

California Volunteers Proposed Program Expansions

SUMMARY

The Governor has two significant new proposals for California (CA) Volunteers beginning in 2023-24. Both would convert limited-term funding and efforts to permanent and ongoing programs using General Fund. These include (1) \$78.1 million ongoing to continue the Youth Jobs Corps program that was established as a 2.5-year program using federal funds, and (2) \$4.7 million annually through 2025-26 and \$9.3 million ongoing thereafter to double and extend the Climate Action Corps program that was established as five-year pilot effort. We recommend the Legislature reject both proposals. We find the proposed funding augmentations and ongoing commitments to be premature given that neither program can yet present comprehensive data that it is a more cost-effective approach to achieving its goals than other existing or alternative approaches. This lack of evidence is particularly problematic given that, because of the budget problem, both proposals come at the expense of other existing General Fund-supported commitments. Given the state budget problem, we also recommend the Legislature approve the Governor’s proposal to reduce \$25 million General Fund previously provided for the Youth Jobs Corps program to augment its services in summer 2023.

INTRODUCTION

CA Volunteers Operates Programs to Encourage Volunteering Service Projects.

CA Volunteers, housed under the Governor’s Office of Planning and Research, operates programs and initiatives to engage Californians in service, volunteering, and civic action. It is supported by a 25-member board of commissioners. One of CA Volunteers’ primary responsibilities is to receive and coordinate federal AmeriCorps funds on behalf of the state. Other programs and initiatives run by CA Volunteers include the College Corps (which provides college students with opportunities to support and learn from community-based organizations), volunteer programs organized to support disaster response, and the two programs discussed in this brief—Youth Jobs Corps and Climate Action Corps.

Governor’s Budget Proposes \$154 Million for CA Volunteers, Big Increase in General Fund Support. The budget for CA Volunteers has varied somewhat over the past several years due to limited-term funding, in particular from federal COVID-19 fiscal recovery funds (from which it received \$237 million in 2021-22, largely

to establish and support the Youth Jobs Corps program). The Governor proposes a total of \$154 million for CA Volunteers in 2023-24, which is only slightly less than the \$160 million it received in 2022-23. However, the Governor’s proposal reflects a notable change in funding sources. Specifically, it includes a drop in federal funds (from \$81 million in 2022-23 to \$28 million in 2023-24) due to expiration of limited-term monies and a significant (62 percent) increase in General Fund support (from \$75 million in 2022-23 to \$123 million in 2023-24).

This Brief Discusses Two Governor’s Budget Proposals.

The Governor’s proposed increase in General Fund support is primarily to support two significant new proposals for CA Volunteers beginning in 2023-24. Both would convert limited-term funding and efforts to permanent and ongoing General Fund-supported programs. These include (1) \$78.1 million ongoing to continue the Youth Jobs Corps program that was established as a 2.5-year program using federal funds, and (2) \$4.7 million annually through 2025-26 and \$9.3 million ongoing thereafter to double and extend the Climate Action Corps program that was established as five-year pilot effort.

YOUTH JOBS CORPS

Background

Youth Jobs Corps Focuses on Providing Employment Opportunities for Underserved Youth. CA Volunteers provides Youth Jobs Corps funding directly to cities and other jurisdictions to employ and support underserved youth. The program has three stated goals: (1) to increase employment for underserved youth across California; (2) to develop meaningful public service career pathways; and (3) to enhance the capacity of local governments to address challenges in the key areas of food insecurity, climate action, and COVID-19 recovery.

Program Created With One-Time Federal Funds in 2021-22. California chose to dedicate \$185 million from its federal COVID-19 relief funds—the majority of the \$237 million noted earlier that went to CA Volunteers—to establish the Youth Jobs Corps program. CA Volunteers spread those funds across portions of 2022, 2023, and 2024 to fund the program for two and a half years. The 2022-23 budget package supplemented these funds with an additional \$25 million on a one-time basis from the General Fund for the program to augment services during the summer of 2023. Different cities and counties began their programs at varying times, but all are currently scheduled to end by May 2024 when the existing funds run out. CA Volunteers allocated 80 percent of the \$185 million to the largest 13 cities in the state using a population-based formula (\$148 million), and granted 19 percent on a competitive basis to 14 other cities and counties (\$35 million). CA Volunteers is using the remaining \$2 million to administer and oversee the program.

Cities Use Funding to Hire Underserved Youth as Temporary Municipal Employees.

The Youth Jobs Corps program provides funding to participating cities and counties to hire youth to work as their employees (or to contract with local community-based organizations to do so), with a requirement to pay them hourly wages of at least \$15.50. The program focuses on hiring youth ages 16 to 30 who may not have had access to traditional career-building resources, and prioritizes individuals who are lower-income, unemployed or

out of school, justice-involved, transitioning from foster care, and/or engaged with the mental health or substance abuse systems. While CA Volunteers provides some broad guidelines for how funds can be used, the selected cities and counties also have some latitude for designing their services at the local level, including what specific job responsibilities the youth would fulfill. In addition to wages, grantees could use funding to provide wraparound services (no more than 40 percent of each allocation) and for administrative costs (no more than 10 percent of each allocation). Wraparound services could include job or interview preparation, childcare, healthcare, transportation, and other nonwage benefits to help the youth gain stable employment. CA Volunteers estimates that across the state, roughly 2,000 youth currently are enrolled in or have completed the program.

Governor's Proposal

Provides General Fund to Continue Activities and Establish Ongoing State-Funded Program.

The Governor proposes \$78.1 million ongoing General Fund to continue the Youth Jobs Corps program once the temporary federal funds that established the program have been expended. CA Volunteers indicates that this represents roughly the same amount that the program has spent on an annual basis from its large one-time allocation, so it would maintain about the same level of annual grants under the Governor's proposal. Annually, this would equate to about \$62 million of the funds being allocated on a formula basis to the 13 largest cities in the state; about \$15 million being awarded to other cities, counties, or tribal communities through a competitive grant process; and roughly \$1 million being used for state administrative costs. The proposal also would expand participation to undocumented youth with work authorizations. Although the current funding is scheduled to last until May 2024, CA Volunteers indicates that it is requesting additional funding for 2023-24 to allow time to solicit grant applications and arrange funding agreements with sufficient time to avoid creating a gap in services.

Reverts \$25 Million General Fund From 2022-23. The Governor also proposes reverting the \$25 million provided in the 2022-23 budget to augment the Youth Jobs Corps in summer 2023. The administration includes this as one of its budget solutions. (This proposal would partially offset the impact of the proposed new spending in 2023-24, resulting in a net of \$53 million—not \$78 million—in new spending in the budget year.) Local jurisdictions still would be able to offer some services during summer 2023 using their original allocations from federal funding but not at the augmented levels they may have planned.

Assessment

While Supporting Locally Based Youth Employment Has Value, It Is Not a Core State Responsibility. Efforts to support underserved youth in gaining skills and employment are worthwhile and can yield long-term benefits for both the individuals and their local communities—particularly when the youth are engaged in providing public services. However, supporting local municipalities to hire youth does not represent a core state responsibility. If cities and counties have found value in the Youth Jobs Corps model, they can continue providing such services and employing youth using their local funding.

Numerous Other Programs Already Exist to Support Youth Workforce Development. Even if the state decided to not continue funding the Youth Jobs Corps, a number of other state and federal programs already exist to support youth workforce development. These include the federal Workforce Innovation and Opportunity Act Youth Program, for which California received \$142 million in 2022-23 that was distributed via formula to local workforce development boards. Federal law requires that 75 percent of these funds go to programs targeting out-of-school youth ages 16- to 24-years old—including individuals who have dropped out of school, who have been justice-involved, who are or have been in the foster care system, or who are homeless—and that 20 percent be used specifically to support work experience, such as for stipends, paid internships, and wages. Additionally, California youth seeking job experiences have access to: (1) the federal AmeriCorps program (which

is supported in California by about \$80 million annually in combined public and private funding); the state California Conservation Corps program (proposed to receive \$174 million in 2023-24); (3) the CA Volunteers' College Corps program (for which the 2021-22 budget provided \$146 million on a one-time basis, mostly from federal funds, for a pilot program to last through 2023-24, scheduled to continue with \$73 million from the General Fund annually thereafter); and (4) the Dreamer Service Incentive Grant (\$7.5 million annually) and Learning-Aligned Employment Program (\$500 million in one-time funds to be spent between 2021-22 and 2030-31), both run by the California Student Aid Commission for students attending college. While none of these programs provides the exact same structure, services, or compensation as the Youth Jobs Corps, many also have an emphasis on underserved youth, building work skills, and/or community service. In addition, local governments and nongovernmental agencies also operate some youth employment programs.

Premature to Provide Ongoing State Funding Before More Data Are Available About Program's Effectiveness. The Youth Jobs Corps program is still in its first year of operation, so comprehensive data are not yet available as to how well it is achieving its intended goals. For instance, it is too early to have a full picture of how successful the program is at (1) consistently recruiting participants from the targeted populations, (2) retaining youth participants for their full intended employment period with the program, (3) helping youth attain and maintain jobs after they complete the program, or (4) integrating the program within local jurisdictions to meaningfully contribute to their existing public services. Moreover, CA Volunteers has not collected data showing how well the Youth Jobs Corps achieves such outcomes compared to the numerous other existing youth workforce development programs. Without such information, the Legislature cannot determine whether continuing the Youth Jobs Corps represents the best investment of state funds, or if other program structures or activities are a more effective way to pursue youth workforce development. As such, we view the Governor's proposal to commit ongoing state funds to maintain this program on

a permanent basis to be premature. Should the Legislature be interested in continuing to support locally based youth employment opportunities in the future, it could require CA Volunteers to evaluate the outcomes of the Youth Jobs Corps program, particularly compared to other youth workforce development programs. Such data could help inform future budget decisions and provide the Legislature more certainty that state funds would be used effectively before it commits to this program on a long-term basis.

Continuing This Program With State Funds Would Come at the Expense of Existing Commitments.

The state currently is experiencing a budget problem where General Fund revenues already are insufficient to fund existing commitments. In this context, every dollar of new spending in the budget year comes at the expense of a previously identified priority and requires finding a commensurate level of solution somewhere within the budget. The Governor “makes room” for the Youth Jobs Corps and other proposed new spending by making reductions to funds committed for other programs, including many in the climate, natural resources, and transportation areas. Moreover, because making the Youth Jobs Corps program permanent would have ongoing costs, this proposal would contribute to projected future budget deficits and would require finding additional solutions in the coming years. We therefore think the Legislature will want to apply a higher bar to its review of new spending proposals such as this than it might in a year in which the General Fund had more capacity to support new commitments, as it will need to weigh the importance and value of the proposed new activities against the activities to which it has already committed. Essentially, the Legislature will want to consider whether it wants to make reductions—either those proposed by the Governor or equivalent alternatives—to free up resources for continuing the Youth Jobs Corps program using state funds. In our view, given this program has only just begun on a limited-term basis and its effectiveness and outcomes are therefore still uncertain, this proposal does not meet that higher bar.

Proposed Reversion of Summer 2023

Funding Reasonable Given Budget Shortfall.

The Governor’s proposal to revert the \$25 million 2022-23 General Fund appropriation will result in a lower level of Youth Jobs Corps services than otherwise would have been provided in summer 2023. However, given the state budget problem, we find the proposal to have cities and counties rely on their existing federal funds to continue operating the program without an additional summer augmentation to be reasonable.

Recommendation

Reject Governor’s Proposal to Provide \$78 Million Ongoing General Fund to Continue Youth Job Corps Program.

We recommend the Legislature reject the Governor’s proposed ongoing augmentation to make the Youth Jobs Corps a permanent, state-funded program. Supporting youth employment by municipalities is not a core state responsibility and other programs to support similar objectives already exist. Even if the Legislature did want to invest more state funds towards youth workforce development, funding this program on an ongoing basis before data are available about its effectiveness is premature. Given the state’s current budget shortfall, we also do not find a compelling rationale for prioritizing this program at the expense of existing state commitments.

Adopt Governor’s Proposed \$25 Million

Reduction. We recommend the Legislature adopt the Governor’s proposal to revert \$25 million in General Fund. This will result in fewer services being offered by the Youth Jobs Corps program in summer 2023. However, given the state budget shortfall, existing funding that grantees still have remaining from their original allocations of federal funds for the Youth Jobs Corps, and other existing available youth workforce development programs, we find this proposal to have merit.

CALIFORNIA CLIMATE ACTION CORPS

Background

Program Pays Stipends to Youth Fellows to Help Organize Community-Based Climate-Related Volunteer Activities. The state initiated the Climate Action Corps program beginning in 2021-22. The program provides funding to local “host partner” agencies—including cities, universities, tribes, and community-based organizations—to hire individuals ages 18 and over to serve as fellows for either an 11-month full-time or a two-month summer term of service. CA Volunteers indicates that full-time fellows most often are recent college graduates looking to engage in climate action and begin a climate career, while summer fellows tend to be incoming or current college students. These fellows organize opportunities for community members to volunteer in activities related to mitigating and responding to climate change. Such volunteer activities might include planting trees, clearing vegetation to reduce wildfire risk, and recovering and redistributing edible food to divert it from landfills. The funding provides the fellows with a stipend, educational benefits to attend school or repay existing student loans, and training and professional development. In 2022-23, the program provided grants to 42 host partners which in turn engaged two to three fellows each. CA Volunteers indicates that applications for funding significantly exceeded available funds.

Established as a Three-Year Pilot in 2021-22, Then Extended for Two More Years.

CA Volunteers currently receives \$4.7 million annually from the General Fund through 2025-26 for the Climate Action Corps program, including \$3.9 million for local assistance grants to support the fellows and their activities, and \$823,000 for state-level program administration. The program was first funded in 2021-22 on a three-year basis. The 2022-23 budget agreement committed to extending this same amount of annual funding for an additional two years.

Program Also Supported by Federal Funds.

In addition to state funds, the Climate Action Corps is supplemented by \$3 million annually in federal AmeriCorps funding. These funds are in addition

to other AmeriCorps funds that CA Volunteers helps to administer for activities that may not be specifically focused on climate change. These federal funds are not contingent on the state funding; that is, California would continue to receive these funds even if it did not provide a like amount of General Fund.

Governor’s Proposal

Doubles Program, Converts to Ongoing.

The Governor proposes to (1) double funding for this program and (2) make the program ongoing rather than limited term. As such, the proposal includes an additional \$4.7 million from the General Fund from 2023-24 through 2025-26 (supplementing the \$4.7 million in existing limited-term funding) and then \$9.3 million ongoing annual General Fund in 2026-27 and thereafter.

Assessment

Expanding Climate Action Corps Program Not Justified.

We have identified several concerns with the Governor’s proposal. First, we find the proposed program expansion to be premature. Given the program only began in 2021-22, sufficient data are not yet available on the effectiveness of the current pilot program to justify the Governor’s proposal to double its existing funding or make it ongoing. Specifically, the program has not collected conclusive and comparative information as to whether the Climate Action Corps program’s approach of funding fellows to organize local volunteer efforts is more effective than other types of activities at mitigating the causes and impacts of climate change. Such information is critical to determining whether this program should be prioritized above other activities the state could pursue to achieve these same goals. Second, the program could continue operating at existing levels even without the proposed expansion, given the existing \$4.7 million in General Fund currently is planned through 2025-26 along with the \$3 million in annual federal AmeriCorps funds. As such, current activities could continue without interruption while providing the state time to gather additional information on the program’s effectiveness before making future budget commitments. The Legislature could consider requiring CA Volunteers to collect and submit

detailed data on program outcomes—and how they compare to other climate-focused programs—to help inform those decisions. Third, as discussed above, given the state’s existing budget problem, providing \$4.7 million in additional General Fund resources for this program necessitates making an equal amount of reductions from other existing spending commitments, which the Governor does through his package of budget solutions. Given the lack of information regarding program outcomes, we do not find that this program meets the higher bar for justifying new spending—particularly on an ongoing basis. This is especially true against the backdrop of the Governor simultaneously proposing to reduce programs that have a more proven history of directly reducing climate change impacts. (Please see our recent report, *The 2023-24 Budget: Crafting Climate, Resources, and Environmental Budget Solutions*, for a detailed discussion of the Governor’s proposed reductions.)

Recommendation

Reject Governor’s Proposal to Expand and Extend the Climate Action Corps Program.

We recommend the Legislature reject the Governor’s proposal to double the funding for the Climate Action Corps in 2023-24, and also to reject the proposal to make the program ongoing beginning in 2026-27. We find augmenting support and committing permanent funding for this program is premature before the state has evidence that this volunteer-based approach is more effective than other programs at yielding meaningful results in the state’s efforts to mitigate the causes and impacts of climate change. Because the program currently is scheduled to receive state funding through 2025-26, along with existing federal funds, program services would continue even without the proposed augmentation, allowing the state time to collect additional information. Moreover, given the state’s current budget shortfall, we do not find a compelling rationale for prioritizing this program at the expense of existing state commitments. The Legislature could consider requiring CA Volunteers to collect and submit detailed data on program outcomes—and how they compare to other climate-focused programs—to help inform future funding decisions.

LAO PUBLICATIONS

This report was prepared by Rachel Ehlers and reviewed by Anthony Simbol. The Legislative Analyst's Office (LAO) is a nonpartisan office that provides fiscal and policy information and advice to the Legislature.

To request publications call (916) 445-4656. This report and others, as well as an e-mail subscription service, are available on the LAO's website at www.lao.ca.gov. The LAO is located at 925 L Street, Suite 1000, Sacramento, California 95814.