simple: in 1 year to move low-income young adults from poverty to a professional career. We serve that mission through the market.

First, we work with leading employers like State Street, Microsoft, Bank of America. We understand what their needs are for entry-level skills.

Second, we provide students with an intensive 6 months of training in both professional skills and technical skills, followed by a 6-month internship with those companies, at the end of which they are now prepared to work full-time. The results: 91 percent of our graduates are employed -- are working or in school full-time within 4 months, making an average of \$38,000 a year.

Now, this is a demand-driven approach, and our partners now use our program as a source of reliable, relevant, and valuable talent across this country. State Street Corporation has hired 500 of our young adults already and committed to hire another 500; 1,000 low-income folks from the most isolated pockets of poverty in Boston in working and livable wage jobs. One company.

Our program model has been proven through gold standard evaluation. In fact, the CEO of the firm that conducted our first randomized control trial said these were the most exciting evaluation results he has seen in youth employment in 20 or 30 years, and the first to show a really substantial earning gain. We are committed at Year Up to rigorous evaluation because if we are not putting our young adults on a path to a W-2 that grows over time, we are not serving them well.

Our program is successful because of several factors. We focus on outcomes, not efforts. So through our market mechanisms, we ensure employers' needs are met and young people's needs are met.

Second, we use rigorous evaluation and are committed to constantly learning and pushing forward that learning.

And, third, we believe that talent is distributed evenly in America while opportunity, unfortunately, is not. And we value those young adults as economic assets and not social liabilities.

Ranking Member Davis, thank you for your continued support, for funding programs that train workers to meet local employer demand. We appreciate the committee's work to update and align public assistance provisions in programs such as TANF, social service block grant, and foster care.

I would like to commend the committee's success last year in reporting out, passing in the House, the bipartisan SIPPRA Act. On behalf of Year Up, thanks for this opportunity. We greatly appreciate it.

**STATEMENT OF
GERALD CHERTAVIAN
FOUNDER AND CEO, YEAR UP**

**BEFORE THE
HOUSE COMMITTEE ON WAYS & MEANS
SUBCOMMITTEE ON HUMAN RESOURCES**

MAY 17, 2017

Subcommittee on Human Resources
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

Thank you Chairman Smith, Ranking Member Davis, and all members of this committee for your kind invitation to testify before your hearing on Opportunities for Youth and Young Adults to Break the Cycle of Poverty.

I would like to begin today by describing the talent crisis currently facing our country. Across America today, nearly six million young adults – called Opportunity Youth – are out of school and out of work, unable to find a path to self-sufficiency or a family-sustaining wage. Yet at the same time, a projected 12 million American jobs will go unfilled over the next decade simply because employers can't find the skilled talent they need for the 21st century economy. This paradox is the result of a market failure: our education and training systems are increasingly both out of touch with employers' needs and out of reach for young adults. Correcting this failure is both a moral imperative and an economic necessity.

To give you a sense of what this Opportunity Divide looks like, I'd like to share with you the story of Greg Walton. Ten years ago, Greg was sitting in the South Bay Correctional Facility in Boston. He was in the wrong place at the wrong time, and was sentenced to a year in prison. Having grown up in the foster care system and without a stable home, you can imagine how limited his opportunities were upon his release. But his story didn't end there. Today, he is an IT Service Provider at MIT, where he has worked for the past ten years. I saw him recently, and he told me "Gerald, I don't think you'll ever understand how it feels to carry my son across the threshold of a home I bought with my hard-earned money and tuck him into a bed that I know he'll never be without." Greg's story illustrates what is possible when we give deserving young adults a hand up, not a hand out.

Seventeen years ago I founded an organization called Year Up to give young adults like Greg that hand up. Year Up's mission is to close the Opportunity Divide by providing low-income young adults with the skills, experience, and support that will empower them to reach their full potential through careers and higher education. We serve this mission through the market: first, we work with leading employers like State Street Corporation, JPMorgan Chase, Salesforce, LinkedIn, Bank of America, and Microsoft to understand their entry-level hiring needs. Then, through a one-year intensive program, we equip Opportunity Youth with market-relevant technical skills and professional "soft" skills that employers look for, and provide these young adults with an internship with these employers. Our graduates complete the program ready to begin employment immediately within these companies, and they permanently cross the Opportunity Divide. I am joined today by Jameela Roland, who graduated from Year Up Puget Sound earlier this year, and who will soon share more about her journey of becoming a Microsoft employee.

Our program works through close alignment with the needs of the labor market. Employers contribute nearly \$25,000 to host an intern through Year Up, which they view as an investment in a pipeline of skilled and diverse talent – and indeed many of our partners have integrated Year Up into their hiring practices, taking hundreds of interns per year to meet their talent needs. We also co-locate our program within community colleges, gaining access to their instructors and resources while providing these institutions with a stronger connection to their labor market.

This approach has been proven to deliver unparalleled results for our graduates; one of our randomized control evaluators described our outcomes as “the most exciting evaluation results we’ve seen in youth employment in 20 or 30 years – and the first to show a really substantial earnings gain.” We are committed to rigorous evaluations of our program because if we are not putting our graduates on a path to a W-2 that grows over time, we are not effectively serving our mission. I serve as the chairman of a community college in Boston, and I know many of my colleagues in the higher education system know that our education and training systems need to take a different approach if our country is to remain economically competitive in the 21st century.

To be clear, our American education and workforce systems are not adequately preparing young adults for success in the labor market or to meet the human capital needs of business. These education and workforce market failures threaten not only the dignity of America’s youth but also our nation’s economic prosperity, and are perpetuated by:

- **Poor perceptions of youth.** Opportunity Youth are not seen as a source of talent for businesses.
- **Ineffective program designs.** Outmoded learning methods with limited connection between training programs and employer demand.
- **Compliance orientation.** Education and workforce systems are compliance-oriented and prioritize inputs and participation over skill acquisition or labor market outcomes.
- **Barriers to working.** Employment barriers stand as significant obstacles to many youth living in poverty from fully entering and finding success in the labor market.

Creating more opportunity for America’s youth requires dramatic reforms to our education and workforce systems. I’d like to share three recommendations with you that could help transform education and workforce systems so that they become more responsive to employer needs and more effective at providing Opportunity Youth skills that have real currency in today’s labor market.

1. Align Federally Supported Workforce Investments to Employer Demand

Current education and workforce systems do not provide all young adults with the skills they need for successful and responsible lives. At Year Up, we know that education and training programs work best when programs are tightly aligned to employer demand.

Indeed, this should be an essential design element of any taxpayer education or training program.

Ranking Member Davis, I thank you for your continued support for funding programs that train workers to meet local employer demand.¹ I also appreciate the committee's work to update and align public assistance provisions in programs such as TANF, the Social Service Block Grant, and Foster Care. In order for Opportunity Youth to become a source of entry-level talent, education and workforce systems across the country must become more responsive to employer demand. Seamless alignment to skills demanded in the labor market will ensure education and workforce systems in respective states, regions, and communities are preparing Opportunity Youth for gainful employment and lifelong learning.

The federal Pell grant program is the main financial resource that low-income Americans use to attain skills needed to secure work. I encourage the committee and Congress to modernize the federal financial aid program by exploring the reasonable expansion of the types of education and training institutions where Pell Grant are permitted to be used. This could include demand-driven programs that lead to industry-recognized skills and credentials. The Department of Education already has authority from Congress, called Experimental Sites, to conduct Pell demonstrations of innovations in uses of federal student financial assistance. Much more piloting and demonstration needs to be done and Congress should be agile and move quickly to expand successes.

2. Focus on Outcomes and Results

For decades accountability provisions in our education and workforce systems have made compliance a measure of success. The shift of systemic policies and procedures from a compliance orientation to outcomes-driven orientation is critical for creating competition in the education and workforce-training field so that public resources are awarded to programs and providers that succeed. Chairman Smith, you have illustrated this point well, as you said recently, "We should also avoid the tendency to focus solely on inputs like dollars spent or people served, and instead ensure we focus on outcomes."

Higher education and workforce systems must share responsibility for labor market outcomes by adopting goals and adapting use of public resources to continuously improve labor market and life outcomes that matter for Opportunity Youth.

I want to commend this committee's success last year in drafting, reporting out, and passing in the House the bipartisan "Social Impact Partnership to Pay for Results Act. In fact, I believe Congress should expand Pay for Success procurement practices across all federal workforce and education programs, including training program administered nationally and locally through the US Departments of Labor, Education, Health and Human Services, Justice, and Agriculture. I encourage the committee to build on momentum set by Speaker Paul Ryan, Senator Patty Murray and the Commission on

¹ <http://www.nationalskillscoalition.org/news/blog/u-s-representatives-call-for-increased-workforce-funding>

Evidence-Based Policy. The work of this commission is an important first step to spread the use of pay for success procurement practices at the federal and local levels.

3. Remove Barriers to Labor Market Participation

Despite a recovering labor market, many communities remain cut off from jobs, investments, and hope. Eliminating employment barriers is essential to building ladders of opportunity that lead to a responsible life with dignified work. Increasing opportunity will enhance economic prosperity for Opportunity Youth, set them up for sustainable careers, and help address skill gaps and human capital needs of businesses. Congress should remove barriers that prevent individuals from escaping poverty by advancing sentencing reform for minor non-violent offenses, expanding the Earned-Income Tax Credit, investing in community development, and creating a pathway to citizenship.

Thank you again for the opportunity to submit this testimony. I believe members of this committee and other lawmakers can help level the playing field for Opportunity Youth and close the Opportunity Divide. But minor tweaks to our education and workforce systems will not do the trick. And so I hope that the committee will aspire not just to correct the daily experiences of inequality Opportunity Youth face but to comprehensively change the laws, policies, and economic drivers that perpetuate the Opportunity Divide in our country.

Sincerely,

A handwritten signature in black ink that reads "Gerald Chertavian". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gerald Chertavian
Founder and CEO, Year Up

YEAR UP BY THE NUMBERS



NATIONAL IMPACT¹

16,000+
students

SERVED TO DATE

3,600+
students

WE WILL SERVE IN 2017

100%

INTERNSHIP PLACEMENT

250+

CORPORATE PARTNERS

OUR AMERICAN CRISIS

The United States is home to approximately 6 million² Opportunity Youth—18 to 24 year olds who have not progressed beyond a high school diploma and are neither employed nor enrolled in postsecondary education. More than 70% of low-income, minority youth in the U.S. leave high school and/or GED programs without a path toward either a post-secondary degree or a livable wage job. Year Up is a proven solution to this problem³.

OUR PROGRAM

75%

AVERAGE RETENTION

up to
31

COLLEGE CREDITS EARNED⁴

85%

STUDENT SUCCESS RATE⁵

\$18
Year Up Graduate Starting Wage

\$7.25
Federal minimum wage

HOURLY WAGE⁶

OUR MISSION

Year Up's mission is to close the Opportunity Divide by providing urban young adults with the skills, experience, and support that will empower them to reach their potential through professional careers and higher education.

Year Up is a one-year, intensive training program that provides low-income young adults, ages 18-24, with a combination of hands-on skills development, coursework eligible for college credit, corporate internships, and wraparound support.

CONNECT WITH US

-  www.yearup.org
-  www.facebook.com/yearup
-  www.twitter.com/yearup
-  www.linkedin.com/company/year-up

PARTIAL LIST OF TECHNICAL, PROFESSIONAL, AND COMMUNICATION SKILLS LEARNED

- » Desktop & Network Support
- » Help Desk
- » Hardware Repair
- » Operating Systems
- » Disk Formatting, Partitioning & Ghosting
- » Peripherals
- » Software Installation
- » Viruses and Malware
- » Microsoft Office & Outlook
- » Networking & TCP/IP
- » Investment Operations
- » Customer Service
- » Fund Accounting
- » Business Writing Skills
- » Time Management
- » Career Networking
- » Working in Teams
- » Communicating Clearly & Effectively
- » Conflict Resolution & Negotiation
- » Presentation Skills
- » Workplace Norms
- » Introduction to Business
- » Personal Finance
- » Workplace Legal Issues
- » Work/Life Balance

INTERNSHIP PARTNERS

40%

INTERNSHIP TO HIRE⁷

90%

PARTNER SATISFACTION⁸

PARTIAL LISTING OF INTERNSHIP PARTNERS



JPMORGAN CHASE & Co.

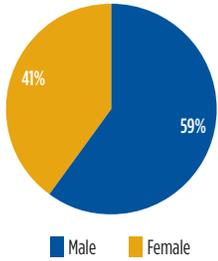
facebook



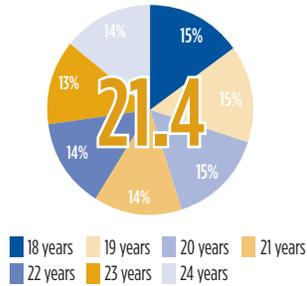
STATE STREET

NATIONAL ADMISSIONS STATISTICS⁹

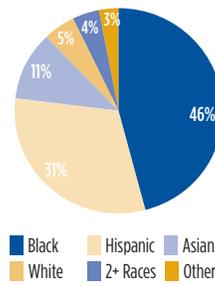
GENDER



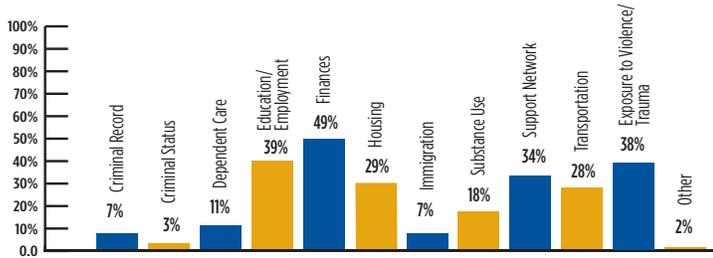
AVERAGE AGE



RACE



CHALLENGES OUR STUDENTS OVERCOME¹⁰



GEOGRAPHIC DISTRIBUTION¹¹



NOTES

1. National Impact—Students served annually reflects projected 2017 figure (Figure includes both traditional and Professional Training Corps locations)
2. <http://opportunityindex.org/national-scores/>
3. Independent evaluation showed that Year Up graduates earned 30% more than non-graduates (“A Promising Start”, Economic Mobility Corporation, 2011)
4. College credit recommendations may vary by site and college partnership
5. Student Success Rate defined as employed or enrolled in postsecondary education within 4 months of graduation
6. Starting salary approximately \$18/hour or about \$36,000/year; minimum wage: <http://www.dol.gov/whd/minwage/q-a.htm>
7. Through January 2017
8. 90% of corporate partners would recommend the Year Up program to a colleague or friend
9. Admission statistics reflect the classes of July 2016 to July 2017 combined
10. As a method of assessing student readiness during the admissions process, Year Up talks with candidates about challenges that may pose a barrier to their success in the program, and potential solutions.
11. As of January 2017



“Today, I am confident, optimistic and determined in accomplishing my goals . . . Year Up sculpted me into a real professional.”

Gregory Boucicaut

Year Up Graduate
Hired as an Anti-Money Laundering Senior Analyst for U.S Global Markets at Bank of America

OUR 2016 CORPORATE PARTNERS (as of September 2016)

CROSS SITE PARTNERS

Accenture
American Express
AOL Inc.
AT&T
Bank of America
BlackRock, Inc.
BNY Mellon
Capital One
Cox Enterprises, Inc.
Deloitte & Touche LLP
Exelon Corporation
Facebook, Inc.
Fidelity Investments
FINRA
Gilbane, Inc.
GoDaddy
Google Inc.
Hasbro, Inc.
Hewlett Packard Enterprise
JPMorgan Chase & Co.
Kaiser Permanente
KKR & Co. L.P.
Liberty Mutual Insurance
LinkedIn Corporation
Marsh & McLennan Companies, Inc.
Providence Equity Partners L.L.C.
Publicis Groupe
Salesforce.com, Inc.
State Street
Symantec Corporation
Vmware, Inc.
Web.com Group, Inc.
WilmerHale

ARIZONA

American Express
Arizona Federal Credit Union
Bank of America
Charles Schwab & Co., Inc.
GoDaddy
JPMorgan Chase & Co.
Liberty Mutual Insurance
Safeway Inc.

BALTIMORE

AOL Inc.
Bon Secours Health System, Inc.
Brown Advisory Incorporated
CareFirst BlueCross BlueShield
Exelon Corporation
Johns Hopkins Medicine
Johns Hopkins University
Laureate Education, Inc.
LifeBridge Health
MedStar Health
PROARC, INC.
SOS Technologies
Symantec Corporation

BAY AREA

Autodesk Inc.
Airbnb, Inc.
Align Technology, Inc.
Bank of America
Bank of the West

BlackRock, Inc.
Box
Deloitte & Touche LLP
eBay Inc.
Facebook, Inc.
Federal Home Loan Bank of San Francisco
FiveStars
Gap Inc.
Gilbane, Inc.
Google Inc.
Intuit, Inc.
Juniper Networks
Kaiser Permanente
KKR & Co. L.P.
Lever
LinkedIn Corporation
Lyft
Marin General Hospital
Marketo, Inc.
NCC Group
NorthBay Healthcare
Pandora Media, Inc.
Quantcast
Salesforce.com, Inc.
Sephora
Shaklee Corporation
Slack
Splunk
Symantec Corporation
Tesla
The Climate Corporation
Twitter
UCSF
Vmware, Inc.
Wealthfront
Wells Fargo
Wineshipping LLC
Workday, Inc.
Yammer
Zynga

CHICAGO

Accenture
Ace Hardware
AkzoNobel Global
Bank of America
Comcast
Exelon Corporation
Federal Reserve Bank of Chicago
Google Inc.
Havas Worldwide
Jack Morton Worldwide
Jones Lang LaSalle Inc.
JPMorgan Chase & Co.
LinkedIn Corporation
Marsh & McLennan Companies, Inc.
Mesirov Financial
Morningstar, Inc.
Northern Trust Corporation
Northwestern Medicine
Northwestern University
Publicis Groupe
Rush University Medical Center
Selective Services System
ZS Associates

GREATER ATLANTA

360i
Aaron's, Inc.
American Cancer Society, Inc.
Arby's IP Holder, LLC
Assurant, Inc.
AT&T
Bridgevine
Careerbuilder, LLC
Classworks
CompuCom Systems, Inc.
Cox Enterprises, Inc.
Elavon, Inc.
Emory University
Encompass Digital Media, Inc.
Equifax Inc.
Federal Reserve Bank of Atlanta
Floor and Décor Outlets of America Inc.
Genuine Parts Company
Google Inc.
Graphic Packaging International, Inc.
GreenSky
Intercontinental Exchange, Inc.
InterContinental Hotels Group
Kaiser Permanente
Marsh & McLennan Companies, Inc.
North Highland
NOWaccount Network Corporation
Purchasing Power, LLC
RaceTrac Petroleum, Inc.
Southern Company
The William Carter Company
Troutman Sanders LLP
TWC Product and Technology, LLC
Vmware, Inc.
Web.com Group, Inc.
WorldPay

GREATER BOSTON

American Tower Corporation
Bank of America
Baupost Group LLC
Bentley University
Beth Israel Deaconess Medical Center
Biogen
Black Duck Software, Inc.
BNY Mellon
Boston Children's Hospital
Boston Financial Data Services
CarGurus, Inc.
Eastern Bank
Eaton Vance
Fidelity Investments
Google Inc.
Grand Circle Corporation
Graham, Mayo, Van Otterloo & Co. LLC
Haemonetics Corporation
Harvard University
Hewlett Packard Enterprise
John Hancock
JPMorgan Chase & Co.
Keolis
Liberty Mutual Insurance
LogMeIn, Inc.
MIT

Natixis Global Asset Management, S.A.
NEPC, LLC
Northeastern University
Novartis
Partners HealthCare System
Pegasystems Inc.
State Street
Sungage Financial, Inc.
The Phia Group, LLC
Tufts Associated Health Plans, Inc.
Tufts Medical Center
Unbound Commerce, Inc.
Wellington Management Company
WilmerHale

GREATER PHILADELPHIA

Aramark
BNY Mellon
Independence Blue Cross
JPMorgan Chase & Co.
Lincoln National Corporation
PHH Mortgage
University of Pennsylvania

JACKSONVILLE

Ally Financial Inc.
Bank of America
Florida Blue
JEA
JPMorgan Chase & Co.
State Street
Web.com Group, Inc.

NATIONAL CAPITAL REGION

Accenture
Akin Gump Strauss Hauer & Feld LLP
Allegis Group
AOL Inc.
Buchanan & Edwards
Capital One
CareFirst BlueCross BlueShield
Carlyle Investment Management L.L.C.
CGI Group Inc.
College Board
Deloitte & Touche LLP
Deltek, Inc.
Ellucian Company L.P.
Exelon Corporation
Fannie Mae
FINRA
First Guaranty Mortgage Corporation
Fisher BioServices
Freddie Mac
Georgetown University Law Center
Hilton Worldwide
In-Q-Tel
Intersections Inc.
Johns Hopkins University
Kaiser Permanente
Latham & Watkins LLP
MedStar Health
NASA
Navy Federal Credit Union
Neustar, Inc.
New Signature
Salesforce.com, Inc.
Search for Common Ground
Sidley Austin LLP
Symantec Corporation
Unissant, Inc.
WGL Holdings Inc.
Williams & Connolly LLP
WilmerHale

NEW YORK

AllianceBernstein L.P.
Ardian
Bank of America
BET Networks
BlackLapel.com
BlackRock, Inc.
Capital One
Citigroup Inc.
CoreTech
Davidson Kempner Capital Management
Deloitte & Touche LLP
DTCC
Facebook, Inc.
FCB Garfinkel
FINRA
Ford Foundation
Google Inc.
Hewlett Packard Enterprise
Interpublic Group
JPMorgan Chase & Co.
KKR & Co. L.P.
Macquarie Group Limited
Marsh & McLennan Companies, Inc.
MRM McCANN
Neuberger Berman LLC
New York Life Insurance Company
New York University
Northwell Health
Providence Equity Partners L.L.C.
Publicis Groupe
R/GA
Salesforce.com, Inc.
Skadden, Arps, Slate, Meagher
& Flom LLP and Affiliates
Sotheby's
Standard Motor Products, Inc.
Starwood Capital Group
State Street
The Ad Council
The Andrew W. Mellon Foundation
The Blackstone Group L.P.
VaynerMedia
Verisk Analytics, Inc.
Viacom, Inc.
WilmerHale

PROVIDENCE

Accenture
Alex and Ani, LLC
Amica Mutual Company
Bank of America
Beacon Mutual Insurance Company
Blue Cross & Blue Shield of Rhode Island
Brown University
Care New England Health System
Citizens Financial Group, Inc.
Cox Enterprises, Inc.
CVS Health
Dassault Systemes
Embrace Home Loans Inc.
Fidelity Investments
FM Global
Gilbane, Inc.
Hasbro, Inc.
IGT Global Solutions Corporation
Lifespan
Narragansett Bay Insurance Company
Neighborhood Health Plan of Rhode Island
Nortek, Inc.
Providence Equity Partners L.L.C.
State of Rhode Island
Swarovski AG
Textron Inc.
The Washington Trust Company
Tuition Management Systems

PUGET SOUND

Alaska Airlines, Inc.
Amazon.com, Inc.
AOL Inc.
Aquent
Bank of America
BECU
Bungie, Inc.
Capital One
Deloitte & Touche LLP
Expedia, Inc.
Expeditors International of Washington, Inc.
F5 Networks, Inc.
Facebook, Inc.
Fred Hutchinson Cancer Research Center
GoDaddy
Google Inc.
Hasbro, Inc.
Impinj, Inc.
King County Sheriff's Office
Liberty Mutual Insurance
Microsoft Corporation
Moz, Inc.
Nordstrom, Inc.
Pacific Medical Centers
Perkins Coie LLP
Physio-Control, Inc.
Premera Blue Cross
Recreational Equipment, Inc.
Rover.com
Seattle Children's Hospital
Seattle Mariners
Slalom, Inc.
Swedish Medical Center
Time Inc.
T-Mobile USA, Inc.
Washington Federal
Wilbur-Ellis Holdings, Inc.
Zillow
Zipwhip

SOUTH FLORIDA

American Express
AT&T
Bank of America
JPMorgan Chase & Co.

*Chairman Smith. Thank you, Mr. Chertavian.

Ms. Roland, you may begin.

STATEMENT OF JAMEELA ROLAND, GRADUATE, YEAR UP

*Ms. Roland. Chairman Smith, Ranking Member Davis --

*Chairman Smith. Did that --

*Ms. Roland. It is green.

*Chairman Smith. -- turn on? Okay.

*Ms. Roland. There you go. And members of the Subcommittee on Human Resources, thank you for the opportunity to testify before your hearing on opportunities for youth and young adults to break the cycle of poverty.

My name is Jameela Roland. In August of 2015, at age 24, I was homeless. For 2 months, my mother, my dog, and I bounced between relatives and motels. I was working full-time to support the 3 of us, and I had only 1 goal -- survive -- because I knew that this trial will come to an end if held it together and stayed strong in my faith for a better future.

Surviving, however, is vastly different from thriving. While both require a pulse, the difference is in the quality of life you experience. And while I have always known that survival is essential, after getting a taste of how bitter it can be, I wanted more than that. What I wanted was to thrive.

I wanted survival to be a distant memory, no longer my goal for everyday life. I wanted the richness of life that comes when you have the security of employment in a career that encourages growth. I wanted my voice and my experiences to be a positive contribution to the world. This experience with homelessness was my wakeup call.

I began looking for opportunities. I had heard of Year Up several years before, not long after I graduated high school and was filled with optimism and lofty aspirations. Back then, I immediately wrote it off, convinced that the only way I could succeed in life was by starting out with a college degree.

Life was determined to teach me a lesson, and after 7 years out of high school and multiple failed attempts at higher education, I came to the realization that maybe the

traditional college route wasn't for me. Through all of this, I worked, I lived, I failed, I grew. The one constant in my life was a hunger for something more.

After the trials and tribulations of experiencing homelessness, I wanted to give up on school. I wasn't willing to risk the stability that I had just fought so hard to achieve. So my younger sister called me one evening almost exactly a year ago now to tell me about Year Up. I knew I had a lot to lose but even more to gain.

As I started Year Up, I realized this program was like nothing I had ever seen before. From the beginning, the staff represented Year Up as more than a schooling opportunity. Year Up maintains a high expectations, high support environment. They took the time to get to know me and my goals and dreams, to laud my strength and bring focus to my growth areas. They gave guidance and advice and kept me focused when I was too tired to see straight.

They taught me what it takes to navigate a corporate environment, and not just as an entry-level contributor, but as a young black woman moving into a realm dominated by older white men. All of this meant that I had to be there every day, on time and fully engaged.

If I didn't hold up to my end of the agreement, I was held to the contract that all Year Up students sign. If I was 1 minute late or missed an assignment, I would lose points and, more importantly, money from my stipend. I learned that nothing was given. Everything was earned through hard work and visible dedication.

Year Up student services did their part to eliminate or minimize external obstacles, so that I could stay focused on the rigorous academic and professional development program. Attending classes Monday through Friday, I completed daily assignments, regularly collaborated with my classmates, and participated in weekly feedback sessions, teachable moments, that helped me grow as an individual and as a professional.

I had one chance to take this opportunity and do what I hadn't: thrive. Because Year Up had my back like no one else had before. And then they placed me at my internship at Microsoft. To many, that may not seem so big, but for me it meant so much. Before doing Year Up, I was earning minimum wage, and the huge opportunity that Microsoft represented was beyond exciting. They placed me with a team dedicated to helping me achieve my goals, to learning more every day, and to helping me get a sense of my own power.

My mentors, Jim and Daniel, were the perfect Dr. Who's to my Martha Jones. And Al, my manager, noticed my potential and kept me inspired from across the pond. After my internship, I was immediately hired on as a vendor and was just recently hired on as a full-time employee as a business operations associate with Microsoft's IT showcase team, making more money than I really only dreamed of.

And I haven't forgotten about getting a degree either. I will be taking classes at my own pace with a clear goal ahead of me.

By telling my story today, I hope to inspire this Committee to understand that, given the right opportunities, more young adults can achieve more with their lives. And I hope to have inspired you to help close this opportunity divide in our country.

Year Up provided me a hand up. In 1 year, I went from minimum wage and homeless to living comfortably above the poverty line. And now here I am in front of you no longer fighting to survive. I am a young, responsible, working woman with a fantastic new career trajectory in front of me that will allow me to achieve my fullest potential.

One year ago, I joined Year Up and made the choice to learn to thrive. It was the best decision I have ever made. Thank you.

STATEMENT OF
JAMEELA ROLAND

BEFORE THE
HOUSE COMMITTEE ON WAYS & MEANS
SUBCOMMITTEE ON HUMAN RESOURCES

MAY 17, 2017

Subcommittee on Human Resources
Committee on Ways & Means
U.S. House of Representatives
Washington, D.C. 20515

Chairman Smith, Ranking Member Davis, and Members of the Subcommittee on Human Resources:

Thank you for the opportunity to testify before your hearing on Opportunities for Youth and Young Adults to Break the Cycle of Poverty. My name is Jameela Roland. In August of 2015, at age 24, I was homeless. For two months, my mother, my dog and I bounced between relatives and motels. I was working full-time to support the three of us, and I had only one goal: survive. Because I knew this trial would come to an end if I held it together and stayed strong in my faith for a better future.

The thing about surviving, however, is that it is vastly different from thriving. While both only require a pulse, the difference is in the quality of life you experience. And I've always known that survival is essential, but after getting a taste of how bitter it can be, I wanted more than that; what I wanted was to thrive. I wanted survival to be distant memory, no longer my goal for everyday life. I wanted the richness of life that comes when you have the security of employment in a career that encourages growth. I wanted to contribute my voice and my experiences to the world. This experience with homelessness was my wakeup call.

So, I began looking for opportunities. I'd heard of Year Up several years before, not long after I had graduated high school and was filled with optimism and lofty aspirations. Back then, I immediately wrote it off, convinced that the only way I could succeed in life was by starting out with a college degree.

So, I spent the years after high school bouncing around different community colleges, firm in my belief that this was the only avenue for achieving my goals. The importance of a college degree was ringing through my mind, echoing the voices of my dad, my family and friends, and of course, high-school advisors. My family was always there to support me, but except for my dad, no one I knew had graduated from college. I was lost in the crowd, unable to find the support that I needed to make it work. But I kept trying.

I felt like someone had shown me the door to success, but hid the key. I learned more about what I didn't want than what I did. And the entire time, I was alone. The reality of achieving this critical goal was an uphill battle. Life was teaching me a lesson and after seven years out of high school I came to the realization that maybe the traditional college route wasn't for me.

Through all of this, I worked. I lived. I failed. I grew. The one constant in my life was a hunger for something more. After the trials and tribulations of experiencing homelessness, I wanted to give up on school. I was giving 110 percent of myself and getting farther away from where I wanted to be. Why should I continue to invest my time

and money into a system that wasn't willing to invest anything into me? And I wasn't willing to risk the stability I had just fought so hard to achieve.

So, when my younger sister called me one evening, almost exactly a year ago now, to tell me about Year Up, I knew that I had to explore this opportunity. After all, my previous standards about how to succeed hadn't gotten me anything but debt and disappointment. At this point, I was exhausted. I had a lot to lose, but even more to gain.

When I started Year Up, I realized this program was like nothing I had ever seen before. I had one chance to take this opportunity and do what I hadn't: thrive. Because Year Up had my back like no one else had before.

Year Up has a high support, high expectations environment. During the first six months of the program, that meant I had to be at class every day, on time, and fully engaged to the process. If I didn't hold up my end of the bargain, I was held to the contract that all Year Up students sign. If I was one minute late or missed an assignment, I would lose points and, more importantly, dollars from my stipend. When I met, or exceeded the expectations, I was rewarded. And I learned that nothing was being given; everything was earned through hard work and dedication. Year Up did their part to eliminate or minimize external obstacles through the services of support staff that were there to assist me so that I could stay focused on the rigorous academic program. I attended classes Monday thru Friday from 8:30 – 3:30, completed daily assignments, collaborated regularly with my classmates, and participated in weekly feedback sessions – teachable moments that helped me grow as an individual and as a professional.

From the beginning, the staff represented Year up as more than a schooling opportunity. They represented a movement, created to change the lives of those who are going through struggles like mine. Walking through those doors every day, I know my peers know the Struggle. The staff and mentors know the Struggle. They took the time to get to know me and my goals and dreams, to laud my strengths and bring focus to my growth areas. They gave guidance and advice and kept me focused when I was too tired to see straight. They taught me what it takes to navigate a corporate environment. Not just as an entry level contributor, but as a young black woman moving into a realm dominated by older white men.

And then during the last six months of the program, they placed me at my internship at Microsoft. Microsoft! To many, that may not seem so big, but for me it meant so much. Before joining Year Up, I was earning a minimum wage and the huge opportunity Microsoft represented was beyond exciting. They placed me with a team dedicated to helping me achieve my goals, to learning more every day, and to helping me get a sense of my own power. After my internship, I was hired on as a vendor as the Studio Technician for the Microsoft IT Showcase Stock Room Studio, and was just recently hired as a full-time employee as a Business Operations Associate earning four times more than I had before!!

And I haven't forgotten about that degree. I'll be taking classes at my own pace, with a clear goal ahead of me. At Microsoft, my mentors Jim and Daniel were the perfect Dr. Who's to my Martha Jones. Al, my manager, kept me inspired and noticed my potential from across the pond. My Year Up coaches kept my ego in check, while my fellow coachees kept my perspective in check.

By telling my story today, I hope to inspire the committee to understand that given opportunities, more young adults can achieve more for their lives. Year Up provided me a hand up and in one year, I went from earning a minimum wage and being homeless to living comfortably above the poverty line. Now here I am in front of you, no longer fighting to survive. I'm a young, responsible, working woman with a fantastic new career trajectory in front of me that will allow me to achieve my fullest potential. One year ago, I joined Year Up and made the choice to learn to thrive; it was the best decision I have ever made.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jameela Roland', written in a cursive style with a long horizontal flourish at the bottom.

Jameela Roland

*Chairman Smith. Thank you very much. That is tremendous, and I am anxious to learn --

[Applause.]

*Chairman Smith. -- anxious to learn more as well. So thank you very much.

Mr. Manuel, you are recognized.

STATEMENT OF MARTRICE MANUEL, SENIOR PROGRAM DIRECTOR, YOUTH SCHOLARS, SKILLS, AND SERVICES

*Mr. Manuel. Good morning, Chairman Smith, Ranking Member Davis, and all members of the subcommittee. My name is Martrice Manuel. I am the associate director of Alternative School Network. We operate within 22 alternative schools, community-based schools I should say, throughout the city of Chicago. So we service about 2,500 youth on a yearly basis that have dropped out of school.

So the things that we operate are in 3 areas. That is, education advocacy, policy, and employment. The reason that we do this, as Mr. Davis stated earlier, there are about 5 million youth, young adults, between the age of 16 and 24 across this country that are either out of work or have dropped out of school. So that is our mission -- to help to reengage these youth.

Some things to consider. A lot of these youth have -- you know, there is different titles for them. They are either considered at risk, disconnected, or opportunity youth. Some of the characteristics of these youth are youth in poverty, low academic standing, single-parent homes, either missed or undiagnosed mental illness. And some of those mental illnesses are depression, anxiety, post-traumatic stress, and ADHD.

Many of these youth come from disconnected neighborhoods, violence, poverty, low self-efficacy, poor academic population -- I am sorry, poor academic preparation. And, disproportionately, these are youth of color.

To get a better idea of the story that I am speaking of now, I will talk to you a bit about one of our teen moms. Her name is Tia. Tia was in high school. She was 15 years old and she became pregnant. Through some altercations within high school, and her pregnancy, she ended up dropping out of school. Tia wanted to go back to school, but Tia became -- she needed to take care of her child.

Tia was in the foster care system. She lived with her great-grandmother. She had -- her parents had lost parental rights. Through that time, Tia became 17 years old. She was out of school for about 2 years. Tia knew that she wanted to do better, she wanted more for herself and her child, so Tia began to do some research, and she located one of our schools which is located on the west side of Chicago.

Through that program, her case worker set up a meeting with her mentor. Tia came in that first semester. We are not here to say that we work miracles within a few weeks. She struggled that first semester. But through the consistent efforts and advocacy from her mentor, Tia began to turn it around. That mentor has provided guidance. That mentor has worked with -- collaborated with her great-grandmother, her case worker, bringing all parties together, so that Tia can be successful.

From that, Tia currently is involved in an internship program because we like to combine both education and career readiness. So within the internship that Tia is able to participate in, she is able to gain experience in a career field that she chooses. We believe that if a youth is given opportunities, they are exposed to different things, then they are more likely to be successful and want to be productive citizens.

Educating teens is difficult for even the best prepared schools, but not educating them is detrimental to the mom and the parent -- I am sorry, and the child that she is bringing.

So with that, we have a program, in collaboration with the Department of Children and Family Services, in which we call YS3. That is the Youth Scholars, Skills, and Services program. Within that YS3 program, we assist them with mentoring, as I spoke of, career readiness.

We also assist them with tutoring. We allow them the opportunity for credit recovery because many of these youth are below their credits needed for graduation. Out of our 22 schools, 21 help the youth to obtain a high school diploma. We have one that focuses on GED.

Our youth have shown great success in these programs. Within the YS3 program, we service about 200 youth in care a year. About 35 percent of those youth in care are teen parents.

I would like to commend this Committee on the work that they are doing because the investment that is being provided to help to assist these youth has made a great impact on the city, and the youth. And so we don't believe in just reaching benchmarks; we want to save children's lives and change communities.

So, with that said, we want to thank you.

Statement of Martrice Manuel on behalf of Alternative Schools Network, Chicago, Illinois

Before the House Committee on Ways and Means Subcommittee on Human Resources

May 17, 2017

Good morning Mr. Chairman, Ranking Member Davis, and Members of the Subcommittee. Thank you for the opportunity to testify before the subcommittee on behalf of Alternative Schools Network (ASN) on how opportunities for youth and young adults can break the cycle of poverty.

I am Martrice Manuel and I have worked with ASN for 12 years, serving as the Associate Director for the last 2 years. I am currently the senior director of ASN's Youth Scholars, Skills, and Services Program (YS3), which provides foster youth in the care of the Illinois Department of Children and Family Services who are not enrolled in an educational or vocational program with the opportunity to achieve their educational goals and become independent, productive adults.

According to a student released by the University of Illinois in January, 2016, data compiled in 2014 indicates that youth between the ages 16 and 19 were unemployed at the following rates: 6.4 percent white males, 8.3 percent Hispanic males, and 18.6 percent Black males. Between the ages of 20 and 24, this numbers increase at disproportionate rates among races with 8.4 percent of white males, 20 percent of Hispanic males, and 45.7 percent of Black males being unemployed. Similar trends of unemployment are found within female data as well. Unemployed females between 16 and 19 years old are 4.9 percent white, 7.3 percent Hispanic, and 7.2 percent Black. Between 20 and 24 years of age, White females are less likely to be unemployed (4.4 percent); however, 16.4 percent are Hispanic and 33.7 percent are Black.

Across the country, there are over 5 million youth who are out of school and out of work, 16-24 years old, 4,840,361 as detailed in the report cited previously. This situation affects youth and young adults of all races and across the inner city, suburban and rural areas of our country. The situation of youth joblessness continues to increase in Chicago, particularly since 2000 for when the federal government ended its commitment to a summer youth employment program for low-income youth. This left over 600,000 low income youth and young adults across the country and over 30,000 youth and young adults in Chicago with no opportunity for employment from 2000 until 2009 when the American Recovery Act (ARA) provided funding for a summer youth employment program for low income youth in 2009 and 2010 in Chicago. Chicago has had a high percentage of youth who did not finish high school going back to 1985 when the actual dropout rate in Chicago Public Schools (CPS) was calculated to be 65%. This detailed that many youth were on the street with no real option for education. This situation in Chicago is not unique, and the reason for youth becoming disconnected has multiple layers.

Many disconnected youth are youth in poverty, disproportionately youth of color, youth from single-parent homes, low academic achievement, mis or undiagnosed mental illness. The youth came to be disconnected through neighborhood violence, internal poverty, low self-efficacy, mass incarceration of parents, single parent homes, low academic achievement, poor academic preparation in schools.

The Alternative Schools Network (ASN) began in 1973 and works with over 2,500 high-risk high school dropouts. The Alternative Schools Network (ASN) is a membership organization of 22 comprehensive, small (150-200 students), community based schools that work with high risk, older high school dropouts to re-enroll them back into school, to build their educational and life skills, to graduate them and help them successfully transition to college, employment and/or training. Our website is www.ASNChicago.org. ASN has developed and supported our programs to reenroll high school dropouts utilizing the extensive research and practice that has demonstrated the effective way to reenroll, educate and graduate out of school youth. The way to succeed with reenrolled students is to utilize comprehensive schools that are smaller (150 to 200 students) with small classes, a strong and experienced staff and principal, comprehensive support services, innovative education approaches and funding of at least \$14,205 per student. These schools utilize performance standards measuring enrollment, attendance, skill gains, credit gains, graduations and entrance into college, employment and/or training.

The ASN in collaboration with our member schools local businesses, colleges and universities and community partners provide opportunities for employment and internships, extra academic resources (after school tutoring, credit recovery courses), transportation to and from school, mentoring, counseling, wrap around services, increased opportunities for hands-on and applied learning, Life Skill classes, student-centered skill assessment and focus (we assess students, meet them where they are at, and teach from that level to move them to grade-level skills), flexible scheduling, mentoring services and career readiness while utilizing trauma-informed approaches.

Educating teenage mothers is difficult for even the best prepared schools and educators; however, not providing educational services to teenage mothers has detrimental effects on the teenage mother and her child.

Statistics show that the rate of teen pregnancy is declining, from 59.9 per 1,000 teenagers in 1990 to 29.4 per 1,000 in 2012 (US Department of Health and Human Services, 2013). However, the impact of teen pregnancy and parenthood on society is immeasurable; there will still be 750,000 teen pregnancies in a year, 65% of these pregnancies will be carried to full term (Teen Mother Choices [TMC], 2010). Of that 65%, only 4% will choose adoption (Teen Mother Choices [TMC], 2010). Becoming a teen mother usually compromises a teen's ability to become a productive, contributing citizen due to the responsibilities of being a parent, especially a single, teen parent: 51% of teen moms never graduate high school; 80% end up on welfare; within 2 years, 31% will have a subsequent pregnancy (Boelens, 2010). The completion of high school alone allows for a \$344,457 increase in lifetime earnings as compared to someone who drops out of high

school (North & Smietana, 2008).

Presently, ASN is facilitating 4 programs within our partner schools to address the needs of disconnected youth, many of which are teenage parents.

Since 1999, The Youth Skills, Scholars and Service Program (YS3) has annually re-enrolled over 300 Illinois Department of Children and Family Services (DCFS) out-of-school youth, which includes over 55 teen parents. Last year, 60 youth graduated and 120 carried over to the next school year. Seven months is the average time that participating youth were out of school before re-enrolling in YS3. This program partners with 14 small (150-200 students), community based, alternative schools that provide the personal support through full time mentors to ensure success for the participants (1 to 15 is the mentor to participant ratio). This program exceeds its measurable outcomes of enrollment, attendance, skill gains, credit gains, graduations, and transition to employment, training or college.

FY2015/16 YS3 Outcomes

- i.** Enrollment - 296
- ii.** Average daily attendance – 201 (68%)
- iii.** Skill Gains – Reading: 263 (89%); Math: 210 (71%)
- iv.** Credit Gains – 184 (62%)
- v.** Seniors that graduated – 55 (75% of seniors)
- vi.** Graduates who transitioned to college, employment and/or training – 55 (100% of graduates)

In 1994, ASN started the Added Chance Program (ACP), which has annually served over 240 DCFS youth who are out-of-school. ACP is an educational/work skills program that annually prepares and trains 240 youth with job preparation skills and places 130 of the participating youth into private sector jobs annually.

FY2015/16 ACP Outcomes

- vii.** 259 youth in foster care completed pre-employment training
- viii.** 197 (76%) received follow up counseling
- ix.** 180 (91% of counseled participants) received one or more job referrals
- x.** 143 total jobs entered by ACP participants

The Fostering Learning Program (FLP) began in 2005 and has annually served over 420 DCFS youth in schools attached to residential centers with a comprehensive computer based learning program by strengthening their educational and life skills. FLP enables high-risk DCFS youth to enhance their learning through significant hours of online education annually.

During FY2015/16, there were a total of 446 unduplicated registered youth. Of these 446 registered youth, 380 earned a total of 38,607.5 usage hours.

Project New Futures (PNF) operated from 2006 until 2014 and was a US Dept. of Labor National Demonstration Project involving 5 cities (New York, Detroit, Chicago, Houston and Los Angeles) preparing and supporting older foster care youth to successfully transition from high school into college, employment and/or training. The program was evaluated by the Johns Hopkins Institute for Policy Studies and was the highest ranked of the 5 cities.

PNF annually tracked and supported over 140 older DCFS youth after they had graduated from the YS3 program to help them through the summer after their graduation and then, the first two years after their graduation to assist them in a wide variety of ways to help them succeed in their placement in college, employment and/or further training

In 2013/14, PNF served 172 youth in foster care. 71% of in-school participants received their high school diploma or GED, and 64% of graduates transitioned to college, employment and/or training.

Attached to this testimony is a broader detail regarding best practices for schools to be designed to successfully work with high school dropouts.

To better illustrate the profound impact of the programs discussed above, let me tell you about Tia. Tia had her son, Jaiden, when she was 15 years old. At this point, she was already living with her great-grandma due to her mom losing parental rights. Due to fights at school and becoming pregnant, she missed most of her freshman year of high school. At the age of 17, she wasn't sure what options she had. Between childcare issues and working to support herself and her son, school was not a priority until she learned about the YS3 mentoring program. With the help of her mentor, she enrolled at CCA Academy and began to address her barriers to success. Presently, Tia is working on improving her grades in all classes. Though she struggled with the transition 1st semester, she has taken the initiative to obtain make up work from her teachers, improving her academic success. Tia is on track to pass all of her current classes while maintaining employment and parenting her son. When asked what motivates her she stated, "my son and my great-grandma make me want to do better. I want to be a pediatrician, and I know I can do it now. My mentor understands what I am going through and helps me stay focused."

The federal investment in Chafee funds to build independence of older foster care youth as well as employment has been very helpful, and it would be a smart investment for the federal government to significantly increase this investment because for each reenrolled high school dropout that graduates from high school, the savings to taxpayers is over \$290,000.

Federal investment would also help increase access to adequate child care, resources for child care in schools (this would increase attendance for parents who struggle with child care), one-on-one mentoring for the parent, financial literacy training for disconnected

youth, access to affordable and safe housing, increase in high school to career training programs (Youth Build, SPCI, dual credit and enrollment and certificate programs.)

In closing I would like to thank each you for the opportunity to discuss ASN programing and the best practices we use to reengage disconnected youth back into school and embrace civic duty.

Characteristics of Successful Comprehensive Best School Practices for Re-Enrolling Students Who Dropped Out of School

These re-enrolled students are being asked to run a marathon, but the preparation these schools provide is like walking around the block a few times.

There is clear research, decades of experience and very specific schools' outcome data demonstrating what practices and types of schools work to successfully re-enroll students who have dropped out of school and educate, graduate and help these students make the transition into postsecondary education, training or employment.

Small, community-based alternative schools have a long history of effectively educating and graduating re-enrolled students.

Schools that are smaller (150 to 200 students) with small classes, a strong and experienced staff and principal, comprehensive support services, innovative education approaches and appropriate funding of at least \$11,500 per student (the statewide high school district average for 2004-05 was \$12,004 38) are able to succeed with re-enrolled students. The cost per re-enrolled student would be adjusted according to the local conditions. **The \$11,500 figure was in 2008. This figure should be \$14,205 in terms of 2016 funding.**

Re-enrolled student schools should be held to strict performance standards measuring enrollment, attendance, skill gains, credit gains, graduations and entrance into jobs or college.

Listed below are key points for developing high performance schools for re-enrolled students based upon 30 years of successful school experience and research.

- A. Schools are small (150 to 200) at a separate school site that site-governed and administered with a distinct identity.**
 - **Small School Size (70 to 200)** with small, personalized classes (1 to 10 students), and a unified and common focus for the entire school, with personalized and comprehensive schooling.
 - **Local, Separate School Site with Local Decision-Making** on school and budget issues.
 - **Specific Performance-Based Goals and Outcomes** measuring enrollment, attendance, skills, credits, graduations, and transition to college, training or employment as well as other competency-based measures.

- B. Strong leadership is provided by the principal/director that builds high teacher and staff expectations for student success. Teachers and staff have high expectations for students, knowledge of and experience of effective teaching methods, and a high level of commitment supporting student success.**
 - **Strong, Experienced Principal and Experienced, Competent Teaching Staff** who have high expectations for every student to learn deeply and broadly.
 - **Respect and Responsibility Are Key Values for Everyone Involved with The School** – staff, students, parents, and community residence.
 - **Continuous Staff Training** with time for staff to plan and collaborate.

- C. Students choose to attend and a positive peer culture develops in a family atmosphere built on a cooperative effort to succeed.**
 - **Students are there by their choice.**
 - **A positive peer culture develops** and students support school goals.
 - **A family atmosphere is developed**, and students engage in a cooperative effort to help one another achieve and succeed.

- D. Comprehensive long-term school combines education, employment, skill training and other needed support**

services. There are high school standards and expectations for student learning; work experience and learning are integrated so that students have the opportunity to earn a high school diploma, find a decent paying job, go to college, or get advanced skill training.

- **Per Student Funding Close to the average 2005-06 operating cost of \$12,300** for Illinois secondary schools. **In 2016 dollars this would be \$14,205.**
- **Comprehensive School Focus** combining education, employment and support services.

Employment and Internship Schools are offered during the school year, after-school and summer school schools that link internships, work and learning.

- **Small Teams of Students Supported by Full-Time, Paid Mentors** who worked to retain and graduate students.
- **High Expectations for Students to Learn Both Broadly and Deeply** linked to the highest state standards.
- **A Comprehensive High Technology Learning Center** providing high speed Internet access and a broad-based, highly sophisticated curriculum focusing on academic and world of work subject areas,
- **Students Learn Actively Through Study and Action.**
- **Summer School Combining School and Work.**

These schools characteristics of effective schools for schools serving high-risk and out-of-school students come from the following reports:

1. Ford Foundation Report on Alternative Schools 1974
2. Alternative Schools for Disruptive Youth, Robert Arno, Indiana University 1976
3. The U.S. Department of Labor Youth, Knowledge, Development Reports 1980
4. Effective Schools for the Marginal High School Student, Gary Wehlege, University of Wisconsin, Madison 1982
5. Can We Help Dropouts: Thinking About the Undoable, Dale Mann, Columbia University 1986
6. School Dropouts – Survey of Local Schools, General Accounting Office 1987
7. Reducing the Risk – Schools as Communities of Support, University of Wisconsin 1989
8. Effective School Options for Serving Out-of-school Youth, Center for Human Resources, Brandeis University, Cary Grove 1984
9. Key Components and Characteristics for Effective Schools for Dropouts and At-Risk Students. A Joint Statement to Congress by sixteen leading education and training researchers 1995
10. Alternative Schools: The State of the Art, Mary Anne Raywaid, Hofstra University.
11. Models of Reform: A Comparative Guide, Herbert Walberg, University of Illinois, Chicago 1998
12. Numerous books and articles on small schools from 1995 to present.
13. Successful experience of Alternative Schools Network youth, skills, development and training school for out-of-school foster care youth as reported in annual school reports measuring attendance, skill gains, credit gains, promotions, graduations and transitions/placements since 1999. Also the Youth Connections Charter School successful experience of re-enrolling out-of-school students since 1997 as documented in its annual school reports.

This comes from the State Task Force on Re-Enrolling Students Who Dropped Out-of-School Final Report January 2008

These successful school characteristics were also endorsed by the following leaders and experts in education in 1995. Their positions are listed as of that date:

- Dr. Robert Taggart, Professor, Howard University; Director, Remediation and Training Institute; Former Director, U.S. Department of Labor National Youth Employment Schools.
- Dr. Stephen F. Hamilton, Professor and Chair, Department of Human Development and Family Studies; Director of the Cornell Youth and Work School, Cornell University.
- Norm Fruchter, Co-director, Institute for Education and Social Policy, New York University; School Advisor, Aaron Diamond Foundation.
- Dr. Mary Anne Raywid, Professor of Administration and Policy Studies; Director of the Center for the Study

of Alternative Education, Hofstra University.

- Dr. Michelle Fine, Professor of Psychology, City University of New York; Graduate Center.
- Dr. Gary Wehlage, Associate Director, Center on Organization and Restructuring of Schools, University of Wisconsin – Madison.
- William Spring, Member, Boston School Committee; Former White House Domestic Policy Advisor.
- Dr. Alexandra Weinbaum, Co-Executive Director, School and Community Services, Academy for Educational Development, New York.
- Dr. Donald Moore, Executive Director, Designs for Change, Chicago.
- Dr. Richard Lacey, President, Lacey Associates; Former School Officer, Ford Foundation.
- Dr. Paul Osterman, Professor, Human Resources and Management, Sloan School Management, Massachusetts Institute of Technology.
- Tony Baez, Faculty, University of Wisconsin Center for Urban Community Development, Milwaukee, Wisconsin.
- Professor Andy Sum, Director, Center for Labor Market Studies, Northeastern University, Boston, Massachusetts.
- Dr. G. Alfred Hess, Jr., Executive Director, Chicago Panel on Policy.
- Dr. Joe Nathan, Director, Center for School Change, Humphrey Institute of Public Affairs, University of Minnesota.
- Gary Walker, President, Public/Private Ventures, Philadelphia.

Performance Outcomes for Schools Re-enrolling Out-of-School Students Who Dropped Out-of-School

The Task Force has identified the following outcomes as essential in terms of monitoring student and overall school progress.

- 1) **Enrollment** – Schools would report monthly and yearly enrollment levels, measuring student continuity.
- 2) **Attendance** – Schools would report individual student and total student monthly and yearly attendance.
- 3) **Skills Gains** – The skill gains of each re-enrolled student would be measured, as well as data collected about the skills gained by all students in an individual school and for the project as a whole, if there is more than one school.
- 4) **Credit Gains** – The credit gains of each re-enrolled student would be measured, as well as data collected about the credit gained for all students in the individual school and for project as a whole, if there is more than one school.
- 5) **Promotions** – Individual re-enrolled student promotions would be measured, i.e., the number of freshmen who became sophomores, sophomores became juniors, and juniors became seniors, as well as matriculation levels for individual schools and the project as a whole, if there is more than one school.
- 6) **Graduation** – The graduation rate is determined for each individual school and the project as a whole, providing the number of students who graduate for each. A reasonable percentage range would be based upon the difficulty and high-risk status of the students who are re-enrolled.
- 7) **Transition** – Measure the transition of students to post-secondary education (community college, four-year colleges, graduate school), employment, career and technical education, and military service.

*Chairman Smith. Thank you, Mr. Manuel.

Ms. Oldham.

STATEMENT OF CHERYL A. OLDHAM, VICE PRESIDENT OF EDUCATION
POLICY, U.S. CHAMBER OF COMMERCE

*Ms. Oldham. Good morning, Chairman Smith and Ranking Member Davis, and members of the subcommittee. My name is Cheryl Oldham. I am vice president of education policy at the U.S. Chamber of Commerce.

The Chamber is the largest federation representing the interests of business in the country, 3 million businesses of all sizes, sectors, across the United States. And I really appreciate the invitation to be here with you today.

You have heard already the numbers. You have talked a little bit about them yourselves. So I would like to focus my time this morning on the opportunity that we see to significantly improve the lives of millions of at-risk youth by developing and implementing innovative strategies that can provide the skills, support, and education necessary to break the cycle of poverty.

In 2015, the U.S. Chamber Foundation released a report called Making Youth Employment Work: Essential Elements for a Successful Strategy. One organization highlighted in that report is Year Up, and I am so honored to be here today sitting with Gerald and Jameela. They are a remarkable example of how companies are successfully working to empower low-income young adults to move out of poverty through training, internships, and a professional career.

Another example of employers working to provide opportunities for at-risk youth and adults and, in turn, benefitting from their skills, is the Hillside Work Scholarship Connection. Launched in the 1980s by Wegmans Food Markets to help at-risk youth finish high school, Hillside provides tutoring, mentoring, college preparation, and job readiness training to prepare young adults for jobs at Wegmans and 20 other employer partners.

Another is Quality Float Works. A small manufacturing company established a work-study program where students attend academic classes in the morning and work on the shop floor in the afternoon. They test their skills on approved equipment, assist with prep work, and explore different roles in the firm.

Students receive school credit for participating in the program and benefit from coaching on soft skills and have the opportunity for high-paying careers in manufacturing. And, in turn, Quality Float Works has an opportunity to identify promising young talent that might have otherwise gone unnoticed.

Building on the 2015 report, the Chamber Foundation launched a youth employment initiative that is supporting employers and business associations, championing scalable and sustainable solutions. In particular, this effort focuses on building the capacity for greater employer leadership and identifying promising practices for how the business community can more deliberately engage young people in an overall part of their talent strategy.

We believe that in order to address the youth employment challenge of our time, we must activate the large network of business associations and other intermediaries that are well-positioned to partner with employers. Our federation of state and local chambers is over 2,500 strong. Many of them regularly engage with their members on issues related to finding and retaining talent, as well as ensuring that education and workforce programs are aligned to business needs.

The Denver Opportunity Youth Investment initiative, supported by the Denver Chamber of Commerce, is dedicated to improving educational and employment outcomes for youth. This initiative is focused on building connection points and pathways for young people, along with developing tools and resources for the business community and the many community-based partners that work with opportunity youth.

Another important network is community-based organizations that can better reach disconnected youth. One example is i.c.stars. As a technology training program for low-income young adults in Chicago, they leverage project-based learning to equip participants with not only the technical proficiencies but also the behaviors, values, and attitudes to be leaders in the workforce and their communities.

With about 1,000 hours of hands-on experience, the 16-week core curriculum creates small teams of young adults to solve real-world business problems, allowing them to develop the critical foundational, professional skills employers need in the innovation economy. It is a good example of how alternative networks and ways of learning can make a big difference for opportunity youth.

For our part, the U.S. Chamber remains committed to strengthening our nation's education system. This is truly the single most important step to addressing poverty. In addition, we believe that more employers must become involved in initiatives to help at-risk youth and must understand how these initiatives can benefit both students and businesses alike.

Through our vast network of businesses, as well as state and local chambers of commerce, we will continue to educate the business community on the opportunities effective youth employment strategies present.

We encourage policymakers to consider how, through activating employer leadership and business associations as part of the solution, we can go a long way towards scaling up youth employment.

Again, thank you for this opportunity to testify before you today. I welcome questions.



Statement of the U.S. Chamber of Commerce

ON: Opportunities for Youth and Young Adults to Break the Cycle of Poverty

**TO: House Committee on Ways and Means,
Subcommittee on Human Resources**

**BY: Cheryl Oldham, Vice President of
Education Policy, U.S. Chamber of Commerce**

DATE: May 17, 2017

1615 H Street NW | Washington, DC | 20062

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing the interests of more than three million businesses of all sizes, sectors, and regions, as well as state and local chambers and industry associations. The Chamber is dedicated to promoting, protecting, and defending America's free enterprise system.

More than 96% of Chamber member companies have fewer than 100 employees, and many of the nation's largest companies are also active members. We are therefore cognizant not only of the challenges facing smaller businesses, but also those facing the business community at large.

Besides representing a cross-section of the American business community with respect to the number of employees, major classifications of American business—e.g., manufacturing, retailing, services, construction, wholesalers, and finance—are represented. The Chamber has membership in all 50 states.

The Chamber's international reach is substantial as well. We believe that global interdependence provides opportunities, not threats. In addition to the American Chambers of Commerce abroad, an increasing number of our members engage in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Good morning Chairman Smith, Ranking Member Davis, and members of the Subcommittee on Human Resources. My name is Cheryl Oldham, Vice President of Education Policy at the U.S. Chamber of Commerce (“Chamber”). The Chamber is the world’s largest business federation, representing the interests of more than three million businesses and organizations of every size, sector, and region. I appreciate the invitation to testify today on behalf of the businesses that the Chamber represents.

It is an honor to be invited to testify at today’s hearing: **Opportunities for Youth and Young Adults to Break the Cycle of Poverty.**

In 2015, the most recent year for which data is available¹, 43 million Americans were living below the federal poverty line, including 14.5 million under the age of 18, or 1 in 5 of every youth under the age of 18 in the United States. While recent trends show positive movement, we have a long way to go in this nation to address the issue of poverty and specifically, poverty among our youth.

There are many federal, state and local programs designed to help families living in poverty meet basic needs, but addressing the long-term cycle of poverty takes much more than these programs are often able to provide. While youth in poverty often face many barriers, a good education and job skills are imperative to moving up the economic ladder. A quarter of Americans with no high school diploma live in poverty. This percentage is cut in half among those with a high school diploma, while just 4.5% of Americans with a college degree are in poverty.

The good news is that the nation’s high school graduation rate has increased from 72% in 2002 to a record 83.2% for the class of 2015. However, there are still over 500,000 young people dropping out of our schools every year. Initiatives, including GradNation, which is supported by employers including State Farm, AT&T, and Boeing, have made increasing graduation rates a priority, with a goal of 90% for the class of 2020.

The clear connection between low graduation rates and poverty is reflected in that fact that individuals without a degree are far less likely to be in the labor force

¹ Proctor, Bernadette D., Jessica L. Semega, and Melissa A. Kollar U.S. Census Bureau, Current Population Reports, P60-256(RV), *Income and Poverty in the United States: 2015*, U.S. Government Printing Office, Washington, DC, 2016.

and earning a wage. Of the 513,000 young people who dropped out of high school between October 2015 and October 2016, only half were participating in the labor force, and the jobless rate for recent high school dropouts was 31.9%.²

In the face of these numbers, is the reality that there are over 5 million jobs unfilled in the United States due in part to a lack of skilled workers. In fact, half of all employers are unable to fill vacant positions, and only 11% of employers feel newly credentialed graduates are ready for work.³ This provides a genuine opportunity to significantly improve the lives of millions of at-risk youth by developing and implementing innovative strategies that can provide the skills, support and education necessary to break the cycle of poverty.

To address this challenge, federal and state policies have increased the focus on youth employment and career pathway initiatives that address both in-school and out-of-school youth. Corporate and private philanthropy are seeding new efforts to build a national movement of youth employment initiatives.

Some of these examples were highlighted in our 2015 report released by the U.S. Chamber of Commerce Foundation, “Making Youth Employment Work: Essential Elements for a Successful Strategy.”⁴

One organization highlighted in our report was Year Up, which I am pleased is also testifying today. They are a remarkable example of how corporations are successfully working to empower low-income young adults to move out of poverty through training, internships and a professional career.

Another example of employers working to provide opportunities for at-risk young adults, and in turn benefiting from their skills, is the Hillside Work-Scholarship Connection. Originally launched in the 1980s by Wegmans Food Markets to help at-

² BLS, Economic News Release, “College Enrollment and Work Activity of High School Graduates,” April 27, 2017 <https://www.bls.gov/news.release/hsgsec.htm>.

³ Lucia Anderson Weathers, “Today’s Business Leaders Say, ‘It’s What You Know, Not Where You Go’ When Making Hiring Decisions, New Study Shows,” Lumina Foundation, <https://www.luminafoundation.org/news-and-events/todays-business-leaders-say-it-s-what-you-know-not-where-you-go-when-making-hiring-decisions-new-study-shows>. You can access the original Lumina/Gallup study, What America Needs to Know about Higher Education Redesign, by visiting <https://www.luminafoundation.org/files/resources/2013-gallup-lumina-foundation-report.pdf>.

⁴ <https://www.uschamberfoundation.org/reports/making-youth-employment-work-essential-elements-successful-strategy>.

risk youth finish high school, this program has been run for the past 20 years by Hillside Family of Agencies and helps youth throughout New York as well as in Prince George's County, Maryland and here in Washington D.C. Through this partnership, Hillside provides tutoring, mentoring, college preparation and job-readiness training to prepare young adults for jobs at Wegmans and 20 other employer partners. This program has helped hundreds of youth find and maintain jobs. More than 600 young adults are employed at Wegman stores alone.

Many youth, particularly those who are at-risk, are simply not aware of the many opportunities that exist in the labor market because they have not been exposed to professional careers. There is no better way to tear down this barrier than by engaging youth and bringing them into the workplace. Internships, apprenticeships, work-study, and job shadowing are all examples of ways to provide these opportunities, which often have an academic component.

One such example is Quality Float Works, Inc., a small manufacturing company which established a work-study program in which students attend academic classes in the morning and work on the shop floor in the afternoon. They test their skills on approved equipment, assist with prep work, and explore different roles in the firm. Students receive school credit for participating in the program and benefit from coaching on soft skills and have the opportunity for high-paying careers in manufacturing. In turn, Quality Float Works has an opportunity to identify promising young talent that might have otherwise gone unnoticed.

Building on our 2015 Report, the U.S. Chamber of Commerce Foundation (USCCF) launched a Youth Employment initiative that is supporting employers and business associations championing scalable and sustainable solutions. In particular, this effort focuses on building the capacity for greater employer leadership and identifying promising practices for how the business community can more deliberately engage youth as an overall part of their talent strategy. Through this effort, USCCF has released a series of papers that highlight youth employment strategies that are not just demand-driven, but employer-led.

Specifically, we believe that in order to address the youth employment challenge of our time, we must activate the large network of business associations and

other intermediaries that are well positioned to partner with employers. Our federation of state and local chambers of commerce alone is over 2,500 strong. Many of them regularly engage with their members on issues related to finding and retaining talent as well as ensuring that education and workforce programs are aligned to business needs. In our report *Talent Orchestrators: Scaling Youth Employment through Business-Facing Intermediaries*, we highlight how business associations and other intermediaries can organize a set of talent management services that place youth in high-quality employment experiences while also providing additional training, such as improving foundational professional skills, or “soft skills.” These talent orchestrators play a critical role in making sure employers can meet their hiring needs while also scaling up and improving youth employment efforts.

The Denver Opportunity Youth Investment initiative, supported by the Denver Chamber of Commerce, is dedicated to improving educational and employment outcomes for youth between the ages of 16-24 in the City of Denver, who are disconnected from school and work. This initiative is focused on building connection points and pathways for youth, along with developing tools and resources for the business community and the many community-based partners that work with opportunity youth. The structure includes a Workforce Intermediary, a Workforce Navigator, and on the job supports working in tandem to support opportunity youth.

Another example is Genesys Works, an internship provider with operations across the country. It focuses primarily on information technology (IT) positions and provides a ready source of young talent for its client companies in cities like Chicago, Houston, and Minneapolis.

While many of its employer customers initially engage to give back to the community, Genesys Works is able to secure long-term engagement by demonstrating value such as increased productivity and reduced costs for employers. This is achieved by providing job-ready interns capable of executing entry-level work tasks. Interns are Genesys Works employees, which makes the engagement process simple and straightforward. Through this combination of services, companies experience high rates of satisfaction by addressing their need for talent while Genesys Works simultaneously fulfills the needs of their target youth population. Another network that needs to be activated is community-based organizations that can better reach

disconnected youth. One example of such efforts is i.c.stars. As a technology training program for low-income young adults in Chicago, Illinois, they leverage project-based learning to equip participants with not only the technical proficiencies, but also the behaviors, values, and attitudes to be leaders in the workforce and their communities. With about 1,000 hours of hands-on experience, the 16-week core curriculum creates small teams of young adults to solve real-world business problems, allowing them to develop the critical foundational professional skills employers need in the innovation economy. It is a good example of how alternative networks and ways of learning (i.e., challenges) can make a big difference for opportunity youth. This program has been highly successful at increasing the earnings of youth. The average 12-month earnings of youth prior to participation in the program was \$9,846, while the average 12-month earnings after the program was an amazing \$57,240.

For our part, the U.S. Chamber remains committed to efforts in strengthening our nation's education system. This is truly the single most important step toward addressing poverty. In addition, we believe that many more employers must become involved in initiatives to help at-risk youth and must understand how these initiatives can benefit both students and their business alike.

Through our vast network of businesses of all sectors and sizes, as well as thousands of local and state chambers of commerce—we will continue to educate the business community on the opportunities effective youth employment strategies present. We encourage policymakers to consider how through activating employer leadership and business associations as part of the solution we can go a long way toward scaling up youth employment.

Again, thank you for this opportunity to testify here before you today, and I would welcome any questions.

*Chairman Smith. Thank you very much to all of our witnesses, and, Ms. Oldham, thank you.

Mr. Chertavian, in your written testimony, you discuss a commitment to rigorously evaluating what you are doing. You look for perhaps W-2s and an increasing nature, hopefully, of those W-2s for your participants. You also discuss how perhaps some of our institutions -- be it educational or others -- are really wanting to do the right thing, and yet are not really adequately preparing young adults for success in the labor market. And I am concerned that Congress oftentimes funds programs without looking at the evidence of success.

So you recommend focusing on outcomes and results in your testimony. What measurements do you use to evaluate Year Up's success in helping the youth move out of poverty and up the economic ladder? And how frequently do you measure? And can you tell us more about what you do with that information and who might find it most useful?

*Mr. Chertavian. Sure. Thank you for the question, Chairman Smith. We are currently undergoing our third randomized control trial. The last two were funded by the Federal Government in one of the most significant investments this country has made in studying anti-poverty programs called the Pace initiative.

Our goal is to prove and improve what we do every single day. We measure the increased earnings that our graduates are able to achieve over now a 3- to 5-year outcome versus a control group that was also admitted to the program but that was not served by the program. So you are looking very specifically at control groups versus those who are served. Measuring the delta of their earnings is your first major measure.

We also measure postsecondary attainment, so how those young adults, now that they can feed their bellies, how do they continue to feed their brains, right? And those often have to be done concomitantly for folks in this country today. We will then look at other factors of how young adults are achieving, like wealth creation. Are you now buying homes? Are you investing in assets? It is not just income; it is actually achieving wealth over time. And so we are looking at those factors.

We study the randomized control trials the most rigorous. We do assiduous surveys 1 year out, collect data on the students who have graduated a year ago. Every 5 years, we will do a complete sweep and go all the way back to 17 years ago and grab every single student we can. It tends to be through different mechanisms, like text and interesting ways to get that.

That data absolutely drives every improvement we make, and we are dedicated each year to seeing how do we get better and smarter. And what we have learned I would humbly think over the past 17 years could be very applicable to a wider range of federal programs that are looking to actually serving adults and move them out of poverty.

So it is something that I would be more than happy, however helpful, to share anything and everything we have learned over 17 years. We have now served 17,000 young people in 21 locations across America, so we have learned a lot that we would be happy to pass on. And the data we have acquired, we will happily pass on that in ways that are effective.

Our goal is not to grow our program; it is to help this country. So if this program called Year Up can help our country, that is our goal as a program is to ultimately be of assistance to the wider issue of those 5-plus million young people.

*Chairman Smith. All right. And do you feel that the Federal Government, perhaps in the limited interactions you have with them on funding, on the funding front, what -- I mean, do they express an interest in as much data as you might have? Or, obviously, you are very rigorous in going through all of that data and looking at outcomes. Has the Federal Government indicated an interest in all of that? Is there room for improvement?

*Mr. Chertavian. So what I have observed myself is there is an increased desire to look at evidence-based and increasingly outcomes-driven models. I think the outcomes-driven is in its ascendancy. Evidence-based we see increasing. Unfortunately, though, we still see a disconnect between who gets funded and how are those programs evaluated.

So it seems programs in operation, new programs, may be being held to different standards, programs that have been funded for a while. So we receive almost no government money today because we don't fit often in the somewhat inflexible requirements of a program, yet we are the fastest-growing program in the country that serves low-income youth. So there is some disconnect there between how funding currently flows and, indeed, the evidence base is growing. That is for sure.

*Chairman Smith. Okay. Well, in the interest of time, I have a lot more questions, but I might have to postpone those.

But we will move on here. Mr. Davis, you are recognized for 5 minutes.

*Mr. Davis. Thank you very much again, Mr. Chairman.

Mr. Manuel, we know that foster youth are twice as likely to become teen parents as their peers, and we also know that they are much more likely to have more than one child before they are 19. What are the critical services that your organization provides that really help these young people decide that it is not time to have another child, and that there would be some impediment, in all likelihood, to their continuous progress?

*Mr. Manuel. Thank you, Mr. Davis. Well, first of all, we obviously know that we are not the pregnancy police, but we do try to put things in place for those teen parents. First, we start off -- I talked about earlier -- about a mentor. That mentor meets with that youth daily. That mentor also helps to direct that youth to other teen parenting

programs, sits with them, so that they can get background on financial literacy, what it means if they have another child.

They also work with that particular teen parent involving them with group discussions, so that they can sit with other teen parents to learn about some of the issues that they face with having more than one particular child.

The biggest thing, the most influential piece that I could say is just those youth having a role model to look up to. So when they have no particular individuals in their lives, then it helps to somewhat reduce the likelihood of them becoming pregnant again.

*Mr. Manuel. Thank you. Thank you very much.

Mr. Chertavian, I was interested in your story about Greg Walton, who went from a correctional facility into program. But what really interested me is the fact that you were able to convince employers to take these individuals on, and in some instances even paid to be a part of the program. How do you get employers to really join in?

*Mr. Chertavian. So we appeal not only to employers' social responsibility, but perhaps, if not more importantly, their wallets. We know that a job that pays about \$40,000 a year -- and Excentra has done separate research on this -- it is more cost effective for a company to work with Year Up to find entry-level talent than to go to the street, hire 100 people, see if they work out; 1 out of 2 out of 3 doesn't.

The cost of that, the cost of retraining, rehiring -- so we can produce research in front of a company that says, "You may not have seen these young adults as economic assets. We can prove to you -- 17,000 young people now -- that this is not only a better but a more cost effective way to grow your workforce." Once they see that, it now becomes something they are coming to us for. So American Express said, "We will now take 200 entry-level Java developers from your organization, but we need you to open up in Phoenix and in plantation Florida."

So we move also to accommodate the need of industry, which means we have to be responsive to where the job demand is in this country. And I think that critical thing is you have got to start with the employer and work backwards. And many programs are starting not at that employer end, and, therefore, there is a disconnect between what the employer needs and what training is happening for the young person. If we could reverse that flow, boy, we could help this country.

*Mr. Davis. Thank you very much.

And, quickly, Ms. Roland, you expressed glee when you were able to connect with this job that really paid enough money for you to feel like you were living well or decently on. We just had an experience with a young intern who managed to get a job paying \$18 an hour for the rest of the summer with a utility company.

Trying to prepare people for that, is there a way that we could be more helpful in terms of helping people get jobs that actually paid a livable wage?

*Ms. Roland. I think one of the things that help get young adults hired is networking, connecting them to people who are willing to help. That is one of the big things that Year Up taught us. Most jobs are gotten by knowing someone or knowing someone who knows someone. So if you know a young adult, if you know a good program, introducing them to it is definitely very helpful.

*Mr. Davis. Thank you very much, and I yield back Mr. Chairman.

*Chairman Smith. Thank you.

Mrs. Walorski.

*Mrs. Walorski. Thank you, Mr. Chairman. Thank you for all of you that are here today.

Jameela, you rock. You just had an opportunity to tell our fellow Americans and the youth in this country that there is hope and determination. There is a way. You just did it. You just proved it. And what young person doesn't want to work at Microsoft? I mean, this is the best news that could be delivered, I think, to this country. It is from you. Because you have proven what we have all talked about up here, which is there is not one way fits all, all size -- one size fits all. College is not for everybody right outside the door, you know?

I so much appreciate your determination and the hunt that -- and the mission that you were on, and I think that, you know, for me, when I look at organizations like Year Up, I have got an organization in my district as well, Goodwill of Northern Indiana, that has a program called Excel Center. And, you know, they are bringing on hands-on this and hands-on that, and offering, you know, business connections and setups and all those things, networking, like you said, as well.

But I think it is so important for young people in this country to be able to talk about the fact that they can point to people who did this. And I think it is easy, and I think it is easy at the Federal Government level to say that government always has the answers, we always do this right, you know, all these models and plans never exhaust.

And I think today the reason this is so important is to listen to all of you -- but, Jameela, especially you -- to be able to say that being able to fund innovative programs, and being able to allow innovation and research, and those kinds of things to happen in the private sector, to come along on the front lines and absolutely start showing new ways, new innovations, new paths to follow.

And I think one of the things that you said is so important. You talked about -- and it matches up with my Goodwill in Northern Indiana -- they talk about career and college,

not college and career. And I think when we kind of start breaking through that mind-set of setting people free, they don't have to go into that one mode and that one model.

So in initiatives like the Excel Center in my district, Year Up that you are involved in, they are locally driven. They adapt to individuals. They help make that bridge out of poverty.

But, Jameela, you mentioned that in the 7 years that you were trying to attend college, you couldn't find the support you needed to make it work. What specifically did Year Up do that colleges weren't going to provide? What was it that when you saw that and you thought, oh, my gosh, I just found the key, I am walking through the door, what is -- what was it that they offered that you didn't see anywhere else?

*Ms. Roland. A stipend.

*Mrs. Walorski. Ah ha.

[Laughter.]

*Ms. Roland. A stipend is so critical because during the program I had to work just to pay the bills. Even the stipend amount wasn't fully enough to take care of everything, but the fact that there was a stipend meant that I could reduce my work hours and focus on this program without having to, you know, work all night long and then come in the next day tired, not fully receiving everything.

*Mrs. Walorski. And let me ask you this. So I spent 2 years on another committee chairing a subcommittee on the bridge out of poverty, on nutrition, and it was on food stamps, and it was on all these different things. But we had 17 hearings listening to people all over the country talk about the bridge out of poverty.

And the one thread that I saw in all of those hearings for 2 years seems to be also buried in the success of yours. And can you speak to the fact of I guess one of the things that I saw was it is one thing to just be providing money maybe over here or normal, just traditional resources over here, without human interaction.

Can you speak to, when you talked about accountability and all these classes, how much just having another human being person, not just being a number through the government, but the hands-on with people, how much of a role did that play?

*Ms. Roland. That was also -- that is probably right under the stipend. It is so important, because every day I walked in I knew the staff knew my story, knew my situation, knew my circumstances, my challenges. And so when I needed help, and I reached out, I didn't have to retell my story every time, which can get extremely exhausting and very discouraging as well.

So having someone who knows your story, who is willing to engage in you, who checks up on you, if you are going through something, it means a lot to know that they care more than just their bottom line.

*Mrs. Walorski. Right. And then what kind of -- what was going on with your family? So as you are going through this process, and you are interning, and you are happy, and you are working, and you are doing all of these classes, that stipend is coming in, things are a little bit better, I am sure your self-confidence was building, you felt more secure, so what was happening with the interaction around other groups of people, your friends and your family, as they were watching this transformation? What did your friends say?

*Ms. Roland. I honestly didn't have much interaction with my friends at the time because I was --

*Mrs. Walorski. You were so busy?

*Ms. Roland. -- pretty busy. I was really busy. But everyone -- every time I gave updates on -- oh, cool, internship at Microsoft -- everyone was so excited and supportive. My family was so excited and supportive. Yeah, I don't know if you read my testimony, but my sister, she cries about everything because she is always super excited. And so I had a lot of support from -- on a personal level.

*Mrs. Walorski. That is awesome. Well, lady, you rock. And I am excited for our fellow Americans and for young people to know that there is hope and to keep moving and that one size doesn't fit all and to keep pushing for those individual things that mean a lot to those individuals.

Thanks for being here today to all of you. Very much appreciate it.

Thanks, Mr. Chairman. I yield back.

*Chairman Smith. Thank you. And, you know, the more successful you are at Microsoft, maybe Apple will be knocking on your door as well.

[Laughter.]

*Chairman Smith. Or a number of other brands. So with that, next up is Ms. Sewell.

*Ms. Sewell. Thank you, Mr. Chairman. Let me echo my -- the other colleagues who are just so excited for you, Jameela, for your success, and Year Up sounds like a wonderful program.

Look, I represent rural Alabama -- Selma, Alabama -- where everybody knows about the bridge, but it is a town of 19,000 and it is dying on the vine. My question is: how can we scale programs like Year Up to help rural America? Especially when you have -- you

don't have a Microsoft located in your community, and yet we still have disconnected youth.

In fact, in my district, between the ages of, you know, 16 and 24, the sort of disconnected youth age, 15.9 percent are disconnected, meaning they are not employed. And so what are we doing to help scale programs like yours or the program that you suggested, Mr. Manuel? I think you said it was Y2 -- Y3?

*Mr. Manuel. Y3.

*Ms. Sewell. Yes. How do we scale up programs like that, so that they are accessible and tailored? Because we know one size doesn't fit all.

*Mr. Chertavian. That is correct.

*Ms. Sewell. Tailored for rural parts of America.

*Mr. Chertavian. That is right. In fact, I was just on the phone with folks from Birmingham, Alabama, talking very similarly. I think what is most important to understand is the principles that will drive the outcomes, in many cases. So if this only works if an employer says, "I need talent," now that talent doesn't have to be we work in technology and finance and I would call middle-skill white collar jobs.

But this applies to any job today that requires honestly more than a high school degree, which is the vast majority of jobs in this country. So I think if one says, "How do I scale it?" I have to see what jobs do exist. It could be hospitality, they could be logistics, right? A range of jobs. But I can promise you those employers want the exact same thing Microsoft does.

So if we start with what incentives will get programs, not just Year Up, to actually do the right thing, Darwin will ultimately take over. Programs that succeed will get more funding. Those that aren't able to get that outcome, a W-2 that grows over time, will get less funding. So rather than choosing winners and losers, let's set the incentive systems based on principles we know work in youth development and youth workforce development.

In that context, it will apply rural, it will apply to an urban setting. We have looked at that through Year Up. One has to understand what jobs are available, but it is not just the Microsoft. There is many, many other jobs that would be the perfect first job for a young person, but we are not producing folks who are employable, attitudinal, behavioral, communication skills. That is what employers most want.

If you provide that, and you have a willing learner, they will take it from there. And so I think that is what we are often missing is we are not asking folks to really make sure folks are employable and holding them accountable for that outcome and paying them on the result of that outcome. The principles will work, rural and urban.

*Ms. Sewell. You know, the other thing that I think it is really important that this Committee focuses on, you know, we have jurisdiction over wraparound services that are important to give hand up to folks like yourself, Ms. Roland. So can you talk a little bit about some of those wraparound services that the Federal Government offers while, you know, you are getting an opportunity from a private partnership that is done through Year Up?

I would assume that you needed healthcare. I am assuming that you needed other sort of social service programs that we have within our jurisdiction. Can you talk a little bit about how we can, public and private, work to support disconnected youth?

*Ms. Roland. Can you define "wraparound services"?

*Ms. Sewell. Sure. Healthcare. While you were -- for that 1 year, who provided you with healthcare services for that 1 year? Or did you not have it?

*Ms. Roland. I had healthcare. I had healthcare through the Affordable Healthcare -- the Affordable Care Act.

*Ms. Sewell. Okay. And so talk to us about whether or not it was affordable for you. You know, I just really want -- that is a wraparound service, right? So, yes, this program provided you with training, which is great, and a job opportunity. But we also do programs that are like social service block grant programs, we do TANF, Temporary Assistance for Needy Families.

Those are the kinds of federal programs that we have jurisdiction over. And I am always interested in seeing how, working in tandem, private and public can uplift and undergirth disconnected youth, such as yourself.

*Ms. Roland. Yeah. So I was the recipient of benefits. I had healthcare, I had food stamps, and it really took a lot of stress off of me, knowing that those were taken care of, that I didn't have to shell money out of pocket that I really didn't have. I know healthcare can be really expensive, too, and knowing that if I did get sick, I could go to the doctor and it won't like put me in a financial bind, was critical.

*Ms. Sewell. And I think that what your success story really illustrates to all of us is that, you know, those programs are not about trying to breed dependency. Rather, they are programs that can help undergirth, and working with private, give you the hand up that you need in order to be the success that you are today.

So I want to thank you for being so brave to come and talk to us about your success, and just want to remind the committee of how important what we do is as well in undergirting disconnected youth. Thanks.

*Ms. Roland. Thank you.

*Chairman Smith. Thank you, Ms. Sewell. And given the time constraints, we are going to do a 2 to 1 ratio. Next up is Mr. Reichert.

*Mr. Reichert. Thanks, Mr. Chairman.

Well, welcome, and thank you all for your testimony today, and especially thank you all for the hard work that you do.

Jameela, you and I have a couple things in common. Did you know that? One is I lived on the street, too. I ran away when I was a senior in high school and lived in an old car. And so I think, you know, eventually you are going to be a congresswoman, so that is, you know --

[Laughter.]

*Mr. Reichert. Second -- maybe not.

*Chairman Smith. You may have higher aspirations as well.

[Laughter.]

*Mr. Reichert. Right. Maybe a senator. I don't know.

Secondly, I come from the State of Washington, and I was the sheriff there. So we have a list of partners, and I was happy to see the King County Sheriff's offices on there as one of the partners. It is I think definitely a community effort, and the police -- I spent 33 years there, and so I, you know, just saw about -- just about everything that you could see. And I know how hard you had to work to get to where you are.

But now the responsibility is not just about you; it is about all those friends that you talked about that are all excited. Now you can help share your success with them, right? And I know that you are going to do that because I can tell that by the energy that you have and your personality.

So did you bring friends and family today that are supporting you, or are they supporting you from --

*Ms. Roland. Yeah. Everyone is supporting me from home. I came solo on this trip because it was a little last minute, but I am pretty sure everyone who is willing to be awake this early on west coast time is watching right now.

[Laughter.]

*Mr. Reichert. Well, say, "Hi, Mom."

*Ms. Roland. Hi, Mom.

[Laughter.]

*Mr. Reichert. So here is the bottom line. We can -- you know, the stats are good. I really like the way that all of you are approaching, you know, your each individual piece of this, and collecting the data is absolutely critical to success in figuring out which programs work. The Federal Government -- like I have been here -- this is my 13th year here, and I still can't figure out how the heck they do things, and it is just -- it is complicated, it is convoluted, it is sometimes not based on fact, it is based on politics. My belief is the best work is coming from all of you. You are in the trenches, and you are working with people that are day in and day out knocking on your door, and you know the best ways to reach people.

When we talk about, Mr. Manuel, 2,500 in Chicago per year that don't graduate, and we talk about these disconnected youth, and we need to have these programs to reach these young people. We are losing smart, young people every day. How do we -- my question is, and maybe, you know, your organizations haven't delved that deep into it yet, but how do we prevent the disconnect from happening in the first place? I mean, that is really the question that we need to ask.

Prevention, of course, in law enforcement is our number one goal is to prevent crime and keep people safe from crime before it even happens. So does anyone -- I am going to ask the entire panel this question. What are we going to do to stop this disconnect in the first place? What are we doing? How can we work to help young people start out with a strong foundation to begin with? What is the answer to that one? That is the million dollar question.

*Mr. Chertavian. I know this isn't an education committee, but humbly I think if we can do a couple of things, first of which is ensure our children are ready to read when they get to school, probably one of the best things we can do for our children in this country.

The second is we talk about high school. When we know that 50 percent of every college-goer in America today works full-time, we have to ensure you leave high school knowing how to work as well as how to consume postsecondary education. And we talk about career readiness in the United States, but there aren't standards and assessments that actually drive someone being employable. And what happens is you have graduated high school, you don't have those skills, you are working 80 hours to just get by, college, postsecondary, is a dream.

So I think there is a lot we can do in high school, not only dropout prevention but proper preparation for the world of today, coupled with early childhood literacy, kind of a barbell structure, could be effective.

*Mr. Reichert. Mr. Manuel.

*Mr. Manuel. Thank you. The approach that we are trying to go into is both a combination of prevention and intervention, because there is a reason that a lot of --

*Mr. Reichert. Families?

*Mr. Manuel. Yes. We work with the -- we are getting to that point where we are working with the families because a lot of those youth, as I stated earlier, their parents may have been incarcerated, their parents may have been unemployed, and so we want to try to break that cycle.

*Mr. Reichert. There you go.

*Mr. Manuel. The other thing that we look at is trauma. We use a trauma-based approach in working with the youth. But not only the youth, the staff that work with our youth. We do realize that it takes a toll on the staff dealing and being faced with all of the different trauma, the events that these youth bring to them on a daily basis.

And so monthly we take the staff through vicarious trauma, and so we give them an outlet. And so then they are refreshed and able to go and meet with those youth and then talk to those families again.

*Mr. Reichert. Thank you.

Mr. Chairman, if I may indulge just one quick question. Jameela, what high school did you go to?

*Ms. Roland. I graduated from Federal Way High School.

*Mr. Reichert. Federal Way High School.

*Ms. Roland. Yes.

*Mr. Reichert. Go --

*Ms. Roland. Go Eagles.

*Mr. Reichert. Yes.

[Laughter.]

*Chairman Smith. All right. Thank you. Next up will be Mr. Bishop, followed by Ms. Chu and Mr. Curbelo. Mr. Bishop.

*Mr. Bishop. Thank you, Mr. Chairman, and thank you for the committee, and thank you to the panel. It is a great discussion. I wish we had more time.

Mr. Chertavian, thank you for what you do. It is amazing what we can do when we operate in such a logical way. I really do appreciate the way you have approached this and the way you present this because it is very logical. I am thrilled to see Ms. Roland and how well you are doing.

I am wondering, what percentage of your graduates -- I don't know, maybe we should call them those that have succeeded through your system -- are actually employed? How many actually get a job and matriculate through the system?

*Mr. Chertavian. Sure. So 91 percent of our graduates within 4 months, and we have a very clear window that comes down, will be full-time employed. A small percentage are going to college full-time and working part-time. But 91 percent of those graduates; average wage is \$38,000 per year, immediate taxpayers for this country.

*Mr. Bishop. Amazing. Excellent.

Ms. Roland, when you finished with the program and you found your job at Microsoft, did you have to relocate? And how did you make ends meet in between, in your transition period? Where did you live, and how did that work?

*Ms. Roland. So I didn't have to relocate. I live in Federal Way still, and I commute to Redmond every day. Not for long, hopefully. And with employment, I was hired directly after my internship with no gaps because they needed me. So I didn't really have much of a transition from being a student intern to an employee.

*Mr. Bishop. That is great. Good.

And, Mr. Chertavian, do you help with it? Does the program help with transition period type stuff, relocation and gas?

*Mr. Chertavian. Absolutely. In fact, you know, our only outcome we focus on is that young person to get the W-2 that grows over time. So whatever we need to do to ensure that happens.

We also have now, you know, 11,000 graduates. We will have 30,000 grads in the next 5 years. We have a whole alumni association across the country. So if you needed additional financial literacy support now that you are getting a mortgage or a car, if you -- we have an EAP program for graduates, employee assistance program. If they had a crisis that could come up, additional college counseling, to say, "How do I finish that degree?"

Through Year Up, you get 1 year of the degree under your belt. How do I finish that now that I am gainfully employed? So we have a national alumni association across the whole country that is very scalable and very cost effective because it is accessed through Skype and, you know, very easy means as opposed to trying to replicate that in 21 locations in America.

*Mr. Bishop. Thank you.

Mr. Manuel, I was involved -- I am from the Michigan, Detroit, area. I was involved in Covenant House, which is a very similar organization to the organization that you are with, and I can tell that our mission is very simple -- very similar. How do you -- and when you are out there, you are looking for that demographic of folks that you are focusing on. How do you attract them? What gets them into the program?

They have probably known about it. They have tried different programs. What brings them into your program? How do you reach out and grab them and pull them in?

*Mr. Manuel. Well, a big part of our recruitment, I should say, is their peers. And so we allow their peers to have an opportunity to be able to talk and recruit and talk about some of the things that they have experienced, because it is easily -- we can lay everything out, have a conversation about the internships, what it means to have a high school diploma. But if that is not a practice that they are used to, or that the family have embraced with, then they are not going to buy into it.

And so we try to set up what we call a trial period, a pending period, so we allow that youth to be able to come into the school, experience everything that any other student would experience, and then that decision is made by that youth to see if that is a fit for them. We are not schools that feel as though we want the elite youth.

We make sure that our recruiters, whether it is the youth or paid staff, that they go into those areas that no one would ideally go into, to try to bring those youth back off the streets, enroll them back into school, and letting them know that they do have a promising future.

*Mr. Bishop. Interesting. I know that the two missions are the same, the organization that I was speaking of, the Covenant House, and if we could get all of the organizations together and figure out how to reach out and to really connect with these -- the youth out there, I think it would make a big difference if we could do that.

Thank you all very much, and I yield back.

*Chairman Smith. Thank you.

Next up, Ms. Chu, followed by Mr. Curbelo. Ms. Chu.

*Ms. Chu. Mr. Chertavian, your program is so impressive, and, Jameela Roland, your story is so inspirational. And, Mr. Chertavian, your program incorporates so many different approaches to helping youth and young adults gain the skills that they need, including training, mentoring, and providing internships with private sector employers.

And, in your testimony, you stated that education and training systems are increasingly out of touch with employers' needs and out of reach for young adults. You

also indicated that you would like to see assistance programs such as TANF and the social services block grant more closely aligned with the demands of the labor market.

TANF, for example, puts states at risk of federal penalties if they enroll too many people in programs that combine job training with work. And, in many cases, programs like yours that produce successful outcomes do indeed try to align them.

So, in your opinion, what would be an ideal form of TANF that would allow for greater employability for good middle class jobs for young people?

*Mr. Chertavian. Thank you for the question. I think what we see is funding programs to try to help someone we know isn't working. So if we say to the folks who are in the business of training talent, actually, we will pay you upon a result, right, when you achieve milestones. So the incentive has to be based on that outcome I think, first and foremost.

For the individual, as Jameela said, we started with, where is she right now as we met her at the door, right? What was her personal situation? How do we help her? If she needed to get a part-time job in addition to what we are doing in training, that is great. If she needed some assistance, you mentioned before on transportation to get to that internship, how would we be thoughtful about doing that?

So we are flexible around the human being and what their needs are, and that often is harder to implement in a program that has very rigid requirements as to who you can serve, do they lose certain benefits if they are gaining certain benefits.

So we would increase flexibility for sure, have the incentives follow the outcomes we want primarily, and I think you have got to start with the employer and work backwards as to what the employer needs, which is skilled talent. And if they are happy -- I mean, you have to imagine, employers are contributing \$25,000 per Year Up intern to gain access to talent. They would never do that unless it was in their economic interest.

We know employers are craving talent that is loyal. Our folks stay 3 to 4 times longer than the average employee. So companies are seeing this as a better source of talent. So it is really understanding, what does the employer need? They have the money to augment the investment the Federal Government makes and to lever, leverage the federal investment through the corporate need. I think we could do quite a lot there, to use TANF as a lever, but expect corporations to have skin in the game as well, because if they don't have skin in the game, they don't value what they are getting in terms of talent.

*Ms. Chu. So I like your idea of going backwards and seeing what the employer needs. TANF has this limit of 1 year of education and training. Is that enough for employers in your experience?

*Mr. Chertavian. Yes. Yes, it is. One year is enough to get started. Many of our companies will say to us, "We expect your graduate to continue to complete their

education." In fact, American Express, they start at \$37,500. AmEx will pay for them to complete their associate's degree. As soon as they complete it, they move to \$55,000.

So companies are increasingly getting in the business of education. We are seeing that all over the country. But if we can leverage, not pay for everything from the Federal Government, but encourage with incentives for the employee to do the right thing, I think we could get more from our federal dollars in this space.

*Ms. Chu. And, Mr. Manuel, you mentioned in your testimony a number of challenges facing disconnected foster youth, such as mental illness and lack of parental support. And there is one reason why it is so important that we make sure that we don't make deep cuts to Medicaid, and that is that could undercut the health benefits for these youth who are struggling so much.

If Medicaid were block granted, capped, or cut in such a way to make it more difficult for foster youth to access healthcare, how would that impact the youth and young people enrolled in your program? Especially those who need mental health services or substance abuse counseling or just basic healthcare.

*Mr. Manuel. It would greatly impact because we have 2 different populations that we work with. One are youth in care who would -- you know, while they are in care, they receive some health benefits while being in care. But a great majority of our youth are not in care, and so they need those health services to be able to address some diagnosed or misdiagnosed mental illnesses.

We talk about the teen parents. They need the healthcare for themselves and for their children. So any bit of a cut to healthcare would greatly impact and -- because a lot of those issues affect the youth from attending school. A lot of our youth, if their attendance drops, it is because of, you know, healthcare issues.

*Ms. Chu. Thank you.

*Chairman Smith. Thank you, Ms. Chu.

Next we have Mr. Curbelo, followed by Mr. Renacci. Mr. Curbelo.

*Mr. Curbelo. Mr. Chairman, thank you for this opportunity. Thank you for taking some time to focus on these 5.5 million young Americans, people who are so full of potential, yet have obviously given up hope because they are not employed and they are doing nothing to educate themselves to become employable.

So I think this is a wonderful opportunity, and it says a lot about this Subcommittee, about Ways and Means, and about how Republicans and Democrats can work together.

And thank you to all of the witnesses, especially to the superstar, Jameela. I want to ask you a question because I think a lot about the messages we send children in this

country, and as they grow up and become adolescents, that message I think gets reemphasized. You mentioned that you immediately wrote off Year Up because you felt like a college degree was the only path to success. Can you talk a little bit about why you felt that way and what helped you realize that that wasn't the case?

*Ms. Roland. So pretty much the dialogue from sophomore year of high school onward is, after you finish high school, you have got to go get a college degree, so you can get a job, buy a house, be successful. And the only alternatives that were pretty much offered up were you can either join a trade school, learn to be a carpenter or a nurse, or you can join the military.

None of those really appealed to me, so I was like, okay, I will go to college, learn something. And after years of -- I have gone to college, 3 different colleges, 3 different programs, and they just never really worked out because there were external factors that meant that I couldn't give it the focus I needed, or just I didn't know what I was supposed to do next, and I didn't really know who to ask or how to ask for it.

And so a lot of the times when the only options you have are, okay, just go to college, you don't really get any more information, more relevant information, on how to finish college, how to pay for college, what is needed to make sure you are successful. You just get the whole "go for it."

*Mr. Curbelo. So, Mr. Chertavian, do you think that we, the government, are complicit in trapping a lot of young people into believing that only by getting a traditional college degree they can be successful? Do we also send those messages in the way we invest public dollars and in the messages we send?

*Mr. Chertavian. Yes. We do, unfortunately, reinforce that belief system. In part, we think about how Pell grants flow. Yeah, you have to be going how many credits before you get access to a Pell grant? The average age of a bachelor of arts in America is 28 years old. That means you are probably doing it part-time, so that gives up your Pell eligibility.

Even to get financial aid, I could not complete the forms for our students. You know, I didn't know how to do it. So just the ease with which one can access that; also the expectation. If we changed the word to "postsecondary" for all, and truly believed in valued multiple pathways into the mainstream, we could fundamentally I think change this country in a powerful way. But the word "college" assumes 4-year, fixed-term, residential. That is only 8 out of 100 adults in America have a 4-year degree that they got between the ages of 18 and 22; 92 adults of 100 do not have a BA that they got between the ages of 18 and 22.

And often, to the folks thinking about policy, what was our lived experience? And is that with which we are creating the idea of what we want? As opposed to 92 out of 100 Americans don't do 4 years between 18 and 22.

*Mr. Curbelo. And yet we disproportionately fund that --

*Mr. Chertavian. Correct.

*Mr. Curbelo. -- 8 out of 100, you said?

*Mr. Chertavian. That is correct.

*Mr. Curbelo. Eight percent.

*Mr. Chertavian. Right.

*Mr. Curbelo. Ms. Oldham, do you have any ideas as to how we can send the message that there are other ways to becoming a successful citizen in our country? Perhaps in the way we allocate resources, perhaps by making some of our policies more flexible?

*Ms. Oldham. Right. Thank you. I think, absolutely, and I would echo what Gerald said. I think one of the most important things we can do is provide information. I mean, the comment about, you know, the message from sophomore year on was college, college, college, I mean, our K through 12 system and our high schools, the people that are giving that information don't know employers, don't know careers, don't know what is available, what are the growing jobs in that region, who is hiring.

There is a really robust conversation I think now taking place after the passage of the Every Student Succeeds Act, and all states are really struggling with, what is career readiness, and how do we measure it, and what do we do in high schools to ensure that we are really looking at that.

And that career development piece is critical, and there is, obviously, a real issue with, you know, stretching thin of sort of counselors and high school and that kind of thing, but really thinking about a career development focus and providing that information and really good data about what the successful pathways are for young people, so they can make better decisions.

*Mr. Curbelo. Thank you, Ms. Oldham.

Thank you, Mr. Chairman.

*Chairman Smith. Thank you. And wrapping up is Mr. Renacci.

*Mr. Renacci. Thank you, Mr. Chairman. I want to thank the witnesses. I appreciate, Mr. Chairman, you allowing me to be here, even though I am not on the subcommittee, because this is really an issue for me that is very passionate.

I started a program in Cleveland, Ohio, called Opportunity Cleveland where we are looking at youth from age 14 to 24. So I love to hear these stories because I think the theme -- and it is always good to be the last person -- here is what I got out of what I have listened to, and I hope I have got a message.

First off, high school education or a GED is vitally important because, Ms. Oldham, as you say in your testimony, there are a quarter of Americans with no high school diploma who live in poverty. And I will bet you that a majority of Americans without high school diplomas do not have a good-paying job. So that is one thing.

The second thing is we have to break the cycle of poverty. I think that is extremely important. And the fourth is that a 4-year degree does not always make sense. And, Ms. Roland, you are a witness to that.

So I have said all along that the answer -- and I am trying to figure out how to get there -- is we have got to go back and look at the high schools, and we have got to look at skill sets versus test sets. And you will hear me say that all the time back in Ohio. How do we take youth that are going through high school and make sure that they are looking at skill sets and opportunities early on?

I came from a very poor family, and the only thing that helped me is, number 1, I had mentors, and I had job opportunities, and I saw skill sets in high school that said I can be a plumber, I can be anything I want to be. We lack that.

I was at a high school recently, 1,300 students, and only 30 were going to technical school. That tells you something right there; 30 out of 1,300. Because, as I have heard some of my colleagues say, we are putting all our resources toward you have got to go to college. And the answer is, you have got to get a skill set. And sometimes a skill set doesn't mean going to college.

So it is interesting that you can be a plumber and own your own company and make a lot more money than somebody who goes to college. Or you can graduate in Ohio with a degree and make \$25- to \$30,000, or go become a welder and make \$75,000. I mean, these are the opportunities that we need to talk about early on.

So I appreciate that. I am assuming you are all agreeing that these are some of the issues, but I guess my question is, how do we change it? How do we fix this? And what can we do as federal legislators to change the system? Because it sounds like, what I just said, you are all talking about our problems. So how do we fix it? I did hear -- and tell me -- maybe we need to redirect resources. Maybe the Pell grant issue drives people to college versus high school. Any thoughts from any of the panelists?

*Ms. Oldham. Yes. No, thank you. Absolutely, I think there are some things in terms of redirecting resources. I think really, I mean, we have talked a little bit about this, but how do we focus on outcomes in the programs that you do fund and really measure? We value what we measure; we measure what we value. And instead of really focusing on the

inputs, focusing on the outcomes, and what are those important outcomes? Do you have a job? Do you have a sustaining wage? And what are the programs that are leading young people into those paths? And get rid of the ones that don't.

*Mr. Renacci. Sure.

Ms. Roland, it sounded like you found your way after high school. I almost want to think back, in high school, did you think you were missing something, you didn't see it? I mean, I hate to pick on your high school because I do think what we have done in high schools is we have directed everybody to college as well.

*Ms. Roland. It did take me a long time after high school to kind of figure out that kind of I didn't really know what I was doing. I thought I knew what I was doing because I did what they told me I should, and that was aspire to college, apply, do what you can to get into college and get a degree.

But I didn't really know what the realities of that really entailed, like financial aid, filling out all of the paperwork, getting loans. I have gotten some terrible student loans before. So a lot of it is knowing exactly what the expectations of life are, really, and then being able to find opportunities to get to where you want to be with knowing those expectations.

*Mr. Renacci. Mr. Chertavian, your program actually gave me the thought that some of that could be done in a high school.

*Mr. Chertavian. Yes.

*Mr. Renacci. And you are really the subset after high school, and you are doing some of the things we could do.

*Mr. Chertavian. Yeah. I think it is fair to say that Year Up exists because of systemic failure elsewhere. I think that is, you know, broadly true.

So what we really want is high school students having the guidance and the counseling that they need, as you expressed, Jameela, to understand there is not one pathway, whether it is a good trade in vocation, whether it is a 2-year degree, to then perhaps then go to a 4-year degree, whether it is straight into 4-year, whether it is working and getting stable first, so that you can consume higher ed.

We don't value multiple pathways in this country. It is almost culturally seen as a stepchild if you don't do the accepted rhetoric of 4 years, and it is up to us to think about how we are incenting that with even just how Pell grants flow.

When you think of Year Up doesn't have an access to Pell grant in our core program, yet we probably produce good results for this country. So how restrictive are some of

those funding sources that could actually be directed to things that have verifiable results for young people?

*Mr. Renacci. I had one person -- and I know I am running out of time, or I have probably run out -- one last question. I had an individual back in my district say to me, "You know what? High school kids should just go to school until 2:00, and then they should have 3 paths between 2:00 and 5:00. They should either go to a work opportunity where they learn a skill set, they should go and become part of an athletic program where they learn teamwork, you know, or the third thing is that they get an educational skill set as well."

So I don't know if anybody -- I mean, I thought that was pretty interesting, that, you know, we fail because that high school student doesn't have those paths of opportunity after their basic education.

Thank you. I yield back.

*Chairman Smith. Thank you, Mr. Renacci.

I want to say thanks to everyone on our panel. Again, thank you for sharing your story, Jameela, and all of you for sharing your insight and expertise. And those of you also in the gallery, so to speak, thank you for taking your time to be here and participate today.

Please be advised that members will have 2 weeks to submit written questions to be answered later in writing. Those questions, and your answers, will be made part of the formal hearing record.

With that, the subcommittee stands adjourned.

[Whereupon, at 11:25 a.m., the subcommittee was adjourned.]

PUBLIC SUBMISSIONS FOR THE RECORD

Human Resources Subcommittee of the Committee on Ways and Means

Hearing on Opportunities for Youth and Young Adults to Break the Cycle of Poverty

Submission for the record from Dr. Linda S. Schmidt, MLPA, MSW, PhD on behalf of Fostering Success Michigan Policy Action Network

May 17, 2017

Chairman Smith, Ranking Member Davis and Committee Members,

Fostering Success Michigan (FSM) is a statewide initiative that aims to increase access and success in higher education and post-college careers for students with experience in foster care serving as the backbone organization in a collective impact framework that focuses on a common agenda, mutually reinforcing activities, common measurement and continuous communication to connect partners across Michigan. FSM supports the Lumina Foundation's target of increasing high-quality education and career certification to at least 60% by 2025, recognizing education as a critical component of reducing the long-term costs of poverty. FSM is a project under the Center for Fostering Success at Western Michigan University.

To inform progress toward increasing educational attainment, FSM and many of its partners continue to conduct formal and informal research into what works to support students, and to identify changes in systems of care, policy, and practice approaches that enable this goal. In general, this research has identified seven life domains which require attention to fully support student success: education, housing, health, relationships, identity, life skills, and finance and employment. Webinars, podcasts and other information about each of these domains and other related research is available at the FSM website: <http://fosteringuccessmichigan.com/library>.

Every policy initiative related to current and former foster youth must be trauma-informed; respecting the compounding effects of adverse events during childhood and beyond. The child welfare system and other instrumental systems such as education and post-secondary education and training must be trauma-informed and respect the ongoing need for consistent, continuous and connected supports. In addition, there are four critical components to policy directions under the purview of the Human Resource Subcommittee that are especially relevant to our shared goals:

1. Children need to be engaged in reaching for college at the first point of contact with foster care.

The increased focus on documenting educational attainment in federal policy is helpful in this area, but more support is needed. Increased funding for states to strengthen systems of support for education through education planners who work in partnership with colleges and universities would enable Michigan to support more education planners and navigators that provide a critical link for students. Similarly, states should be encouraged to expand public-private partnerships that improve outcomes for youth. The Michigan Youth Opportunity Initiative is an essential partner in improving outcomes for foster youth in several sectors,

including educational attainment. More youth could access this program with additional funding and improved coordination and leveraging of public and private fund sources.

2. Direct assistance for foster youth must be available through post-secondary education or career certification.

The option for states to extend eligibility for foster care and transition supports has been instrumental in helping students in Michigan make their way to college. This support should be continued and more incentives provided to states that provide this additional eligibility.

Similarly, Education & Training Vouchers (ETV) for former foster youth should be expanded and access eased to account for increases in the cost of attendance and other related expenses. The process of monitoring continued eligibility for these vouchers should also be simplified.

States should be encouraged to use TANF or other fund sources to expand scholarships for former foster youth and other vulnerable populations; use of TANF funds for post-secondary education should be prioritized to these students.

Categorical eligibility for SNAP and Medicaid and other supportive services should be maintained for students with foster care experience as long as adequate progress is being made.

Work participation requirements related to former foster youth with children should be categorically applied and/or fund sources integrated to remove additional barriers to educational attainment due to conflicting compliance requirements.

3. Policies must respect the interactive nature of challenges that students with foster care experience face.

Students with foster care experience may experience immediate crises such as homelessness, hunger, lack of transportation or health issues. These interact with each other and can impede progress toward graduation. Outcomes related to policy initiatives that focus on one area while neglecting others will likely be unreliable and/or unsustainable. Policy-makers should resist focusing on one area at the expense of others. For example, creating more scholarship funds at the expense of access to health, housing or food would be problematic, would likely lead to system failure, and would additionally burden vulnerable students by creating an expectation of taking advantage of an opportunity that is constrained by other factors.

4. Students need support in navigating complex systems that are accessible, relevant, flexible and informed by the students themselves.

Colleges and universities should be encouraged through incentives and funding supports to adopt a purposeful and accountable coaching model.

Transitioning to college is challenging for many students; the lack of consistent support, along with the additional stress of navigating several systems is compounded by the effects of trauma for students with foster care experience. The Center for Fostering Success at Western Michigan University developed the Fostering Success Coach model which provides 24/7 access to students to deal with challenges as they arise. This model is being replicated at

many colleges and universities; more information on the Fostering Success Coach model is available at the Center for Fostering Success website: <http://wmich.edu/fosteringsuccess/outreach/training> .

Finally, outcomes related to these policy areas and many others could be greatly enhanced by encouraging data-sharing between state governments, colleges and universities related to former foster youth. This would facilitate accountability for shared goals across systems and help identify future opportunities for increased productivity of both public and private fund sources.

Thank you for this opportunity to share this information. Please feel free to contact me directly for any additional information and to register on the Fostering Success Michigan website to receive regular updates on our work at <http://fosteringsuccessmichigan.com/about>.

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**WORK OPPORTUNITY TAX CREDIT COALITION
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Statement

Of

***Paul E Suplizio
President
Work Opportunity Tax Credit Coalition***

For

***Hearing On Opportunities For Youth And Young Adults To Break The Cycle of
Poverty***

***Subcommittee on Human Resources
Committee on Ways and Means
United States Congress***

May 31, 2017

Mr. Chairman and Members of the Subcommittee:

Thank you for allowing our Coalition to show how the work opportunity tax credit contributes to resolving the challenge of six million disconnected youth when our country is committed to accelerating economic growth.

There are among this six million many disadvantaged youth who are plainly not ready for work because they lack basic skills and carry the scars of poverty. Valuable programs of intensive counseling, education and training, for such youth exist in State welfare departments who confront this problem regularly. During its hearing the Subcommittee received presentations on two model programs which have been achieving excellent results, Year Up and Alternative Schools Network.

From testimony, Year Up's model is six months of intensive classroom work followed by a six-month internship with an employer; its program will serve 3,600 people this year. ASN works with 2,500 high school dropouts a year at a cost of \$14,200 per student who receive job referrals when they graduate. If ASN's model is extended to fifty states, 125,000 disadvantaged youth would be graduated annually and referred to employers, at a cost of \$17.75 billion.

Clearly, intensive programs geared to the most seriously disadvantaged and utilizing professional case managers, counselors, and educators, are high cost and unlikely to make a serious dent in six million disconnected youth by themselves.

There are, however, many in the disconnected youth population who are motivated toward work and willing to step into a job if they can find one, knowing an entry-level job is a stepping-stone to better days. We know this from the fact that "disconnected youth" ages 16-25 were a WOTC target group in 2009 and 2010, and during that time 424,306 were hired using WOTC. Combining DOL data on employment with JCT data on cost, the average cost to the Federal government was \$1,100 a job, and the maximum cost is \$1,560 because WOTC credit is capped.

The WOTC "disconnected youth" target group was terminated in 2010, but consider this: Total WOTC hires were 1,899,141 in fiscal year 2015, including

1,394,967 food stamp recipients, 210,674 welfare recipients (most of them long-term), 75,310 residents of poverty-stricken rural renewal counties, 123,578 veterans, 53,583 ex-felons, 28,150 people with disabilities, and 23,089 SSI recipients, including youth. As the most common entering wage for these workers is around \$9 an hour, we see most are likely to be low-skill youth. If a little more than half are youth, then WOTC is likely responsible for close to a million hires a year of disconnected youth.

Does directly placing nearly 2 million disadvantaged persons a year via WOTC mean that these people are without counseling or peer support or training? Actually, no, they acquire all this on the job, through counseling and training by their managers, learning from co-workers, and making personal adjustments to fit into their team. This cost is borne by employers.

If “disconnected youth” were restored as a WOTC target group, there’s little doubt this focus would catch employers’ attention because, for entry level jobs, employers count on motivation more than skill. Given the importance of quickly reducing those “out of school and out of work” to support the plan to ignite economic growth, incorporating WOTC into the economic plan while making disconnected youth a WOTC target group offers the best route to rapid reduction to a minimum level. The provision enacted in the 2009 ARRA should be copied verbatim and made a permanent part of WOTC; that program was highly effective; nearly a half million disconnected youth were hired in 18 months.

WOTC jobs are real, productive, tax-paying, private sector jobs distributed among 23 occupational groups in every major sector of the economy. Labor Department data shows 29.8 percent in sales and related occupations; 21.9 percent in production operations, including manufacturing, transportation, and construction; 18.7 percent in office and administrative support occupations; 17.5 percent in food preparation and serving occupations; 4.7 percent in healthcare and support occupations; and 1.6 percent in buildings and grounds cleaning and maintenance. The desired policy outcome is job, and jobs are what WOTC delivers—signed and sealed by State Workforce Agencies who certify eligibility of each worker before the tax credit can be claimed. This system has for two decades assured high program integrity, with no significant fraud or abuse.

Are these “dead-end” jobs? They are jobs where a private employer has an opening and is willing to pay full compensation and taxes, other than WOTC’s tax benefit, which is no more than \$1,560 per worker for a firm paying the 35% rate. Low-paying, starter jobs for low-skill workers abound in every sector, and young workers will hold 7 or 8 jobs before age 32 in today’s economy. WOTC contributes to this job mobility because a new employer can take the tax credit if the worker again becomes eligible for WOTC, while no former employer can.

It’s sometimes said, incorrectly, that workers hired via WOTC would have been hired anyway. Recall that WOTC is targeted mainly to disadvantaged workers on public assistance, such as school dropouts or the homeless. These workers compete for jobs with a much larger number of non-disadvantaged workers, like high school graduates and youth from two-parent families. Congress enacted WOTC to expand opportunity—without it jobs will go to the better-educated from better homes and the disadvantaged will again be left behind.

WOTC has proven adaptable to changing economic conditions. Congress has frequently extended WOTC to workers and employers to aid recovery from disasters. It added “rural renewal counties” to help stem population drain from rural areas declining economically. Recently, Congress approved “long-term unemployed” as a new target group. There is a bill before Congress to add “transitioning foster youth” as a new target group, and our Coalition supports The Military Coalition’s proposal for extending WOTC eligibility to dependents of active duty military who are at a disadvantage in finding employment when they relocate.

Pertinent to the Subcommittee’s interest in employment of youths with disabilities is the fact that Congress has enacted larger tax credits for especially hard to hire groups, namely, long-term welfare recipients, long-term unemployed veterans, and disabled veterans. Very favorable results occurred in both cases: today, more long-term TANF recipients are being hired than short-term; and veterans’ employment improved several hundred percent. To improve employment of the disabled, our Coalition has long recommended that special attention be given to each year’s cohort of special needs students graduating from high school.

With 2 million workers a year hired via WOTC, mostly around \$9 or \$10 an hour according to DOL, many WOTC workers will fall into the ranks of the “working poor.” This makes them eligible for the Earned Income Tax Credit, so WOTC and EITC are in a “goldilocks” relationship working together as the cornerstone of the social safety net. WOTC implements the government’s policy that adult, non-disabled persons must work as a condition for receipt of government benefits. Whether welfare or food stamp recipients, people with disabilities or on SSI, WOTC is the avenue out of poverty and dependence through work.

Nowadays, tax reform purists are making the case that all income be taxed the same, that treating some taxpayers differently violates a canon of tax policy. The answer to this was given many years ago by a man considered the leading figure on the theory of economic policy, Jan Tinbergen. Tinbergen won the Nobel Prize for his work, which holds that if a nation has multiple policy goals, then it needs, at minimum, a number of policy instruments equal to the number of its goals (Tinbergen Lectures On Economic Policy, 1993, pp. 89-90). WOTC is just such a policy instrument; it’s purpose is not to give a tax preference to certain employers, rather it’s means of attaining a policy goal: to expand opportunity for disadvantaged workers and thereby contribute to economic growth.

This takes understanding—WOTC should not be seen as tax preferment, but as a policy instrument with a national goal as its end. Knocking employers who use the credit as people riding a gravy train ignores that they’re doing as Congress intended, hiring the disadvantaged, and ignores that while job openings will certainly be filled, they won’t necessarily be filled by the poor and homeless without WOTC.

Tinbergen’s ideas were later revised by “rational expectations” theorists who hold that economic actors can react to a policy in such a way as to defeat its purpose. But the “rational expectations” argument doesn’t defeat a tax-based employment and training incentive to keep “structurally unemployed” workers from retarding growth, because the main economic actors in this case—workers and employers—are reacting to the WOTC incentive in positive ways: workers, by claiming WOTC eligibility when they apply for jobs, and employers, by spending money on outreach to employ disadvantaged groups.

If Congress sets expanded job opportunity targeted to some workers as a goal, the next question is the most efficient way of attaining that goal. The WOTC policy instrument, operating through the tax code during the past two decades, has proven to be the most cost effective Federal jobs program on record—no more than \$1,560 per hire for ninety percent of workers (the credit is larger for long-term welfare recipients and certain veterans). The last time the Joint Economic Committee made an estimate of the cost of making WOTC permanent was in 2013 (see JCX-11-13) and the ten-year cost was \$14.215 billion. A study conducted by human resources Professor Peter Cappelli of the Wharton School, University of Pennsylvania estimates savings in welfare payments alone exceed twice the ten-year cost of WOTC.

Congress must weigh WOTC's cost against the importance of the goal and its contribution to growth, as well as tangible savings from lower public assistance payments, and collateral benefits such as improved health and education outcomes in targeted populations.

In conclusion, our recommendations pertinent to the Subcommittee are:

- ***Enact permanent authorization of WOTC in tax reform;***
- ***Authorize WOTC for all workers receiving cash payments under SSDI;***
- ***Increase the tax benefit for hiring SSDI and SSI recipients, and Vocational Rehabilitation and Employment Network referrals;***
- ***Extend WOTC eligibility to transitioning foster youth and dependents of active duty military;***
- ***Make all non-profit employers eligible for WOTC in order to expand job opportunities in healthcare and education;***
- ***Allow WOTC to be claimed against FICA tax, while reimbursing the trust funds from the general fund of the Treasury.***

Thank you for the opportunity to submit this statement. Lists of WOTC Coalition Founding Members and Organization Members are attached.

LIST OF ORGANIZATION MEMBERS OF WOTC COALITION

American Association of Retired Persons
American Association of the Deaf-Blind
American Association of People with Disabilities
American Congress of Community Supports and Employment Services
American Council of the Blind
American Foundation for the Blind
American Health Care Association
American Hospital Association
American Hotel & Lodging Association
American Medical Rehabilitation Providers Association
American Staffing Association
AMVETS
Associated Builders and Contractors
Associated General Contractors
Autism Society of America
Best Buddies International
Blinded Veterans Association
Building Service Contractors Association International
Children's Defense Fund
Community Service Society of New York
Consortium for Citizens With Disabilities
Council of State Administrators of Vocational Rehabilitation
Disabled American Veterans
Easter Seals
Employment Network Advocacy Coalition
Epilepsy Foundation of America
Federation of American Hospitals
Food Marketing Institute
Goodwill Industries
International Association of Business, Industry and Rehabilitation
International Association of Jewish Vocational Services
International Association of Amusement Parks and Attractions
International Franchise Association
NISH-Creating Employment Opportunities for People With Significant Disabilities
National Association for the Advancement of Colored People
National Association of Chain Drug Stores
National Association of Convenience Stores
National Association of the Deaf
National Association of Governors Committees on People With Disabilities
National Association of Manufacturers
National Council of Chain Restaurants
National Council on Disability
National Council on Independent Living
National Council of La Raza
National Disability Rights Network
National Down Syndrome Congress
National Employment Network Association
National Franchisee Association
National Grocers Association
National Industries for the Blind
National Partnership for Women and Families

National Puerto Rican Coalition
National Retail Federation
National Restaurant Association
National Urban League
Paralyzed Veterans of America
Retail Industry Leaders Association
Service Station Dealers of America and Allied Trades
Society for Human Resource Management
The American Legion
The Arc of the United States
Tire Industry Association
United Cerebral Palsy
UWC, Washington, DC (UI and Worker's Comp association)
Veterans of Foreign Wars of the U.S.
Vietnam Veterans of America
World Institute On Disability
Alliance for Retired Americans
Washington Maryland Delaware Service Station and Automotive Repair Association

FOUNDING BUSINESS MEMBERS OF WOTC COALITION

Ahold USA, Landover, MD
Chevron Texaco Corporation, Houston, TX
Food Lion, Charlotte, NC
CVS Health, Woonsocket, RI
Boddie-Noell, Rocky Mount, NC
Principal Financial Group, Des Moines, IA
Goodwill Industries, Silver Spring, MD
Church's Global Restaurant, Atlanta, GA
ConAgra Foods, Omaha, NE
Duckwall-Alco Stores, Abilene, KS
Hilton Hotels, Beverly Hills
Meijer, Oak Creek, WI
Payless Shoe Source, Topeka, KS
Yum Brands, Louisville, KY
ADM, Decatur, IL
ADP Payroll Services, Roseland, NJ
Randstad USA, Atlanta, GA
Kelly Services, Troy, MI
White Castle, Columbus, OH
Tax Break Credits, Gadsden, AL
Kum & Go, Des Moines, IA
Walton Management Services, Ocean, NJ
ABM Industries, NY, NY
G4S USA, Jupiter, FL
Hyatt Corporation, Chicago, IL
PepsiAmericas, Minneapolis, MN
MARS/Stout, Missoula, MT
Darden Restaurants, Orlando, FL
Hromiko & Associates, Sacramento, CA
Tax Credit Management Group, Dubuque, IA
Crown American Hotels, Johnstown, PA
Employer Incentives, Hillsborough, NJ
AECOM, Denver, CO
Boehringer Laboratories, Phoenixville, PA
Atrium Personnel Services, Westerville, OH
Bi-Lo, LLC, Greenville, SC
Work Train USA, Birmingham, AL

Comments for the Record
United States House of Representatives
Committee on Ways and Means
Subcommittee on Human Resources
Hearing on Opportunities for
Youth and Young Adults to Break the Cycle of Poverty
Wednesday, May 17, 2017, 10:00 AM
2020 Rayburn House Office Building
By Michael G. Bindner
Center for Fiscal Equity

Chairman Smith and Ranking Member Davis, thank you for the opportunity to submit these comments for the record to the House Ways and Means Committee, Subcommittee on Human Resources. As usual, we will preface our comments with our comprehensive four-part approach, which will provide context for our comments.

- A Value Added Tax (VAT) to fund domestic military spending and domestic discretionary spending with a rate between 10% and 13%, which makes sure very American pays something.
- Personal income surtaxes on joint and widowed filers with net annual incomes of \$100,000 and single filers earning \$50,000 per year to fund net interest payments, debt retirement and overseas and strategic military spending and other international spending, with graduated rates between 7% and 28%.
- Employee contributions to Old Age and Survivors Insurance (OASI) with a lower income cap, which allows for lower payment levels to wealthier retirees without making bend points more progressive.
- A VAT-like Net Business Receipts Tax (NBRT), which is essentially a subtraction VAT with additional tax expenditures for family support, health care and the private delivery of governmental services, to fund entitlement spending and replace income tax filing for most people (including people who file without paying), the corporate income tax, business tax filing through individual income

taxes and the employer contribution to OASI, all payroll taxes for hospital insurance, disability insurance, unemployment insurance and survivors under age 60.

Educating young people does seem like an intractable problem. It need not be if adequate incentives are applied. There are few opportunities to many in this age group, either educational or professional. Indeed, many end up in the drug trade, prostitution, prison or dead-end jobs. Pay them to finish their educations, especially if remedial work is necessary, and only then provide them with technical or collegiate training on the Job Corps model, also with pay, and the intractability of this problem will only be with those who refuse to fund it. Some members of the subcommittee may wish to look in the mirror at this point.

The Center's proposal for a subtraction value added/net business receipts tax is useful here. First, the national or regional governments will fund their adult education and Job Corps activities with this tax. The state level version of the NBRT will fund the remainder. In the long run, much of this tax will migrate to the state level, provided we can make sure the funding is adequate (if not, a regional or national tax and program is necessary - conservatives cannot call for local control and then underfund the program). Programs will shift to possible regional funding (Job Corps), but most likely to direct service by state and local school systems and community colleges, sectarian institutions (Catholic Votech high schools seem a natural fit, it is a wonder they have never been tried, especially given some of the needs of their younger members) and even programs operated by taxpaying companies themselves, who would get an offset from the tax for performing them.

I remind the subcommittee that the beauty of the NBRT is that it can allow taxpaying employers to find non-governmental solutions and thereby reduce the size of the public sector while increasing performance. Tax levels must be set high enough to make sure the work is done, with assessment to make sure it is done well, so this is no tax avoidance scheme or libertarian dodge.

There is a moral hazard here that mainstream students might demand remedial help in order to get paid. The solution to this is obvious. Pay them too. It will decrease the abortion rate among youth, especially if all students are given access to the NBRT child tax credit should they be found with child. You would think that the pro-life movement would embrace this concept. Sadly, it has not, which tells me that its concern is more about regulating sexuality than promoting life. Even the Church is sadly silent.

The second most important factor in moving youth out of poverty is an adequate wage for work. Ideally, this should come from a higher minimum wage, which puts the burden on employers and ultimately customers for fair pay, rather than a tax support for low wage workers (regardless of parental status).

The market cannot provide this wage, as there will always be more desperate employees who can be taken advantage of to force wages lower for everyone else. A minimum wage protects those employers who would do the right thing by their employees if not for their competitors.

A \$15 per hour minimum wage is currently being demanded by a significant share of the voters. Perhaps it is time to listen. If the marginal productive product of these employees is more than this rate, job losses will not occur – of course, the estimates of this product can be easily manipulated by opponents who believe that managers provide much more productivity than people who actually work, so such estimates should be examined critically. Internally, people usually have the correct number, but are loathe to share it if doing so hurts their political point.

In some industries, of course, there are plenty of low wage workers who are not as productive as the wage is high (although this makes one wonder whether such industries are worth supporting in the economy). For these employees, paid education should be available – and by pay we mean tuition and wages.

Thank you for the opportunity to address the committee. We are, of course, available for direct testimony or to answer questions by members and staff.

Contact Sheet

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Subcommittee on Human Resources Hearing on Opportunities for Youth and Young Adults to Break the Cycle of Poverty Wednesday, May 17, 2017, 10:00 AM 2020 Rayburn House Office Building

All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears:

This testimony is not submitted on behalf of any client, person or organization other than the Center itself, which is so far unfunded by any donations.

Testimony for Proposed Legislation: “Opportunities for Youth and Young Adults to Break the Cycle of Poverty”

Experts have described foster children as the “most educationally disadvantaged” group in United States’ schools. Youth in foster care are twice as likely to drop out of high school and it is estimated that only 50% of foster youth, compared with 70-80% of the general population graduate from high school. Although an estimated 80% of foster youth aspire to postsecondary education, only 3-5% successfully complete an undergraduate degree, compared with 24% of the general population. Foster care alumni face pre-existing educational barriers and a lack social and familial support that is critical as one pursues an undergraduate degree.

There are serious short and long term consequences stemming from the inadequate education and programming foster children receive that leads to their subsequent lack of enrollment and completion of post-secondary schooling. If they are not graduating high school, they are not enrolling and attending a post-secondary institution and therefore are not achieving their highest potential and most likely not becoming positive, contributing members of society. On a societal level, as adults, former foster children are more likely to become parents involved with the child welfare system in the future, become incarcerated, homeless, have mental and emotional problems, have substance abuse problems and require enrollment in social assistance programs, usually within 6-12 months after aging out. These outcomes have a serious impact on communities, the state and federal economy, families and children. Research has shown that individuals with higher education levels have a higher income level, better health and lower levels of unemployment. High school graduation and higher levels of education are linked to improved economic benefit, less governmental spending and less crime. The average annual income for graduates with a bachelor’s degree is more than 3 times that of a high school dropout.

In my experience and research, I have seen youth do well in school, go on to college, and graduate. I have also seen many youth not get the support and adequate preparation to get to college or succeed after they’ve gotten to campus. Many youth, particularly youth who have been in foster care lack the social, emotional, financial, and academic support they need to succeed. Postsecondary educational attainment and success does not only involve an academic component, but involves a variety of adaptations and responsibility. Youth attending college need to consider living situations, financial demands, accessing community and university services, social support, and medical and emotional supports. Oftentimes, there are various opportunities for financial aid and support but foster youth do not have the knowledge or resources to ensure timely, complete applications. They may not even have a permanent address, contact information or access to the internet to obtain information. Many foster youth have a difficult time meeting entrance criteria in terms of test scores and grade point average requirements and have not had access to a school counselor or college advisor. Foster youth have unique needs when entering a postsecondary educational program and recidivism is high. Barriers include the absence of affordable, safe, year-round housing and meal programs; transportation; medical insurance; mental health services to deal with the trauma of past childhood abuse and neglect; academic disengagement and failure; poor relationship and social

skills; inadequate social support, inadequate financial resources and financial management skills, and inconsistent and impersonal academic advising. Research, however, shows that education is a major indicator of successful youth development, adult self-sufficiency and higher paying jobs. Positive educational outcomes are the best indicator of future wellbeing and successful transition to adulthood for foster youth. Education may be the mitigating factor in buffering the expected negative outcomes for foster youth.

There are several ways we can increase young people's success in transitioning to adulthood through the promotion of education:

- (1) Increase funding for students to attend higher education and other post-secondary vocational programs – this does not just mean through financial aid, but also support for housing, books, supplies, and other personal expenses
- (2) Nationwide tuition and fee waiver for youth who have been in foster care
- (3) Establish funding for on-campus support programs – create a culture of support on-campus for foster care alumni so that they feel welcome, comfortable, safe, and secure on campus.
 - a. Appoint liaisons with local child welfare agencies to ensure education access
 - b. Create local advisory committees made up of foster care alumni who have access to state representatives about their experiences
- (4) Provide funding for research to determine best practices and to establish evidence-informed programs.
 - a. Provide funding for training for foster parents, group home staff, child welfare workers to provide support for youth to attend higher education institutions
 - b. Provide funding for nationwide data clearinghouse regarding youth in foster care/foster care alumni and higher education outcomes
- (5) Collaborate with researchers, practitioners, and foster care alumni in determining needs and solutions for foster care youth in higher education

Education is a proven means of escaping poverty and to “breaking the cycle” of child maltreatment. By investing in higher education opportunities, support, and guidance for professionals working with young people, we have the potential to change not only their lives, but the lives of their children and families and improve economic outcomes by providing a healthy, competent workforce.

Sincerely,

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Written Statement of John Paul Horn, LMSW
Doctoral Student
Boston University School of Social Work
Before the House Committee on Ways and Means
Subcommittee on Human Resources

May 17, 2017

Dear Chairman Smith, Ranking Member Davis, and Members of the Subcommittee:

My name is John Paul Horn and I am a doctoral student at Boston University School of Social Work. * During my time as a doctoral student, I have been the principal investigator on two qualitative studies related to college completion among first-generation college students and former foster youth students. I have also co-authored one mixed-methods study, examining how social capital development programs can help retain first-generation college students beyond their first year. Prior to my time in academia, I worked professionally as a college advisor for underrepresented students in rural California high schools from 2009 to 2011. Finally, I have experienced undergraduate, graduate, and doctoral education as former foster youth student. I entered California foster care at age 8 and remained in care until aging out at age 18. My research, professional, and personal experience converge to provide me with unique insight on the barriers former foster youth students face when pursuing higher education.

Existing Research on Former Foster Youth Students

Holding a 4-year degree or higher is associated with increased income, employment, and civic participation, reduced reliance on public assistance, and lower rates of incarceration.¹ Former foster youth are less likely than their non-foster youth peers to complete a 4-year degree by age 26.² Former foster youth face barriers in accessing and persisting in higher education. Two key barriers exist: inadequate preparation during primary/secondary education for college attendance and inadequate access to resources once admitted.³

Foster youth are often inadequately prepared to enter a 4-year university setting immediately after completing high school and exiting foster care.⁴ Placement instability in foster care is not uncommon and when foster youth change living arrangements, they often change school settings.^{5,6} Adequate preparation for college is a key factor for securing admission.^{7,8} Even after securing admission to a 4-year university, former foster youth students have been observed by university professionals as struggling to keep up academically due to issues with preparation.⁹ These findings demonstrate that continued efforts addressing adequate preparation prior to college entry are necessary to encourage success for former foster youth students.

Former foster youth students lack access to adequate financial and mental health resources. The lack of adequate financial resources creates issues with housing and food stability.¹⁰ While existing federal policy has attempted to address financial aid for former foster youth students,¹¹ the cost of attendance at 4-year universities is generally higher than most grant aid provided to former foster youth students.¹² Former foster youth students must often work in order to address these financial shortfalls;¹³ the more these students work, the less they are able

* My written statement does not necessarily reflect the views or opinions of others associated with the Boston University School of Social Work.

to engage on campus and persist.¹⁴ In addition to working, former foster youth students must also secure large amounts of student loans to meet their needs. While research indicates that extended foster care has improved college enrollment rates for former foster youth¹⁵, it has not yet concluded that stipend support associated with extended foster care is associated with college completion rates.

The lack of mental health resources also has an impact on college completion. Former foster youth have higher rates of post-traumatic stress disorder and other mental illness than their peers.¹⁶ Former foster youth students with mental illness are more likely to disengage from campus and fail to complete college than their peers.¹⁷ The findings related to financial and mental health resources indicate that continued efforts to address college affordability, adequate financial support for students attending college, and access to insurance that includes mental health services is necessary to help support and promote college completion for former foster youth students.

Experience as a Former Foster Youth Student and Researcher

In my most recent study, examining the experience of former foster youth students who have successfully completed college, I found that all participants were motivated to succeed by the fear they would meet negative outcomes. These feared negative outcomes included poverty, having children out of wedlock, homelessness, and continued reliance on public assistance. For the participants, college was a way to help prevent these negative outcomes. However, those without exceptional resources for college (i.e. full-ride scholarships) described college as financial taxing and relied on employment and copious student loans as a means of survival. Even after completing college, half of my participants held jobs that prevented them from easily repaying their students loans and reported feeling burdened by this added financial obligation. A few participants stated that, had they known the future financial challenges attending college would present, they would have not attended college at all.

In my personal experience as an undergraduate and graduate student, I have felt the similar economic burden described by the participants of my study. When I entered college, tuition rates were affordable and grants provided by federal financial aid were able to meet the cost of tuition and students fees. However, in order to meet my other independent living needs, I held two jobs and took out student loans. Relying on employment to meet my needs meant that I could not always dedicate myself to school; rather than my primary role being a student, my role as a student was secondary to my role as an employee. As my undergraduate career progressed, tuition and fees increased by nearly 300 percent. As a result, I needed to work more, take on more loans, and my attendance in class and my academic progress was stunted. It took me nearly 6 years to complete my undergraduate degree because my necessary employment stood as a barrier to making satisfactory academic progress. I failed 11 classes and was only able to remain in school because I excelled in the courses I was able to pass, balancing my GPA and keeping it barely above the required threshold to receive federal financial aid. Upon completing my undergraduate degree, I pursued graduate school because my projected income was not nearly enough to make a meaningful dent in my student loan repayments. Even now, as a doctoral student who is likely enter public service as a professor, I am doubtful that I will be able to meet this obligation.

It is my belief, based on research and observation, that poverty is not the result of a person being unwilling to take on opportunities, but rather a person being unable to access

resources that prepare them for these opportunities. For former foster youth, it is not simply that resources are unavailable, but that the ability to access these resources is limited by the need to prevent poverty from becoming a reality. Former foster youth are afraid to meet the same outcomes as their parents and the foster youth that have come before them. This fear is further fueled by the financial burden that college represents. A person with limited financial resources, already fearful that poverty appears likely, cannot easily be persuaded to forgo the immediate benefit of a stable income in hopes that their future earnings will be sufficient to meet their needs and repay the costs of attending college.

For former foster youth, there is a strong pull to enter the workforce directly after exiting care. The fear of poverty is ever present; their parents and other former foster youth to whom they were acquainted provide evidence that poverty is the likely outcome of reaching adulthood. Rather than invest in their futures by pursuing college and delaying their independence, former foster youth seek paths that allow them to reach financial stability almost immediately. The benefits of a 4-year degree seem too far away and the benefits of income from a low-wage job are immediate. The problem is that an 18- to 21-year old's idea of financial stability is not a realistic reflection how the world actually operates and that low-wage job they took to make ends meet when leaving care acts as a barrier to future educational opportunities, particular when certain aid is time limited.

For this reason, I urge Congress to provide resources that allow foster youth to engage fully in higher education. This means resources that help reduce the barriers to accessing and enrolling in college, resources that continue to address the independent living instability associated with leaving care, and resources that help make college affordable for students whose families are unable to contribute.

Recommendations

1. Increase funding to federally funded College Access Programs, such as TRiO, and provide funding to continuously evaluate their impact.

College Access Programs help increase access and persistence for students traditionally underrepresented in higher education. Former foster youth who also meet the typical characteristics of these programs (e.g. racial/ethnic minority, first-generation, low-SES) are more easily served because they meet an eligibility criteria on which these programs focus their efforts. More can be done to help ensure these programs specifically target former foster youth, even when they do not meet the other eligibility criteria for these programs. Increased funding will provide these programs with the resources to diversify their efforts, increase reach of programs, and continue to evaluate program impact.

2. Provide competitive grants to universities that develop and evaluate student support programs for former foster youth and other underrepresented students.

Programs that identify and address issues with academic preparation among underrepresented students help retain students by providing them with academic support for their unique needs. Universities need additional funding support so that they can better evaluate the efficacy of these programs, specifically when targeted at former foster youth students.

3. Strengthen existing legislation that addresses known barriers to academic success for former foster youth students.

Access to effective mental health services, financial aid resources, and placement stability are important to ensuring success. Any federal legislation attempting to address educational issues for former foster youth would also need to work in tandem with established legislation that attempts to address these barriers. Congress needs to strengthen legislation that promotes access to mental health services for former foster youth. Congress needs to improve legislation that provides financial aid resources so that former foster youth are able to receive aid that is more reasonably reflective of the cost of attendance at universities across the country and does not require them to take on more loan debt than necessary. Congress needs to strengthen legislation that incentivizes placement stability for youth in care so that education stability is maintained.

¹ See Baum, S., Ma, J., & Payea, K. (2013). *Education Pays 2013: The benefits of higher education for individuals and society*. Washington, D.C.: The College Entrance Examination Board.

² See Courtney, M. E., Dworsky, A., Brown, A., Cary, C. Love, K., & Vorhies, V. (2011). *Midwest Evaluation of the Adult Functioning of Former Foster Youth: Outcomes at Age 26*. Chicago, IL: Chapin Hall at the University of Chicago.

³ See Salazar, A. M. (2012). Supporting college success in foster care alumni: salient factors related to postsecondary retention. *Child Welfare, 91*(5), 139-167.

⁴ See U. S. Government Accountability Office. (2016, May). Higher Education: Actions needed to improve access to federal financial assistance for homeless and foster youth (Publication No. GAO-16-343).

⁵ See Pecora, P. J. (2012). Maximizing educational achievement among of youth in foster care and alumni: Factors associated with success. *Children and Youth Services Review, 9*(4), 263-279.

⁶ U.S. GAO, 2016.

⁷ See Renn, K. A. & Reason, R. D. (2013). *College Students in the United States: Characteristics, Experiences, and Outcomes*. San Francisco, CA: Jossey-Bass.

⁸ See Kuh, G. D., Kinzie, J., Buckley, J. A., Bridges, B. K., & Hayek, J. C. (2006). *What Matters to Student Success: A Review of the Literature* [Report]. Washington, D. C.: National Postsecondary Education Cooperative.

⁹ See Hernandez, L. & Naccarato, T. (2010). Scholarships and supports available to foster care alumni: A study of 12 programs across the US. *Children and Youth Services Review, 32*(5), 758-766.

¹⁰ Salazar, 2012.

¹¹ See Promoting Safe and Stable Families Amendments of 2001, Pub. L. No. 107-133, 115 Stat. 2413 (2002).

¹² See Davis, R. J. (2006). *College Access, Financial Aid, and College Success for Undergraduates from Foster Care*. Washington, DC: National Association of Student Financial Aid Administrators.

¹³ See Dworsky, A., & Pérez, A. (2010). Helping former foster youth graduate from college through campus support programs. *Children and Youth Services Review, 32*(2), 255–263.

¹⁴ Salazar, 2012.

¹⁵ See Courtney, M. E. & Okpych, N. J. (2017, Mar). *Memo from CalYOUTH: Early Findings on the Relationships between Extended Foster Care and Youths' Outcomes at Age 19* [Issue Brief]. Chicago, IL: Chapin Hall at the University of Chicago.

¹⁶ Pecora, 2012.

¹⁷ Salazar, 2012.

**Opportunities for Youth and
Young Adults to Break the
Cycle of Poverty**

Hearing before the Ways and
Means Committee

United States House of
Representatives

**“Nebraska’s efforts to improve economic
outcomes for unconnected youth.”**

Testimony of Jason Feldhaus, Vice President
Connected Youth Initiative
on behalf of
Nebraska Children and Families Foundation
Connected Youth Initiative

May 17, 2017

Thank You

Thank you for the opportunity to share efforts underway in Nebraska to address the economic needs of youth who have experienced state systems of care. My name is Jason Feldhaus. I am the Vice President of Connected Youth Initiative for the Nebraska Children and Families Foundation. The Connected Youth Initiative (CYI) is a public and private systems approach to developing better methods that lead to better outcomes to improve youth's self-efficacy. CYI uses the theoretical framework of Youth Thrive™ for unconnected youth ages 14 through 24 who have experienced the foster care system, juvenile justice system, and/or are at risk of homelessness. The following testimony is intended to provide information about CYI's efforts in Nebraska to increase self-efficacy for unconnected youth.

Nebraska CYI

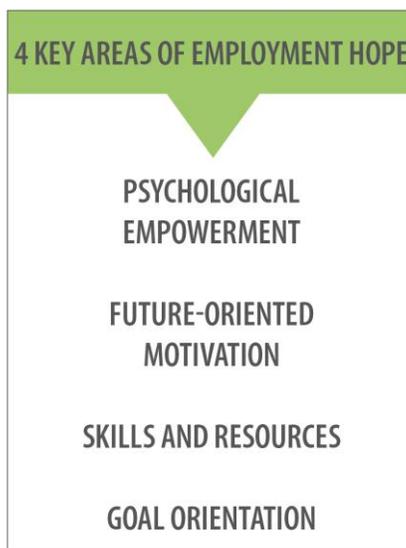
In 2007, a public private partnership was formed in Omaha, Nebraska called Project Everlast. Project Everlast focused on age and developmentally appropriate services and supports to help youth aging out of foster care achieve better outcomes. In partnership with the Nebraska Department of Health and Human Services (DHHS) and Jim Casey Youth Opportunities Initiative™, Project Everlast became the urban framework for Nebraska Children and Families Foundation's older youth work. In 2009, the Supportive Services for Rural Homeless Youth (SSRHY) initiative, a national demonstration project with the Families and Youth Services Bureau, enhanced the Project Everlast model by expanding to a broader population, including homeless youth in Western Nebraska. SSRHY provided the first rural community-based collective impact model for older youth work in Nebraska. The combination of these two models led to the creation of Nebraska's Connected Youth Initiative (CYI) that now serves more than 50 Nebraska counties and most of the state's population centers.

CYI works to create partnerships with local communities, state partners, philanthropic funders, and national partners to improve outcomes and opportunities for Nebraska's older youth who have experienced foster care, juvenile justice involvement, and/or are at risk of homelessness. The CYI model helps to build strong collaborations between service providers, funders, and decision-makers to connect youth to vital resources within their community. CYI key outcome areas include: education, career, daily needs, transportation, health, housing, permanency, and financial stability. Outcomes are achieved through the implementation of five core model components: 1) central navigation; 2) coaching/case management; 3) The Opportunity Passport™ financial literacy and asset-building program; 4) youth support services funds; and 5) youth leadership and voice.

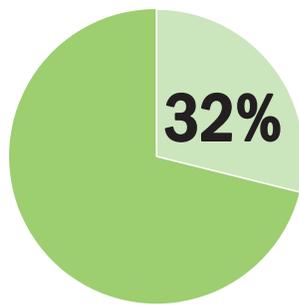
Economic Self-Efficacy

Economic self-efficacy is the process by which an individual maintains a level of economic sustainability free from public assistance. One essential component for economic self-efficacy is financial resilience referred to as "employment hope" (Welles, Patel, & Chilton, 2017, pg. 234). Employment hope has four key areas of focus, "psychological empowerment, future-orientated motivation, skills and resources, and goal orientation" (Welles, Patel, Chilton, pg. 234). CYI developed strategies that align with these areas to minimize poverty and promote a pathway to self-efficacy for youth.

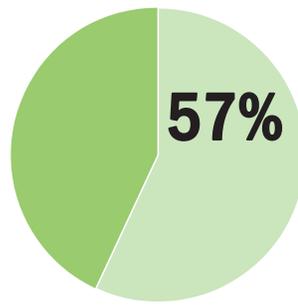
In Nebraska, the average annual income needed to meet basic needs for a family of four is \$34,704, or \$9.06 per adult (Kids Count in Nebraska, 2016, pg. 54).



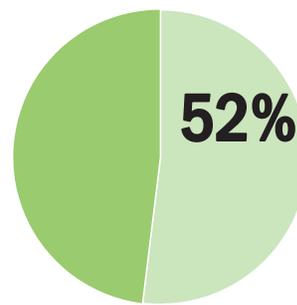
CYI survey results show that unconnected youth face an array of challenges that prevent them from achieving economic self-efficacy. Nebraska Children and Families Foundation administers the CYI survey twice yearly to youth participating in CYI. Of the 607 youth who responded to the survey in October 2016:



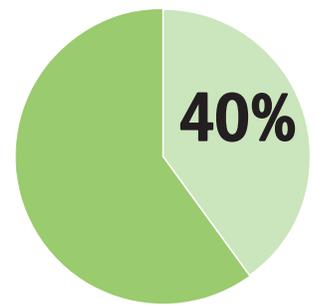
32% were pregnant or parenting



Out of these pregnant and parenting youth, 57% were between the ages of 16-21. The majority are single parents.



Respondents, ages 19-21, reported an employment rate of 52%.



More than 40% reported they did not have sufficient income to cover last month's expenses.

An inability to cover expenses month to month raises young people's risk for eviction, default on car/educational loans, inadequate access to transportation, debt accumulation, and long-term damage to credit. Furthermore, those that respond to the CYI survey have received some level of CYI services. It is highly likely that unconnected youth who have not participated in CYI experience these barriers at a substantially greater level.

Simply being unable to meet basic needs makes transitioning to adulthood challenging. Unfortunately, many unconnected youth also lack supportive people in their lives. The previously mentioned CYI survey found that only 33% of youth felt they had someone to count on for a loan in a time of crisis. Without informal supports, young adults turn to state services. In FY2015, Nebraska spent \$24,037,883 supporting families on TANF benefits, with 65% of support provided by federal dollars (Kids Count, pg. 55). TANF and other programs become lifelines for many unconnected youth as they fight to support themselves and their families. These programs help youth meet basic needs for their families; however, they do not connect youth with supportive people to help guide them towards a successful, self-sufficient adulthood.

Parenting, combined with underemployment and inadequate supportive adults, sets young adults leaving our state systems up with a negative economic trajectory that forces them to depend on public assistance early in their adult life. This is the trajectory Nebraska's CYI efforts aims to change.

Building Employment Hope

Psychological Empowerment

CYI efforts to provide opportunities for self-efficacy start with psychological empowerment. Numerous studies over the past ten years identify a scientific link between adverse childhood experiences (ACE's) and subsequent adult health, brain development, and well-being. The most referenced being the CDC-Kaiser Permanente Adverse Childhood Experience study. This research led the CDC to refer to ACEs as one of the major health issues of the twenty-first century. Further, studies show that individuals growing up in poor neighborhoods experience a higher rate of violent crime, food uncertainty and malnutrition, and household dysfunction.

These adverse experiences increase the amount of naturally produced toxicity in the blood stream that ultimately changes brain physiology and neuropathways that control decision making. These changes in brain chemistry and physiology are directly linked to an increase in mental illness, higher rates of addiction, increase in high school dropout rates and learning imparities, and a higher risk for childhood abuse.

The inability to become economically stable creates a level of vulnerability that fosters a cycle of generational poverty. Individuals who grow up in poverty are at a much higher risk to remain impoverished as adults. This cycle is not solely the result of a lack of resources or access to living wage jobs; rather can also be attributed to the accumulation of adverse childhood experiences that inhibits one's ability to see an alternative path (Bridges Out of Poverty, 2014).

Poverty becomes not just a financial status, but a way of life. Many unconnected youth grow up in the family situations affected by generational poverty which provides them with an unhealthy model for economic well-being. In many cases savings, investing, and other wealth-building activities are never taught to young adults. This is compounded when youth enter state systems, such as child welfare or juvenile justice. These systems provide all youth needs and makes all financial decisions without their involvement. There is no sitting at the kitchen table watching parents balance the checkbook or create a family budget. Rarely do unconnected youth earn allowances or hold first jobs prior to aging out of system involvement. Youth often find themselves as new adults and left to survive independently without support or sufficient knowledge.

Through a partnership with the Center for the Study of Social Policy, Nebraska developed a plan that uses Youth Thrive™ as a theoretical framework to foster psychological empowerment practices. Youth Thrive™ utilizes protective and promotive factors, designed to counteract ACE's, to teach community members from all sectors about the process of age-appropriate brain development, trauma's effect on individuals, social/emotional competencies, youth resilience, and connecting youth to concrete resources in youth-friendly ways. While this framework provides a guide to statewide practices for serving older youth, community partners train their colleagues and collaborate to implement these strategies in ways unique to each area.

This framework, braided with public and private supports, allowed CYI to establish more innovative economic pathways for unconnected youth. For example, CYI created an innovative low-interest car loan program for unconnected youth; where youth receive financial literacy training before applying for up to a \$2,000.00 loan with an interest rate of 2.8% at a traditional bank. Youth involved in this program receive on-going support in managing their loan and roadside assistance memberships through AAA. Youth develop positive banking practices, establish and improve credit, and prove to themselves that a path other than poverty is open to them.

Future-Orientated Motivation

One of the biggest barriers facing Nebraska's youth is lack of credit or a poor credit score, often due to factors outside of their control. Poor credit limits a youth's ability to maintain consistent transportation and housing, often resulting in life disrupting crises that decreases stability and employability. Upon reaching the age of majority, youth face difficult decisions to return to biological homes, from which they were once removed, or try to survive on their own. Either option too often results in higher rates of homelessness, and victimization by predatory lending and leasing practices.



Practices that promote credit building and repair and allow for early employment experiences provide the best pathway to self-efficacy for youth. The key to future-orientated motivation is to ensure that youth are introduced to entry-level jobs and the mainstream banking system while still in the custody of the state. These early job experiences help orientate youth to the expectations of employment, provide them with the means to begin practicing positive financial habits, and begin to build, establish, or repair credit.

Currently, Nebraska is developing a financial case management model to be utilized by practitioners within youth-serving state systems and community programs that provide case management with a financial lens. This approach teaches caseworkers to integrate credit, savings, employment, and advanced budgeting (income-to-debt ratio practices) into standard independent living plans for youth aging out of Nebraska systems. Given that independent living planning is required to begin at age 16, under the federal Fostering Connections Act (2008) and youth are guaranteed annual access to their credit report at age 14 under the federal Preventing Human Trafficking and Strengthening Families Act (2015), statute calls for early intervention and future orientation towards economic self-efficacy. As a result, youth begin to see the impact that financial decisions have on their fiscal forecast and begin practicing skills for adulthood while still supported by the safety net of state systems.

Skills and Resources

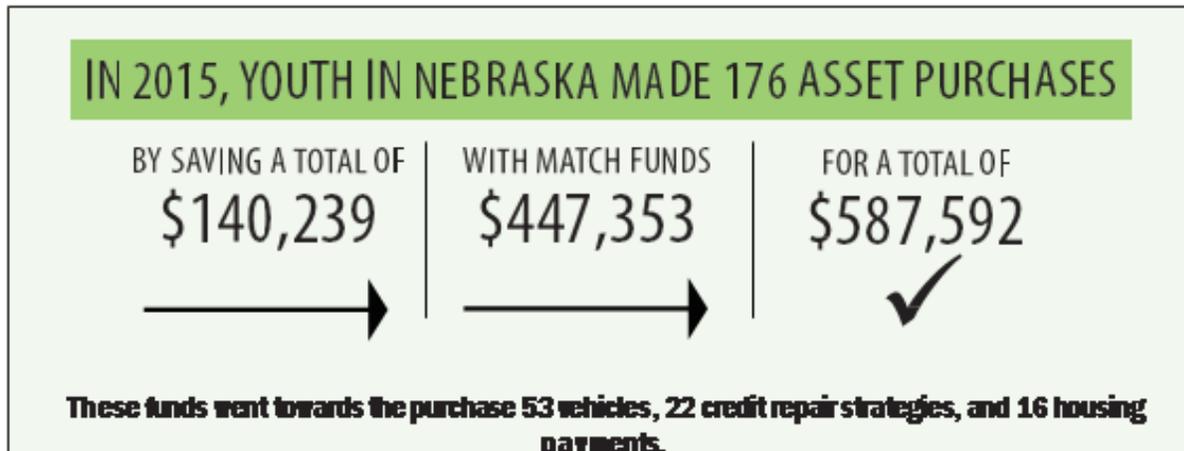
To achieve economic self-efficacy youth must be taught skills to manage basic finances, develop savings habits, and build “hope” that they can work toward resources through employment or loans. To do this, CYI is developing ways for older youth to practice economic skills through trial and error, within a safety net of stability like that experienced by youth transitioning to adulthood from a traditional family.

Economic trial and error allows youth the flexibility to develop financial literacy and practice the skills necessary to counteract generational poverty and ACE’s — much like many of us held first jobs, transferred between colleges, had help finding our first apartment, or had a parent co-sign on our first bank account or loan. Nebraska’s efforts aim to open these learning opportunities to youth without traditional supports as they leave youth-serving state systems. Youth gain psychological empowerment by avoiding unnecessary commitment to a program and connecting to opportunities to gain familiarity with mainstream banking, employment, and educational pathways to self-efficacy. Youth dictate the relationship while mainstream community-based economic services, educational institutions, and employers begin to develop a new customer base, student body, and/or trained workforce. It’s our communities raising young adults as contributing members through normative supports and development, rather than artificial state systems.

EXAMPLE

A 17-year-old single mother of an infant works with her case manager to plan for her family’s future beyond a simple budget. Her caseworker empowers her to think about more than just affording diapers each week. Instead, the young mom is challenged to think about maintaining her goals of enrolling into college and saving for a place in a safe neighborhood for her and her daughter when she leaves foster care. If this future orientation results in delaying birth of a second child, the mother’s fiscal forecast brightens, she has access to better jobs, and daycare costs are reduced. The conversation changes from a lecture on why not to have children to planning for her future and the future of her child that includes long-term fiscal security, housing stability, and rising above poverty.

In 2010, Nebraska Children partnered with the Jim Casey Youth Opportunity Initiative™ to provide Opportunity Passport™, a program offering financial literacy and matched Individual Development Accounts (IDAs) to transition-aged foster youth. Opportunity Passport™ provides youth with financial literacy training and the ability to practice saving. Recognizing that many youth in care score high in ACE's and have an increased risk of under-employment and poverty after leaving care, Opportunity Passport™ incentivized positive savings practices towards identified assets. Assets include education, microbusiness, housing, and transportation. Youth are rewarded for positive financial behavior through a cash match of the money saved by the youth, at the time of purchase.



Additionally, Opportunity Passport™ provides a supportive network for youth to plan and save for their future. Youth have a trusted advisor that helps them learn how to identify long term sustainable investments and make asset purchases that will help to support independence. The cycle of poverty, due to a lack affordable housing and education, can be interrupted or changed through increased purchasing power via the match. Youth gain financial independence by having a program that protects them from predatory lenders, inappropriate landlords, risky vehicle purchases, and/or loss of money due to questionable co-signers. Further, Opportunity Passport™ offers communities in Nebraska a way to provide a helping hand. Local banks, housing complexes, vehicle dealerships, and other stakeholders become an extended network of trusted financial advisors and community supports. Communities benefit from the economic gain of low-income individuals making major asset purchases while increasing community involvement and social supports. The expansion of Opportunity Passport™ to rural communities creates the essential supports to help youth maintain their connection to their local communities and decrease the need to move to larger urban areas in order to access social services.

Goal Orientation

Goal orientation is already standard practice for case management services within system and community programs. This is a natural alignment for youth, however, long-term financial literacy and planning are currently not a focus. Nebraska's CYI alters the traditional approach using financial case management resources and integrated poverty prevention techniques in independent living. In partnership with the Consumer Financial Protection Bureau (CFPB), Nebraska integrates the financial tool kit "Your Money Your Goals" into the practices of case managers from a variety of youth system and community providers. This approach expands on the use of credit education and advanced budgeting and emphasizes the importance of mainstream banking. Youth create goals focused on housing, employment, education, parenting, and other areas of independent living. This is all accomplished by equipping the youth's worker with a financial lens to apply to case planning and goal setting that sets youth on a path towards self-efficacy and away from reliance on state systems.

Further, CYI developed a postsecondary educational support system in Omaha and Lincoln that has increased enrollment into college and increased retention across terms to 94%, in its first year. Post-secondary education combined with the financial literacy practices sets youth on a pathway much similar to that of their non-system

involved peers.

Nebraska Success Story: Grand Island

Todd (*name changed*), his younger brother and younger sister were all in foster care in Nebraska for many of their early years. Their biological family faced extreme poverty and struggled with substance abuse. As a result, the family could not provide a safe and stable home for their children, leading to them being placed in the custody of the Department of Health and Human Services (DHHS). As he was preparing to leave foster care, Todd was assigned an independent living case manager from a private agency.

At 18, Todd was not active with his independent living case manager. He would rarely answer the door. If he did it was after the worker knocked and rang the doorbell for several minutes. When he answered it was obvious he was just waking up. He would listen and say he wanted an independent living plan but never seemed excited to get going on his goals. He would skip meetings and could not decide if community college was for him.

Then things started to turn around. Todd started meeting with his case manager every two weeks, received his community college class schedule, and acquired his books and tools through Education Training Voucher (ETV) financial assistance. Todd attended class every day while still working in another town at a semi-truck car wash at night. During this time, he met his current fiancé. Todd has shown her the person he wanted to be.

At the age of 19 Todd transitioned into the NE DHHS Bridge to Independence program (Nebraska's extended foster care program allowed under the Fostering Connections Act of 2008). During the next two years Todd attended college and worked towards his Automotive Technician Certification.

While in the Bridge to Independence program Todd struggled with housing, family challenges, learning lessons as a new father, and employment changes. Todd received assistance through CYI for rental assistance, automotive repair, and Education Training Voucher assistance. This support and help from case management provided Todd with support like what many youth receive from family.

Todd works full-time in a rural Nebraska community as a mechanic. With this income, he can support his fiancé and two children. While living on his income the young couple saved the stipend Todd received through Bridge to Independence program. During this time Todd also worked to keep his biological family connected. Both his brother and sister lived with him for a while so they could reduce expenses and save money and he has loaned money to each of them. One of these loans has already been paid back in full.

Todd is now 21 years old and has transitioned to the Connected Youth Initiative after aging out of Bridge to Independence. He receives case management again through a private independent living service and is involved in the Opportunity Passport™. Todd's goal for his IDA and program match is to purchase a home for his family. Todd and his family selected a home and financing is approved. His savings plus match will cover the closing costs. At 21, with the support of his fiancé, Todd and his family will have a permanent home. He is well on his way to reversing the cycle of poverty.

The success of this story is due in large part to Todd's diligence and tenacity, but for an emerging adult diligence and tenacity are sometimes not enough. Guidance from trusted adults, education, and financial supports are sometimes necessary to achieve success. Todd benefited from a seamless service system with positive relationships between multiple entities which provided him with key resources to reach his life goals – a family and a home of his own.

Conclusion

Nebraska's CYI network of committed partners from across various sectors in more than 50 counties are fighting diligently to ensure that all youth experience Todd's success and avoid the damaging reality of generational poverty and unmitigated ACE's. We believe that integrating resources, research-supported practice, and evaluation establish the best framework for ensuring financial self-efficacy for unconnected young adults in Nebraska and throughout the nation. It is our hope that Nebraska's efforts will soon serve as a model for the rest of the country.

We greatly appreciate your interest in examining how our model can align with community systems to ensure the best outcomes for unconnected youth. We at Nebraska Children offer ourselves as a resource and welcome any questions from the committee. Please do not hesitate to contact us. Thank you for the opportunity to share the efforts underway in Nebraska to support unconnected youth.

Sincerely,



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References:

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<p>Central Plains Center for Services 908 S E Street Broken Bow, NE 68822 Phone: 308-872-6176 Fax: 308-872-6596</p>	<p>Avenue Scholars Foundation 7101 Mercy Road, Suite 240 Omaha, NE 68106 Phone: 402-916-9777 Fax: 402-614-5977</p>
<p>Norfolk Area United Way 333 W Norfolk Avenue Norfolk, NE 68701 Phone: 402-371-1040 Fax: none</p>	<p>Hall County Community Collaborative 1137 S Locust Street Grand Island, NE 68801 Phone: 308-227-1201 Fax: 308-385-5181</p>
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<p>William & Ruth Scott Family Foundation 302 S 36th Street, Suite 100 Omaha, NE 68131 Phone: 402-342-3458 Fax: none</p>	<p>The Sherwood Foundation 3555 Farnam Street Omaha, NE 68131 Phone: 402-341-1717 Fax: 402-341-0972</p>
<p>The Cooper Foundation 1248 O Street, Suite 870 Lincoln, NE 68508 Phone: 402-476-7571 Fax: 402-476-2356</p>	<p>Lincoln Community Foundation 215 Centennial Mall South, Suite 100 Lincoln, NE 68508 Phone: 402-474-2345 Fax: none</p>

5/17/2017, 10am, 2020 Rayburn House Office Building
To: House Ways and Means Human Resources Subcommittee
Rep. Adrian Smith, Chairman

From: School of Social Service Administration, University of Chicago
969 60th Street, Chicago, IL, 60637
Phone: 773-834-7619
Nathanael Okpych, PhD, MS, MSW, MA

Re: Hearing on Opportunities for Youth and Young Adults to Break the Cycle of Poverty

Chairs and Committee Members:

This testimony focuses on youth aging out of foster care, who are group of young people who are particularly vulnerable to encountering economic hardships and homelessness in early adulthood (Courtney et al., 2007; Courtney et al., 2009). Helping youth to complete college and vocational training is an important vehicle for breaking the cycle of poverty and promoting economic self-sufficiency. The overwhelming majority of foster youth aspire to go to college; as adolescents, about 8 in 10 see themselves a earning a college degree later in life (Courtney et al., 2003; Courtney et al., 2014). Moreover, completing postsecondary education puts foster youth on better footing to secure stable employment that pays a living wage. A recent analysis that I conducted with Dr. Mark Courtney found that at age 25, the annual salary of foster youth was about half that of young people in the U.S. who were a similar age (Okpych & Courtney, 2014). However, when we compared youth from these two groups that had completed similar levels of education, we found that gaps in employment rates and annual earnings narrowed considerably for youth who had earned college degrees. Further, the employment rates and annual earnings benefits associated with higher levels of education for foster youth held even after we controlled for a wide range of factors that could have explained these differences. Importantly, foster youth were found to benefit from college even if they completed just some college.

Several studies, including my dissertation that was just completed in April 2017, have investigated factors that influence the likelihood that foster youth enter and complete college. Below I identify some of the main barriers along with ways that policy can intervene.

1. Foster youth need high-quality academic advising to help them choose colleges that are suitable to their skills and goals. In a large study of California foster youth, about half of the participants who wanted to attend college said that they did not receive enough help with planning for and applying to college (Courtney et al., 2016). Conversely, young people in this study who identified adults who had gone to college that they could turn to for advice and tangible support increased the likelihood that they went to college (Okpych & Courtney, in press). Policy that ensures that foster youth have access to high-quality college advising will increase their chances of enrolling in schools that match their skills, preferences, and goals. Augmenting advising provided in high schools, child welfare departments can play a role by either (a) creating an education specialist position within the department, or (b) establishing contracts with local youth-serving organizations who specialize in college advising.

2. Extended foster care gives youth extra time and resources they need to go to college. About half of the U.S. states have enacted laws that extend the foster care age limit from 18 to 21. Existing studies that have examined extended foster care suggest that remaining in care past the 18th birthday increases the chances that foster youth go to college (Courtney & Hook, 2017; Courtney & Okpych, 2017; Okpych dissertation, 2017). Extended foster care gives young people the opportunity to remain connected to important resources (e.g., housing) and adult support as they transition to adulthood, and states that have yet to pass extended care laws should consider implementing this policy.

3. Many foster youth will enter college academically underprepared, and linking them to academic support will be vital to their college success. On average, foster youth enter college less academically prepared than their peers (Courtney et al., 2004; CA College Pathways, 2015). For example, among California foster youth who enrolled college by age 20, only one-quarter had been reading at or above their age level at age 17 (Okpych, Courtney, & Dennis, in press). State child welfare departments can increase their role in supporting college success by identifying colleges where foster youth most commonly attend (e.g., by accessing administrative data from the National Student Clearinghouse). This information can guide local child welfare departments in forming partnerships with those colleges to ensure foster youth are connected with needed academic services. Campus-based programs, which provide a wide range of academic, financial, social/emotional, and logistical supports to promote college persistence, is another promising intervention. These programs are hands-on and targeted. Although these programs have been created in dozens of colleges, they have yet to be rigorously evaluated, which is needed to inform whether they are worthwhile public policy investments.

4. Financial hardships and needing to work are among the most common reasons foster youth give for dropping out of college, and adequate financial support is needed. Financial hardships and having to work long hours stymied foster youths' likelihood of finishing college (Courtney et al., 2011; Okpych dissertation, 2017). Research suggests that many foster youth do not receive need-based financial aid that they would likely qualify for, including the \$5000 Education and Training Voucher (ETV) (California College Pathways, 2015; Courtney et al., 2016). One set of recommendations aims to increase the number of foster youth who receive financial aid. First, states should align their ETV application timeline with that of the FAFSA. Second, FAFSA question 53 (has the applicant been in foster care on or after age 13) should be moved to the beginning of the Independent Student determination section so that foster youth are not skipped past this question if they endorsed one of the previous questions in the section. Third, FAFSA applicants who reported being in foster care past age 13 should be directed to their state's ETV application webpage after completing the FAFSA. These steps will help streamline the FAFSA and ETV application processes and reduce the number of foster youth who do not apply for ETVs either because they are unaware of the grant or because they missed their state's application window. Additionally, the ETV amount (maximum of \$5000 per year) has not kept pace with the rising cost of college and the ETV age limit (maximum age 23) cuts off funding when many foster youth are in the middle of their college careers (Okpych, 2012). Changing the ETV funding formula so that it is adjusted annually, similar to the Pell grant adjustment, can ensure the ETV keeps pace with the rising cost of college. Extending the age limit of the ETV grant from 23 to 26 will ensure that the ETV does not prematurely expire. Making these changes would require Congress to allocate more than the roughly \$45 million that is appropriated each year to the ETV program.



**Hearing on
Opportunities for Youth and Young Adults to
Break the Cycle of Poverty**

**Statement for the Record
Submitted by
Starbucks**

**Before
The Subcommittee on Human Resources
Committee on Ways and Means
U.S. House of Representatives**

May 17, 2017

Starbucks commends the House Ways and Means Human Resources Subcommittee for holding its recent hearing on “Opportunities for Youth and Young Adults to Break the Cycle of Poverty.” Youth unemployment is a significant source of lost potential, for individuals and families. Creating pathways to careers for young adults is a critical economic stimulant and reduces government and community expenses for our nation as a whole. Today’s young adults are tomorrow’s employees, consumers, and community leaders. Building a more inclusive economy is thus an essential part of reaching our shared goals for growth and prosperity. This is an effort that the public and private sectors can and should pursue together.

Our experience offers a path forward. Starbucks has a long-standing commitment to creating opportunities for youth who are not in school or not employed. In 2015, we announced a commitment to hire 10,000 opportunity youth in the U.S. by 2018. We are proud to have already exceeded that goal with 40,000 hires to date, and have expanded our commitment to 100,000 hires by 2020.

Offering capable, resilient young adults a job, sometimes their first, connects them to the economy and their community. At Starbucks, our partners (employees) hone the skills that are foundational for future success – from customer service, to working in a team, to business acumen. Partners also have access to robust benefits, including a debt free college degree, health care, stock, retirement planning, a strong network of employee resource groups, a rich employee assistance plan, and more resources that can help them succeed at work and in life. Our company is stronger as a result of the productivity and creativity that these young men and women bring to the workforce, and we are proud that Starbucks is a part of their pathway to lifelong success.

At Starbucks, education is also an important part of that pathway. Through the Starbucks College Achievement Plan, any of our U.S. partners (employees) who do not have a college degree and are benefits eligible (working an average of 20 hours per week over a 6 month period) can enroll in college and earn their bachelor’s degree at Arizona State University. We recently expanded this initiative with the launch of our Pathway to Admission program, which offers personalized help to prepare partners for success in college. These programs are an integral part of our commitment to the success of our partners – whether they stay with Starbucks or move on to new opportunities.

We see great potential for this approach to creating pathways to meaningful employment and education. We are proud to be one of the founding members of the 100,000 Opportunities Initiative, a coalition of more than 50 major employers that has already hired more than 100,000 Opportunity Youth, and has committed to hiring one million opportunity youth by 2021. In addition, these employers are committed to evolving our practices and fund innovative approaches to prepare young adults for employment. One of the most unique components of this coalition’s strategy is to host innovative Opportunity Fairs across the country, bringing together the private, public, and nonprofit sectors to meet and interview with companies, practice interview skills and receive one-on-one coaching, get help with resumes and job applications, find a mentor or job training program, and tap into other important resources. To date, we have engaged nearly 20,000 young adults and offered more than 4,000 on-the-spot jobs in these Fairs.

As you seek ways to address youth unemployment and power economic mobility, we would be pleased to work with you to explore ways to broaden this impact even further. Working together, we can help America's opportunity youth reach their full potential, and help our country do the same. Thank you again for your leadership on this important issue.

Written Statement of Sylvia Sensiper, MA, PhD
Director of Guardian Professions Program
Office of Graduate Studies, UC Davis, Davis, California 95616
Before the House Committee on Ways and Means
Subcommittee on Human Resources

May 22, 2017

RE: Hearing on Opportunities for Youth and Young Adults to Break the Cycle of Poverty

Dear Chairman Smith, Ranking Member Davis, and Members of the Subcommittee:

I would like to bring to your attention The Guardian Professions Program (GPP), an innovative mentoring project that uses online technologies to assist former foster youth who are pursuing advanced degrees. I developed the pilot program at UC Davis and over a four-year period worked with alumni of care throughout California.

Foster children have been described as one of the most educationally disadvantaged groups in US schools, and students have to overcome tremendous adversity to engage in higher education and a professional career. The services provided by the GPP resulted in seventy-three alumni of care succeeding at the graduate level, a testament to each student's determination as well as the effectiveness of the program. Students are earning PhDs and Masters as well as pursuing medical, dental and law school. They are attending public and private institutions including USC, Harvard University, UC San Francisco, Oregon Health and Sciences University, Boston University, and many of the UCs and CSUs that are a part of California's multi-tiered higher education system.

Using online technologies to help disadvantaged students is a growing trend. College Point, a project founded by Bloomberg Philanthropies (<https://www.collegepoint.info/>), uses virtual interaction –including video conferencing and document sharing– to help low and moderate income students apply to and enroll in undergraduate programs at top colleges and universities. Most millennials are accustomed to making connections online and the GPP is able to assist students when an in-person meeting is logistically impossible. Much of our work is mediated through our website, Getting Prepared for Graduate School: <https://prep4grad.com/>

I know that the committee is seeking recommendations and hope you will consider allocating resources for similar programs to be developed nationally. I believe the project has implications far beyond helping each individual student.

- Assisting former foster youth to become professionals de-stigmatizes the identity and helps the wide-ranging community of social workers, foster parents and children and youth become aware of possible futures beyond the negative stereotypes that are too often reflected in the media. Opening up clear educational and professional pathways for

foster children could also improve foster parent recruitment, a crucial component of the child welfare system.

- Approximately 60% of our students are entering the helping professions and are becoming medical professionals, teachers, social workers and counselors. They will be directly impacting foster children and youth still in the system and providing the knowledgeable advocacy that is often missing in the child welfare system, and in law, education and medicine.

I am in the process of writing and publishing an article that will provide detailed information about the project. I would be happy to provide you a draft of my report if you are interested in program cost and design. I thank you for your consideration.

Best regards,

A handwritten signature in cursive script that reads "Sylvia Sensiper".

Sylvia Sensiper, MA, PhD
Office of Graduate Studies
UC Davis
Davis, California