

# Contracting Strategies that Facilitate Serving Youth in Need

*The Workforce Innovation and Opportunity Act (WIOA) youth program allows local areas to choose whether to contract out some or all of the required program activities. To develop thoughtful, clear, and articulate contracts, consider these five strategies.*

## Categories of Contracting Strategies:

### Employing Multi-Year and Option-Year Contracting

Most local areas use multi-year or option-year contracts to procure their youth workforce services; however, there are some local boards that still issue one-year contracts. Short-term contracts discourage youth programs from working with out-of-school youth and youth with basic skills deficiencies who may need additional time and assistance to reach education and employment outcomes. Local workforce boards should consider replacing one-year contracts with multi-year and option-year contracts in order to extend services to youth most in need.

Additionally, follow-up services, which are required to be offered for at least 12 months from date of exit, become more difficult to provide if the contract is in effect for only 1 year. Also, a change of contractor from year to year disrupts the continuity of youth service provision.

### Basing Goals on Youth Served and Outcomes

In some cases, contracts require service providers to enroll a specified number of participants. This requirement leads local programs to focus more on enrolling youth rather than providing the appropriate mix of services that lead to achieving participant and program goals. The Employment and Training Administration (ETA) encourages local boards and providers to track participation on the basis of youth served and outcomes achieved and not solely on the number enrolled.

Contracts sometimes also mandate a specific number of exits in the performance period. This practice could lead to the premature exit of participants prior to their completion of all of the services needed. For example, in Program Years 2017 and 2018, 4,728 and 2,468 WIOA youth participants, respectively, were exited on June 30, suggesting that local areas were exiting youth because the program year ended (and possibly contracts were tied to program year timing) and not because youth had accomplished the goals outlined in their Individual Service Strategy (ISS).

## Using Interim Progress Benchmark and WIOA Youth Measures to Assess Provider Performance

WIOA requires the competitive selection of providers for youth workforce activities to be based, in part, on consideration of the ability of the providers to meet performance accountability measures. However, most youth performance outcomes are long-term and measured after participants exit the program, i.e. six months or more after their exit. Youth service providers may not be able to serve all youth in the short timeframe of the one-year contract and also achieve performance outcome targets.

To address this challenge, contracts may include interim progress benchmarks in addition to the WIOA youth core indicators of performance. Measurable skill gains is the only performance measure that is also an interim benchmark. The measurable skill gains indicator is used to measure progress of participants enrolled in education or training, such as apprenticeship or occupational skills training, towards attainment of a credential or employment. For information on performance measures and what counts as measurable skill gains, see TEGL 10-16, Change 1 at [https://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=3255](https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3255).

Additional short-term outputs to consider are participation in program elements that directly result in increased outcomes, successful completion of work experience, and follow-up services received. These measures can help track progress of program participants and assess providers' performance.

## Creating Positive Incentives for Serving Youth Most in Need

Serving disconnected and out-of-school youth can be hard and may take additional resources and time to help them achieve their goals. States and local boards may follow these strategies to create positive incentives for serving hard to serve participants in their direct service contracts:

- ▶ Include clear statements of intent to serve youth from the targeted groups;
- ▶ Use rating criteria in the request for proposals process to ensure applicants articulate how they intend to serve youth most in need;
- ▶ Use WIOA set aside funds for statewide activities to issue request for proposals to fund special projects designed to serve youth most in need; and
- ▶ Establish incentives for local boards to implement hybrid cost reimbursement or pay-for-performance contract strategies for delivery of youth services.

## Creating Partnerships and Leveraging Resources

Another contracting strategy that furthers the goal of serving youth most in need and achieves positive outcomes is developing broad partnerships at the state and local levels to leverage resources for comprehensive youth services. WIOA requires states and local areas to develop and coordinate partnerships with local entities and supportive services agencies for strengthened service delivery. One example is a contract that requires the leveraging of WIOA Title I youth program funds with WIOA Title II adult education program funds to create career pathways opportunities that provide basic skills remediation as well as workforce preparation and occupational skills training.