

# oppaga

# Status Report



August 2003

Report No. 03-46

## Jobs for Florida's Graduates Program Generally Meets State Performance Standards

### *at a glance*

The Jobs for Florida's Graduates program has maintained its standard accreditation by the national Jobs for America's Graduates program for the third consecutive year. The program also generally met its graduation, placement, and wage rate standards for the 2000-01 school year. The Legislature's Office of Economic and Demographic Research longitudinal study reports that program participants tend to work and earn higher wages compared to a control group, but are not as likely to continue their education.

Due to budget reductions, the program continues to lag significantly behind the statutory goal to operate in 300 schools, currently operating in 13 schools. The program served 447 high school seniors and 115 non-senior students in the 2002-03 school year.

### Purpose

Section 446.609(10)(a), *Florida Statutes*, requires the Office of Program Policy Analysis and Government Accountability to review the annual report submitted by Jobs for America's Graduates, Inc., regarding the activities of the Jobs for Florida's Graduates program. Our review is to analyze reported program results and make any recommendations regarding the expansion, curtailment, modification, or continuation of the program.

### Background

The Legislature created the Jobs for Florida's Graduates program in 1998 to help students at-risk of dropping out of school make the transition from school to work. The program targets high school seniors and provides school-to-work services to help these students graduate and to either continue their education or find meaningful employment within one year of graduation. The program also provides drop-out prevention services to ninth, tenth, and eleventh grade students.<sup>1</sup> Florida's program is part of a 20-year nationwide initiative coordinated by the Jobs for America's Graduates, Inc., based in Arlington, VA. This organization is currently working with high school students in 26 states.

The Florida Endowment Foundation for Florida's Graduates, a not-for-profit corporation, operates the program with a board of directors.<sup>2</sup> The board hires a management team and is also charged with encouraging public and private support and contributions to the program. The

<sup>1</sup> A third program providing dropout recovery services to students out of school started in 1999-00 and another in 2000-01, but both were discontinued the same year they were started.

<sup>2</sup> The 2001 Legislature changed the program from a direct support organization operating under contract with the Department of Education to an independent organization (Ch. 2001-201, *Laws of Florida*). The board expanded to 17 members representing the public and private sectors with a majority of members and the chair from the private sector.

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Jobs for Florida’s Graduates management team is responsible for the program’s day-to-day activities, including the training and supervision of the staff that works in participating high schools, collecting data, and conducting site visits to participating high schools.

**Job specialists serve as mentors.** With the help of school administrators and an in-school advisory committee, job specialists identify and work with youth at risk of dropping out of high school and being unemployed or underemployed after leaving school. Job specialists provide students a variety of job counseling and training services to help students acquire the skills necessary to secure a quality job or enter and complete a postsecondary education or training program. Program guidelines suggest each job specialist work with 35-45 students depending upon the severity of the at-risk characteristics of the targeted students.

Job specialists are hired either by the program’s board or by the school district as school board employees under the program’s standard memorandum of agreement.<sup>3</sup> The job specialists meet regularly with students to help them obtain specific job competencies. Much of this contact with students occurs in one-to-one mentoring sessions. However, the job specialists also interact with students after classroom hours, particularly during instructional meetings of the student-run Career Association, which comprises all students selected to the program. Job specialists are also expected to meet periodically with students and their parents.

The job specialists are required to market the program to prospective employers and work to place students in quality jobs. By law, job specialists have a 12-month period after the date of the students’ anticipated high school graduation to conduct follow-up activities that help the students get employed, stay employed and advance in their jobs, or continue their education beyond high school while establishing a positive part-time work record.

<sup>3</sup> Currently, there are 15 job specialists; 12 employed by the Jobs for Florida’s Graduates and 3 employed by school districts under contract with the foundation.

Participating schools are selected by the board and must enter into an agreement with the board that details the responsibilities of each party and the process and outcome goals for the program. The selected schools must be demographically and geographically representative of the state’s population.

**The state has been the program’s primary funding source.** As shown in Exhibit 1, over the past five years, the Legislature appropriated \$7,500,000 in general revenue to finance the program and establish an endowment fund. The Legislature established the endowment fund as a growing source of revenue with the principal to consist of legislative appropriations, bequests, gifts, grants, and donations from public and private sources.

**Exhibit 1  
The Legislature Appropriated \$7,500,000  
Since the Program’s Inception in 1998-99<sup>1</sup>**

| Fiscal Year          | State General Revenue | Other Government Contributions | Private Contributions |
|----------------------|-----------------------|--------------------------------|-----------------------|
| 1998-99              | \$1,000,000           | \$836,000                      | \$ 0                  |
| 1999-00              | 3,000,000             | 0                              | 0                     |
| 2000-01              | 3,000,000             | 0                              | 0                     |
| 2001-02 <sup>2</sup> | 0                     | 50,000                         | 0                     |
| 2002-03              | 500,000               | 780,000                        | 1,000                 |
| <b>Total</b>         | <b>\$7,500,000</b>    | <b>\$1,666,000</b>             | <b>\$1,000</b>        |

<sup>1</sup> Other revenue such as interest earnings, donations, and district in-kind services also support the program.

<sup>2</sup> In 2001-02, the Legislature abolished the endowment fund and authorized the program to operate using investment earnings and carry over funds from prior years totaling \$1,067,008.

Source: General Appropriation Acts, annual financial statements, and program budget documents.

However, the program did not obtain private contributions for its first four years of operation. In 2001-02, the Legislature abolished the endowment fund and authorized the program to operate using investment earnings and carry over funds from prior years totaling \$1,067,008. In 2002-03, the Legislature appropriated \$500,000 to the program. The program also obtained \$780,000 in state and regional workforce funds in Fiscal Year 2002-03. Also, some school districts have

contributed funds to continue the program, and the program received \$1,000 in private contributions. For 2003-04, the Legislature appropriated a \$12,250,000 lump sum for mentoring/student assistance initiatives to be allocated at the discretion of the Commissioner of Education. A portion of this funding may be allocated to the Jobs for Florida's Graduates Program. Also, local workforce boards may choose to fund the program in 2003-04.

## Findings

### *Program generally met performance standards*

The Legislature has established specific performance standards for the program in the areas of graduation, placement, and wage rates of participants. The program generally met these standards for the 2000-01 school year, the most recent year for which complete performance data

is available.<sup>4</sup> The program also maintained its standard accreditation by the national Jobs for America's Graduates for the third consecutive year. However, the program continues to lag significantly behind the statutory goal to operate in 300 schools, currently operating in 13 schools.

**Graduation rates.** The program has consistently met its statutory goals for the percentage of participating students who graduate from their schools (see Exhibit 2). For the class of 2001, 92% of the participating students graduated, which exceeded the goal of 90%. These figures include students who earned their General Equivalency Diploma within one year of leaving school. Interim figures for the class of 2002 appear on track to exceed the current standard.

<sup>4</sup> Because program results are reported 12 months following the end of the academic year in which the participants' respective high school classes graduated, 2000-01 is the most recent year for which complete performance data are available.

### Exhibit 2 Year 3 Legislative Outcome Goals Met

| Senior School-to-Work Performance Measures           | Year 1 Performance<br>1998-99 Cohort <sup>1</sup> |          | Year 2 Performance<br>1999-00 Cohort <sup>1</sup> |          | Year 3 Performance<br>2000-01 Cohort <sup>1</sup> |          | Year 4 Interim Performance<br>2001-02 Cohort <sup>2</sup> |                     |
|--|---|----------|---|----------|---|----------|---|---------------------|
|  | Actual  | Standard | Actual  | Standard | Actual  | Standard | Actual  | Standard            |
| Senior students completing school-to-work program    | 575   | Na       | 936   | Na       | 665   | Na       | 297   | Na                  |
| Statewide graduation/GED completion rate             | 84%   | 82%      | 92%   | 85%      | 92%   | 90%      | 92% <sup>2</sup>  | 90%                 |
| Full-time placement rate                             | 94%   | 70%      | 94%   | 75%      | 90%   | 80%      | 86% <sup>2</sup>  | 80%                 |
| Average wage compared to JAG national average        | \$7.11  | \$6.90   | \$7.94  | \$7.28   | \$7.79  | 7.44     | \$8.12 <sup>2</sup>                                       | \$7.63 <sup>2</sup> |
| Number of high schools participating                 | 19  | 25-50    | 29  | NA       | 31  | NA       | 12  | 300                 |
| <b>Additional Performance Measures</b>               |   |          |   |          |   |          |   |                     |
| Total senior participant full-time placement         | 53%   | NA       | 77%   | NA       | 78%   | NA       | NA  | NA                  |
| Graduate full-time placement                         | 57%   | NA       | 79%   | NA       | 80%   | NA       | NA  | NA                  |
| Non-graduate full-time placement                     | 31%   | NA       | 58%   | NA       | 48%   | NA       | NA  | NA                  |
| Employed graduate full-time placement                | 33%   | NA       | 38%   | NA       | 44%   | NA       | NA  | NA                  |
| Non-senior students in continuing dropout prevention | 0   | Na       | 426   | Na       | 57  | Na       | 97  | Na                  |
| Dropout prevention annual retention rate             | NA  | NA       | 88%   | NA       | 82%   | NA       | 52%   | NA                  |

NA=not available. Na=not applicable.

<sup>1</sup> Self-reported results are reported 12 months following the end of the academic year in which the participants' respective high school classes graduated.

<sup>2</sup> Performance is for the interim period. Final outcome data for the 2001-02 cohort will not be available until after July 2003.

Source: Florida Statutes, Accreditation Reports for Jobs for Florida's Graduates, S-12 Placement Reports, and program documentation.

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However, the graduation rate measure should be interpreted with some caution. Due to budget reductions, the program discontinued its operations in 19 schools for the 2002-03 school year. As a result, the program conducted follow-up on only 44% (665 of 1,525) of the seniors participating in the class of 2001. It is thus not known whether students from the discontinued programs had different graduation rates as those from the schools where the program was continued.

**Full-time placement rates.** The program has consistently met its statutory goal for the percentage of graduated working participants engaged in full-time activities. Exhibit 2 provides information on each class's placement rate. Similar to previous years, the class of 2001's placement rate (90%) exceeded the program's goal of 80%. Interim figures for the class of 2002 appear on track to exceed its placement rate standard of 80%.

While the full-time placement rate measures the school-to-work outcome according to the Jobs for America's Graduates, it should be interpreted with some caution because it measures only 59% of the participants and their outcomes. The measure excludes 41% of participants including graduates who attend postsecondary education courses full-time, those who did not graduate, and those who are unemployed.

**Wage rates.** The program has consistently met its statutory goals for its graduates to earn above the national Jobs for America's Graduates average wage (see Exhibit 2). For the class of 2001, the average hourly wage was \$7.79, which exceeded the goal of \$7.44.

While the average wage rate measures the intended outcome for graduates, this measure too should be interpreted with some caution. The average wage figure reflects only graduates of the program and excludes non-graduates. Excluding non-graduate wages from the calculation may tend to inflate program results as non-graduates may earn lower wages than graduates.

**National accreditation.** The Jobs for America's Graduates national program office awarded Florida's program standard accreditation status in 2001, for a third consecutive year. Standard

accreditation is the highest accreditation awarded by Jobs for America's Graduates. The latest site review team and accreditation analyst found no major areas of noncompliance as measured against 10 interrelated components that include the process, practices, and performance outcomes designed to keep at risk youth in school and provide post-graduation transition services to ensure a successful school-to-work experience.

The accreditation report did find some areas needing improvement. Specifically, the report indicated that the foundation staff needs to place additional emphasis on the use of pre-and post-test completion as effective measurements of competency attainment. The Jobs for America's Graduates pre-and post-tests were used on a limited basis with little documentation available for verification.

### ***Performance outcomes lower when all participants are considered and performance of all participants not included in legislative measures***

The legislative placement measure that conforms to the Jobs for America's Graduates standard measures only reflects the performance of part of the participant population, graduates who obtained employment. To account for all senior program participants, we examined the placement rates for all participants as well as three subgroups: graduates, non-graduates, and employed participants.

When all program participants are considered, the program's full time placement rate drops from 90% to 78% for the class of 2001. As shown in Exhibit 2, most (78%, or 517) of the 665 senior program participants were engaged in full-time activities (work and/or school) one year after their class graduated. For the 611 participants who graduated, most (491, or 80%) were engaged in full-time activities. For the 54 non-graduates, about half (26, or 48%) were engaged in full-time activities.

State funds are also used to provide dropout prevention program services to freshman, sophomore, and junior high school students. The legislative measures do not assess how well the program serves these students. Therefore, we examined these students' annual retention rates

to assess how effective the program has been in keeping these students in school. The annual retention rate for students served in this program dropped from 88% for students returning to school in 2000-01, to 52% for students returning to school in 2002-03 (see Exhibit 2).<sup>5</sup> Program staff attribute the decline in performance to reassigning students to a single specialist after budget cuts.

**Participation.** The program has not reached its statutory school participation goal. As shown in Exhibit 2, the program operated in 19 schools during the first year of its operation, 6 less than the required minimum of 25. The program did not meet its statutory goal to operate in 300 high schools by the end of the 2001-02 school year.

Prior OPPAGA reports found an inactive board and lack of a management team during the program's initial year resulted in slow progress in expanding the program.<sup>6</sup> However, in 1999, the board hired a management team with extensive experience in implementing the program in other states that has remained in place; this contributed to an expansion in the number of students and schools served, which peaked during the 2001-02 school year (see Exhibit 3).

**Exhibit 3  
Expansion of Senior School-to-Work Program  
Peaked in 2000-01**

| Fiscal Year | Students Served <sup>1</sup> | School Locations | Job Specialists |
|-------------|------------------------------|------------------|-----------------|
| 1998-99     | 548                          | 19               | 19              |
| 1999-00     | 1,185                        | 29               | 32              |
| 2000-01     | 1,525                        | 31               | 40              |
| 2001-02     | 503                          | 12               | 12              |
| 2002-03     | 447                          | 13               | 13              |

<sup>1</sup> Includes participants in programs that were discontinued.  
Source: Jobs for Florida's Graduates participant profile summaries.

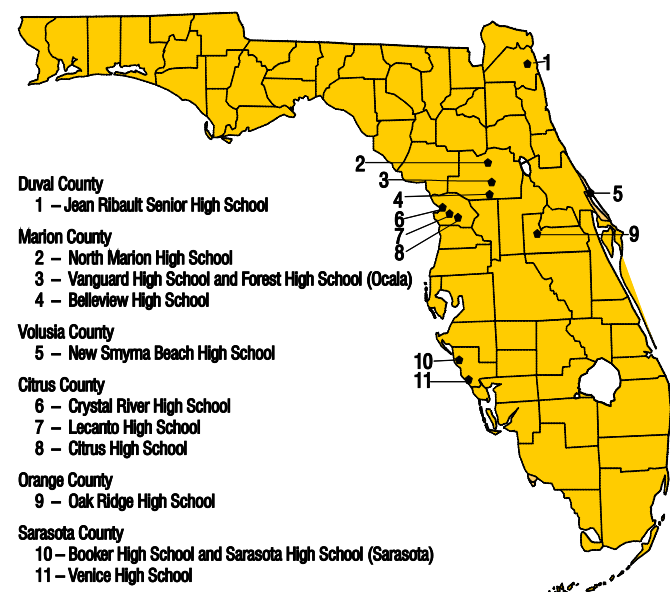
<sup>5</sup> Annual retention rate is the percentage of program participants who return to school the following year divided by the total number of participants starting the program in September of the prior year.

<sup>6</sup> *Jobs for Florida's Graduates Needs to Correct Start-Up Problems to Meet Statutory Goals*, OPPAGA Report No. 99-25, January 2000. *Jobs for Florida's Graduates Program Appears to Be Improving Its Performance*, OPPAGA Report No. 01-19, March 2001.

After budget reductions in 2001, the program was substantially scaled back. The board discontinued operations entirely in six counties (Miami-Dade, Indian River, Lee, Manatee, Osceola, and Polk). In downsizing the program, school sites were selected to continue based on the performance of the job specialists and their willingness to remain in the job.

Currently, the program is not operating in all geographic areas of the state. The law requires the program to maintain a demographically balanced sample population, including both urban and rural schools, and be comprised of schools, including charter schools, in all geographic areas of the state. As shown in Exhibit 4, some schools are participating in central and northeast Florida, but no schools are participating in the Panhandle or in south Florida.

**Exhibit 4  
Participating Schools Limited to Six Counties in  
Central and Northeast Florida**



Source: Jobs for Florida's Graduates Program.

***After downsizing, percentage of funds expended on direct services decreased***

The program's management expenses have remained relatively constant since 1999-00. Consequently, the percentage of total costs spent on management rather than direct services has

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fluctuated with the program’s budget. In 2002-03, the program spent 22% of its funds on management support services (see Exhibit 5).

Exhibit 5
Direct Service Costs Decrease as a Percentage of Total Costs

Table with 5 columns: Fiscal Year, Management Costs, Direct Service Costs, Total Cost, and Management Costs as % of Total. Rows include fiscal years 1998-99 through 2002-03.

1 Figures for 2002-03 are budgeted. Final figures will not be available until after the close of the fiscal year.

Source: Florida Endowment Foundation for Florida’s Graduates, Internal Revenue Service form 990 statement of functional expenses and 2002-03 program budget documents.

To maximize its efficiency, it will be important for the program to either reduce its management costs or to obtain additional private funds for direct services to students. For another workforce program, s. 445.004(5)(a), Florida Statutes, requires at least 90% of workforce development funding must go into direct customer service costs.

Another indicator of program efficiency is the number of students served per job specialist. For the 2002-03 school year, the program averaged 34 students per job specialist (ranging from 9 to 53 depending on the participation at each school).

Participants tend to work and earn more, but not as likely to continue their education

The Legislature’s Office of Economic and Demographic Research conducts an annual longitudinal study of the program to compare program participants’ employment and earnings to a representative control group with similar socioeconomic and educational backgrounds over time.

As shown in Exhibit 6, the study found that program graduates tended to have higher employment rates and earnings than the control group. However, employment rates for program graduates were somewhat less likely to continue their education compared to the control group.

Employment. Program graduates tend to be employed at higher rates compared to the control group across all classes, but the rates begin to converge over time and employment rates have declined significantly from the first year of the program.

Education. Program graduates are less likely to continue their education compared to the control group. For example, for the class of 2001, 50% of the program graduates continued their education while 59% of the control group continued their education.

7 Year 2 Report of the Longitudinal Study of the Jobs for Florida’s Graduates Program, http://www.state.fl.us/edr/Reports/jobs.pdf, the lasted report available on the website.

**Exhibit 6**  
**Participants Are More Likely to Be Employed, Earn More, and Less Likely to Continue Their Education Compared to Control Groups**

| Class of 1999 Outcome Measures                    | Year 1 Performance |         | Year 2 Performance |         | Year 3 Performance |         |
|---|--------------------|---------|--------------------|---------|--------------------|---------|
|   | JFG                | Control | JFG                | Control | JFG                | Control |
| Employed or in the military                       | 90%                | 78%     | 92%                | 86%     | 89%                | 87%     |
| Florida continuing education                      | 32%                | 44%     | 35%                | 51%     | 30%                | 45%     |
| Florida continuing education and also employed    | 22%                | 29%     | 29%                | 39%     | 21%                | 34%     |
| Earning wages greater than \$9 per hour           | 10%                | 6%      | 31%                | 23%     | 33%                | 26%     |
| Receiving public assistance (TANF or food stamps) | 7%                 | 9%      | 2%                 | 1%      | 2%                 | 3%      |
| Incarcerated                                      | 0%                 | 0%      | <1%                | <1%     | <1%                | <1%     |
| Under community supervision                       | 3%                 | 2%      | 6%                 | 2%      | 5%                 | 1%      |
| Class of 2000 Outcome Measures                    | JFG                | Control | JFG                | Control | JFG                | Control |
| Employed or in the military                       | 81%                | 72%     | 83%                | 76%     | NA                 | NA      |
| Florida continuing education                      | 54%                | 63%     | 50%                | 60%     | NA                 | NA      |
| Florida continuing education and also employed    | 36%                | 38%     | 34%                | 38%     | NA                 | NA      |
| Earning wages greater than \$9 per hour           | 14%                | 13%     | 19%                | 17%     | NA                 | NA      |
| Receiving public assistance (TANF or food stamps) | 1%                 | 2%      | 0.9%               | 1%      | NA                 | NA      |
| Incarcerated                                      | <1%                | <1%     | 0%                 | <1%     | NA                 | NA      |
| Under community supervision                       | 1%                 | <1%     | 2%                 | 1%      | NA                 | NA      |
| Class of 2001 Outcome Measures                    | JFG                | Control | JFG                | Control | JFG                | Control |
| Employed or in the military                       | 75%                | 69%     | NA                 | NA      | NA                 | NA      |
| Florida continuing education                      | 50%                | 59%     | NA                 | NA      | NA                 | NA      |
| Florida continuing education and also employed    | 28%                | 31%     | NA                 | NA      | NA                 | NA      |
| Earning wages greater than \$9 per hour           | 4%                 | 4%      | NA                 | NA      | NA                 | NA      |
| Receiving public assistance (TANF or food stamps) | 2%                 | 1%      | NA                 | NA      | NA                 | NA      |
| Incarcerated                                      | 0%                 | 0%      | NA                 | NA      | NA                 | NA      |
| Under community supervision                       | 1%                 | 1%      | NA                 | NA      | NA                 | NA      |

Source: OPPAGA Analysis of Office of Economic and Demographic Research Year 3 Report of the Longitudinal Study of the Jobs for Florida’s Graduates Program.

**Earnings.** Program graduates are somewhat more likely to be earning at least \$9 per hour compared to the control group for the class of 1999 but this difference is not evident for later classes. As shown in Exhibit 6, the gap between program graduates earning at least \$9 per hour and the control group widened overtime for in the class of 1999, but the percentage of program graduates and the control group earning \$9 per hour in wages was essentially the same for the classes of 2000 and 2001.

## Conclusion and Recommendations

The program maintained its standard accreditation by the national Jobs for America’s Graduates for the third consecutive year. The program also generally met its graduation, placement, and wage rate standards in 2000-01. Due to budget reductions, it lags significantly behind the statutory goal to operate in 300 schools, currently operating in 13 schools.

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We recommend the foundation's board of directors take the actions noted below.

- To improve performance reporting, the foundation and its staff should ensure annual reports clearly and consistently report on all participants by program and school. This will enable stakeholders to assess program performance more thoroughly.
- To improve program efficiency, the foundation and its staff should either increase its scope of operations (requiring more private fund raising) or reduce its administrative operating costs.

The program has been operational for several years and state funding has decreased. Accordingly, an annual report by OPPAGA and EDR is no longer needed. Therefore, we recommend that

- the Legislature amend s. 446.609(10)(a), *Florida Statutes*, to eliminate the requirements that the Office of Program Policy Analysis and Government Accountability review the annual report and
- the Legislature amend s. 446.609(10)(b), *Florida Statutes*, to eliminate the requirements that the Office of Economic and Demographic Research conduct an ongoing longitudinal study of the program.

## Agency Response

In accordance with the provisions of s. 11.51(5), *Florida Statutes*, a draft of our report was submitted to the Florida Endowment Foundation for Florida's Graduates for their review and response.

The foundation's written response provided additional explanatory information. It has not been reproduced herein, but can be viewed in its entirety on OPPAGA's website.

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**Florida Monitor:** <http://www.oppaga.state.fl.us/>

Project conducted by Mark Frederick (850/487-9251)

Jane Fletcher, Staff Director (850/487-9255)

Gary R. VanLandingham, OPPAGA Interim Director





## OPPAGA REPORT RESPONSE

OPPAGA submitted a draft of its report to the Florida Endowment Foundation for Florida's Graduates for review and response. This is the official response to OPPAGA's draft report.

Since its inception in the early 1980's, Jobs for America's Graduates school-to-work transition programs have been aimed at improving the employability and earnings potential of America's high school graduates, especially among those deemed to be at risk of joblessness upon graduation from high school. The rationale for the JAG Senior Year Program was that the provision of career and personal counseling, employability skills development, career development, and job placement and follow-up services would increase the likelihood of participants obtaining employment and access to full-time jobs in the first year following graduation from high school.

| PAGE | OPPAGA REPORT EXCERPTS   | REPORT RESPONSE   |
|------|--|---|
| 1    | The Jobs for Florida's Graduates program has maintained its standard accreditation by the national Jobs for America's Graduates program for the third consecutive year.  | Jobs for Florida's Graduates has fully implemented the JAG Model and operates an exemplary program across the twenty-six (26) state National Network. The OPPAGA Report addresses only a limited number of performance elements of a JAG Model program.   |
| 1    | The program also generally met its graduation, placement, and wage rate standards for the 2000-01 school year.   | The term "generally" detracts from the significant accomplishments of Jobs for Florida's Graduates particularly in light of the economic conditions under which JFG operates. Recommended change: Jobs for Florida's Graduates met its graduation, placement, and wage rate standards for the 2000-01 school ear.   |
| 1    | The Legislature's Office of Economic and Demographic Research longitudinal study reports that program participants tend to work and earn higher wages compared to a control group, <u>but are not as likely to continue their education.</u> | JFG young people are likely to come from families receiving governmental assistance. Due to the deteriorating employment market, JFG youth are unable to secure family support to pursue a postsecondary education. It is believed that the primary reason why JFG young people do not continue their education is due to the high percentage of graduates from low income families as well as the worsening of the job market for graduates. |
| 3    | However, the program continues to lag significantly behind the statutory goal to operate in 300 schools, currently operating in 13 schools.  | Emphasis should be placed on the reason why JFG lags behind the original statutory goal to operate in 300 schools. Unless the entire report is read, it is likely that the reader will question the efficacy of the program when it has been unable to operate in 300 schools. The only reason that JFG has not achieved the 300 school statutory goal is due to falling revenue from the Florida General Fund due to economic conditions     |

| PAGE | OPPAGA DRAFT REPORT STATEMENTS   | JFG RESPONSE TO REPORT   |
|------|--|--|
| 4    | <p>However, the graduation rate measure should be interpreted with some caution. Due to budget reductions, the program discontinued its operations in 19 schools for the 2002-03 school year. As a result, the program conducted follow-up on only 44% (665 of 1,525) of the seniors participating in the class of 2001. <u>It is thus not known whether students from the discontinued programs had different graduation rates as those from the schools where the program was continued.</u></p> | <p>JFG has consistently achieved a 90% graduation goal except for Year 1 performance of the 1998-99 cohort (Exhibit 2). Nationally, JAG programs have achieved a national graduation rate of 90% for the past several years. Had JFG been provided the resources to continue delivering JAG Model services to the 56% of the seniors participating in the class of 2001, it is likely that 90% of the seniors in the class of 2001 would have graduated. It is unfortunate that JAG Model services were not delivered to approximately 860 seniors. Since JAG Model programs target young people with at-risk characteristics, the elimination of services placed a large percentage of young people at risk of graduating. JFG was committed to delivering services to the 1,525 seniors, however, budget reductions made it impossible to continue the delivery of essential services.</p>   |
| 4    | <p>While the full-time placement rate measures the school-to-work outcome according to Jobs for America's Graduates, it should be interpreted with <u>some caution</u> because it measures only 59% of the participants and their outcomes. The measure excludes 41% of participants including graduates who attend postsecondary education courses full-time, those who did not graduate, and those who are unemployed.</p>   | <p>Jobs for Florida's Graduates uses JAG's widely accepted formulas for computing an array of performance outcomes. Expressing that "some caution" should be used in interpreting the Full-time Placement Rate casts a shadow on the integrity of one of its performance measures. The Florida Legislature adopted JAG's performance measures, therefore, there is no need to "caution" the readers. OPPAGA is welcome to recommend a definition to the Florida Legislature that it would like to be used to measure Full-time Placement Rate but the formula should not be questioned when the JAG performance outcome rates were specified in the Statutes.</p>  |
| 4    | <p>While the average wage rate measures the intended outcome for graduates, this measure too should be interpreted with some caution. The average wage figure reflects only graduates of the program and excludes non-graduates of the program. Excluding non-graduate wages from the calculation may tend to inflate program results as non-graduates may earn lower wages than graduates.</p>  | <p>The JAG Model sets priorities for "graduates" and "non-graduates." For non-graduates, emphasis is placed on staying in school through graduation or receipt of a GED certificate within the 12-month follow-up period. The priority for high school graduates is placement in a quality job and/or pursuit of a postsecondary education that leads to a job with advancement opportunities. Young dropouts and high school graduates also have experienced steep declines in their full-time employment/population ratios over the past three years. The ability of these out-of-school young adults to obtain full-time jobs (those providing at least 35 hours of work per week) has a number of important economic benefits for them. On average, full-time jobs provide substantially more hours per week than part-time jobs (40 vs. 21 hours) and pay more per hour. Full-time jobs are more likely to offer on-the-job and formal training to workers, and they are more likely to provide key employee benefits, including health insurance coverage and tuition reimbursement. Longitudinal research also shows that the economic payoff in the form of higher future wages from full-time jobs is considerably higher than from part-time jobs.</p> |
| 7    | <p>The Legislature's Office of Economic and Demographic Research conducts an annual longitudinal study of the program to compare program participants' employment and earnings to a representative control group with similar socioeconomic and educational backgrounds over time.</p>   | <p>The results of the longitudinal study may be flawed since the control group was selected based on socioeconomic and educational backgrounds. JFG/JAG believe that a comparative study requires "matching" the control and experimental groups by considering other characteristics particularly <u>gender and ethnicity</u>. It is believed that JFG serves a much more challenging population given its gender and ethnicity makeup. Regrettably, these variables were not attended to in the control group which arguably would further underscore the efficacy of JAG Model programs.</p>  |

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| 7    | As shown in Exhibit 6, the study found that program graduates tended to have higher employment rates and earnings than the control group. However, employment rates for program participants have decreased over time....This could be due in part to weaker economic conditions.   | Dr. Andy Sum, Director of the Center for Labor Market Studies at Northeastern University, confirms that "weaker economic conditions" are the primary reason that employment rates for program participants are in a state of decline. "Since 2000, employment opportunities for teens have declined at an extraordinary rate. By the second quarter of 2001, the beginning of the recession, the E/P ratio for teens had declined to 42.7%, it fell by another three percentage points over the following year, and fell to 36.7% in the second quarter of calendar year 2003, an all time low for the teen E/P ratio since 1948, the beginning of the teen data series. <u>The employment rate of teens has declined by 9.2 percentage points or 20% in the past three years.</u> An employment decline of this magnitude for the nation's adults would have been declared "an economic depression."  |
| 7    | Program graduates were somewhat less likely to continue their education compared to the control group....As shown in Exhibit 6, this pattern is consistent over time with students in the control group continuing their education at higher levels than program graduates.   | JFG young people are likely to come from families receiving governmental assistance. Due to the deteriorating employment market, JFG youth are unable to secure family support to pursue a postsecondary education. It is believed that the primary reason why JFG young people do not continue their education is due to the high percentage of graduates from low income families as well as the worsening of the job market for graduates. When ethnicity and income are taken into consideration (which is impossible given the control group's sampling criteria), JFG serves a much more challenging population than the control group.  |
| 9    | Program graduates are somewhat more likely to be earning at least \$9 per hour compared to the control group for the class of 1999 but this difference is not evident for later classes. As shown in Exhibit 6, the gap between program graduates earning at least \$9 per hour and the control group widened overtime for in the class of 1999, but the percentage of program graduates and the control group earning \$9 per hour in wages was essentially the same for the classes of 2000 and 2001. | Dr. Andy Sum provides greater insight into the reason why the gains in earnings gap have narrowed for JFG graduates and the control group graduates. The Florida Legislature would benefit greatly from OPPAGA providing greater insights into the employment challenges experienced by teens. Without a JAG Model program, JFG youth would be at an even greater economic disadvantage—short-term and long-term. Dr. Sum reports: "Young dropouts and high school graduates have experienced steep declines in their full-time employment/population ratios over the past three years. The ability of these out-of-school young adults to obtain full-time jobs (those providing at least 35 hours of work per week) has a number of important economic benefits for them. On average, full-time jobs provide substantially more hours per week than part-time jobs (40 vs. 21 hours) and pay more per hour. Full-time jobs are more likely to offer on-the-job and formal training to workers, and they are more likely to provide key employee benefits, including health insurance coverage and tuition reimbursement. Longitudinal research also shows that the economic payoff in the form of higher future wages from full-time jobs is considerably higher than from part-time jobs. In the second quarter of calendar year 2000, at the height of the labor market boom of the 1990s decade, only 3 of every 8 young school dropouts were able to obtain a full-time job (Table 9). Three years later, this ratio had declined by four percentage points to 34%. Among those out-of-school youth with a high school diploma, the full-time E/P ratio declined by nearly 8 percentage points over the same three year period (Table 9). Not only were fewer high school graduates working, but those who remained employed were less likely to find full-time work. In the second quarter of 2003, only 57 of every 100 young high school graduates were employed full-time. |

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| 10   | Accordingly, an annual report by OPPAGA and EDR is no longer needed. | <p>JAG and JFG are in agreement with OPPAGA that an annual report by OPPAGA and the Office of Economic and Demographic Research (EDR) is <u>no longer needed</u>.</p> <p>Jobs for America's Graduates launched a comprehensive two-year research project with funding from the U.S. Department of Labor in July 2003. The research project is led by Dr. Andy Sum, Director of the Center for Labor Market Studies at Northeastern University. Dr. Sum is a highly recognized economist and researcher focused on youth employment.</p> <p>For access to research reports over the next two years, contact:</p> <p>Jim Koeninger, Ph.D., Executive Vice President<br/> Jobs for America's Graduates<br/> 6021 Morriss Road, Suite 111<br/> Flower Mound, TX 75028<br/> Tel. 972.691.4486<br/> Fax.972.874.0063<br/> jgk@jag.org<br/> www.jaa.org</p> |

Dr. Sum summarized his current research on teen employment issues in a report presented to Jobs for America's Graduates (July 2003). The following is the "summary and conclusions" from Dr. Sum's report:

"The end of the labor market boom of the 1990's in late 2000 has been accompanied by an extraordinarily severe deterioration in overall employment opportunities for the nation's teenagers and young adults. The magnitude of the decline in the employment rate of the nation's teenagers over the past three years is historically unprecedented, and, if it had taken place among adults, would have led to a concentrated national response by both political parties. A sharp drop in job opportunities for teens during the recession of 2001 was followed by an ever steeper decline during the anemic economic recovery that has failed to generate any net new job opportunities for the nation's workers, both young and old. All major groups of teenagers and young adults (20-24) have been adversely affected by these labor market developments, including men and women, in-school and out-of-school youth, Blacks, Hispanics, and Whites, and high school dropouts, high school graduates, and those young adults with only 1 or 2 years of post-secondary schooling."

"It is quite unlikely that the labor market situation for teens and young adults will experience any dramatic turnaround over the next two years. Employment growth for young workers historically has tended to lag behind that of adult workers in the early stages of job recovery, and the nation's young high school graduates and dropouts face very severe competition from unemployed native born and immigrant adults. Teens will be facing added labor supply pressures from their own ranks. The number of teens and new high school graduates in the U.S. will be rising over the remainder of the decade. Between 2000 and 2010, the number of public high school graduates is projected by the U.S. Department of Education to rise by 12 per cent, with some regions of the country, including the Rocky Mountain, Pacific, and South Atlantic regions, projected to experience increases of 15 to 20 per cent in the number of new high school graduates. A rising fraction of these new high school graduates will be non-white, with growing numbers of Hispanics, Asians, and low income youth. These demographic and labor market developments will

pose an increasing number of challenges to the national JAG Network and the nation's youth work-force development system."

"There is a greater need today than at any time since the late 1970s for a concerted national, state, and local response to these twin challenges. The U.S. Congress and the Bush administration's actions in creating the No Child Left Behind educational legislation need to be supplemented by a No Young American High School Graduate Left Behind Act in which the National JAG Network can play a leading role with the support of the Bush administration, the U.S. Congress, the nation's governors, state legislatures, and local chief elected officials. In the words of the old civil rights chant, how long have we waited for a serious concerted response to the needs of America's non-college bound youth "How long, too long!" **The time for action is now!"**

**Jobs for Florida's Graduates has implemented the JAG Model and its results are well documented using JAG's Internet-based Electronic National Data Management System (e-NDMS).** It is believed that Florida youth would benefit from an expansion of Jobs for Florida's Graduates to serve more young people in one of the JAG Model Program Applications, including:

- Senior School-to-Career Transition Program
- Multi-Year Dropout Prevention Program
- Out-of-School/Dropout Recovery Program

Assuming Dr. Sum's graduation and youth employment forecast is correct, JFG/JAG can make a significant contribution to Florida's youth by helping to:

- Keep at-risk and disadvantaged youth in school through graduation.
- Provide young people with employability, leadership and personal skills that will enhance post-graduation outcomes.
- Provide young people with opportunities to develop, practice and refine their skills through participation in a student-led Career Association Chapter.
- Facilitate the transition of graduates into the workplace and/or in pursuit of a postsecondary education.
- Place graduates in quality jobs that lead to career advancement opportunities with/without a postsecondary education.
- Track the students served, services delivered and outcomes achieved using e-NDMS for the purpose of continuous improvement.

Presented by:

/s/

Jim Koeninger, Ph.D., Executive Vice President  
Jobs for America's Graduates, Inc.

Susan Shows, President/Chief Executive Officer  
Jobs for Florida's Graduates, Inc.