

Youth Jobs Act of 2010 Summary

Rep. Bobby Rush (D-IL), co-chairman of the bipartisan Congressional Jobs NOW! Caucus, has distributed a draft of possible youth employment legislation. Youth unemployment rates have reached crisis levels. The proportion of youth aged 16 to 24 who are employed is the lowest ever recorded in the over sixty years that it has been tracked by the Bureau of Labor Statistics, at 51.4%. Approximately 4.4 million youth nationwide are unemployed and actively seeking work. Our nation's ability to compete in the global job market of tomorrow will require addressing the training and employment needs of youth today. The bill proposes:

Summer Youth Jobs Initiatives Supplemental appropriation of \$2 *billion* to the Workforce Investment Act and expands eligibility for Youth enrolled in the WIA system through age 24. \$1.2 billion in stimulus funding resulted in over 300,000 summer jobs for youth nationwide. Youth spend their resources, resulting in high velocity dollars helping to stimulate local economies

On-the-Job Training Grants – Supplemental appropriation of \$750 million in WIA funding to incentivize businesses to hire disconnected youth through OJT grants. Faith-based organizations, public sector organizations, and private employers would be eligible for up to \$4,000 per new hire. Employers would receive 25% of the total grant after 30 days of employment and the remaining 75% of the grant after the employee has been on the job for 6 months.

Public Service Employment – Implements a public service employment option through a \$5 billion supplemental appropriation to WIA. Establishes a public service employment program to carry out public works associated with parks, roads, and education, with a preference for hiring the long-term unemployed, low-income individuals, and disconnected youth. Historically, public service employment has been a direct and cost-effective method of job creation.

State Employment Programs– Provides \$250 million in WIA funding to states for subsidized employment programs for small businesses to make new hires or rehire former employees. Gives priority to hiring disconnected youth

Expands the Work Opportunity Tax Credit (WOTC) and other worker tax credits:

- Makes *permanent the WOTC provisions* added in ARRA to expand eligibility to Disconnected Youth (age 16 through 24) and Veterans.
- *Expands WOTC* to add a new eligibility category for youth ages 16 through 24 who are enrolled in WIA Title I-B Youth Services (to increase program collaboration), and to expand the current eligibility for qualified ex-offenders. Also, double the allowable WOTC wage base, thereby generating a potential credit of up to \$4,800 for each new hire.
- *Disconnected youth employment credit* of up to \$3,000 for employers who hire disconnected youth through the end of 2012.
- Provides increased wage tax credits for the long-term unemployed or disconnected youth living in designated *Empowerment Zones*.

Infrastructure/Transportation/Green Apprenticeship Priority - Provides *preference* with these job creation funds to *contractors that create apprenticeships* targeting individuals from communities with high unemployment, the long-term unemployed, low-skilled, low-income adults, and disconnected youth.

Parks and Forestry Workers – Provide a preference for hiring individuals between the ages of 16 and 24 for work in federal public lands and parks.