

oppaga Performance Review



December 1999

Report No. 99-21

WAGES Employment Projects Initiative Must Address Its Design and Implementation Problems

at a glance

The WAGES employment projects initiative has not mobilized resources quickly to develop jobs for WAGES clients. In addition, the jobs that have been developed by WAGES employment projects are unlikely to lead clients to economic self-sufficiency without additional services.

While the Legislature envisioned that the initiative would result in local and state entities working together to identify resources to support employment projects, several design factors have impeded its success. These include diffused administrative authority for the initiative, a short timeline to accomplish a number of activities, and unclear purpose and guidance for selecting and executing the projects. As a result, implementation of the initiative has been slow.

In light of these problems, the initiative as currently structured should not be continued. However, the state can learn from this experience and design a program that will not only develop jobs for WAGES clients but also will include strategies to help clients retain jobs and to increase their ability to achieve self-sufficiency.

Purpose —————

The Legislature directed the Office of Program Policy Analysis and Government Accountability (OPPAGA) to review the development and completion of WAGES employment projects authorized by s. 414.030, F.S. In this review, we sought to determine

- how successful these projects have been in developing jobs for WAGES clients;
- circumstances or factors contributing to the success or lack of success of the projects; and
- whether it would be sound public policy to continue or discontinue supporting these projects.

Background —————

In 1996, the Florida Legislature established the Work and Gain Economic Self-Sufficiency (WAGES) Program. The goal of this program is to move welfare recipients from welfare dependency to economic self-sufficiency by emphasizing work and personal responsibility. The WAGES program promotes work as the crucial first step towards economic self-sufficiency.

Performance Review

In 1998, the Legislature recognized that some areas of the state did not have sufficient jobs suitable for WAGES clients. To address this concern, the Legislature enacted s. 414.030, F.S., which authorizes the Governor to designate employment projects in areas of the state needing assistance to provide jobs for WAGES clients. As detailed in Exhibit 1, the legislation assigns responsibility for identifying, developing, and completing WAGES employment projects to several state and local entities and specifies the timeframe for accomplishing these tasks.

The Legislature appropriated \$25 million in Fiscal Year 1998-99 to support WAGES employment projects. During this first year, the Governor approved the release of \$24.9 million in employment projects funds to provide inducements to 64 entities

expected to develop approximately 6,800 jobs for WAGES clients within two years.¹ These entities would earn the inducements by meeting the terms of a performance-based contract.²

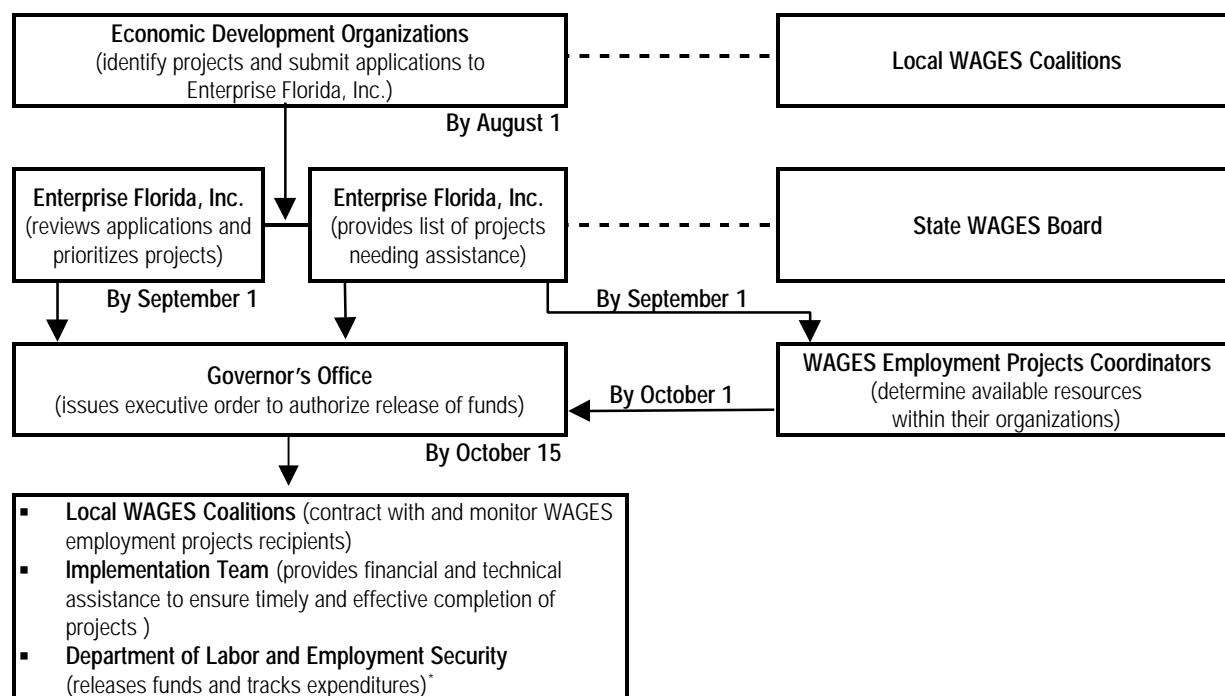
The Legislature appropriated another \$25 million to support WAGES employment projects in Fiscal Year 1999-2000; however, as of the end of 1999, the Governor had not designated any employment projects for that year.

¹ Entities include businesses as well as other organizations, such as economic development organizations that create and hire WAGES clients into new jobs or that place clients into existing jobs. The term "develop" includes job creation and job placement.

² Employment projects contracts are performance-based, fixed unit price contracts. While contracts vary somewhat, employers generally receive 25% of the fixed unit price prior to placement, 50% when a client completes 30 days of employment, and 25% after employment is retained for six months.

Exhibit 1

Various State and Local Entities Have Responsibilities Related to the WAGES Employment Projects Initiative



* As of October 1, 1999, the Department of Management Services assumed these responsibilities.

Findings

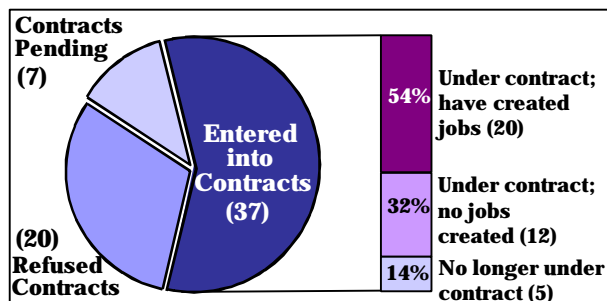
Success of Initiative

The WAGES employment projects initiative has not mobilized resources quickly to develop jobs for WAGES clients.

In October 1998, 64 businesses or other entities were offered opportunities to enter into contracts to implement WAGES employment projects. In exchange for \$24.9 million in funding, these employers were to develop around 6,800 jobs for WAGES clients within two years. However, as of October 1, 1999, nearly one year later, a little more than half (37) of these employers had entered into contracts (see Exhibit 2). By that same date, the contracts for 7 employers were still pending. The remaining 20 employers had decided not to participate in the initiative.

Exhibit 2

Little More Than Half of 37 Employers With Contracts Had Developed Sustainable Jobs for WAGES Clients by October 1, 1999



Source: OPPAGA analysis of information provided by local WAGES coalitions and the Governor's Office of Tourism, Trade, and Economic Development.

As illustrated in Exhibit 2, of the 37 employers with employment projects contracts, 20 had developed ongoing jobs for WAGES clients by October 1, 1999.³

³ The majority (82%) of the jobs were in manufacturing, retail sales, or telephone customer service. Most of these jobs were located in urban areas.

While these 20 employers had developed a total of 667 ongoing jobs, 12 contracted employers had not yet developed any jobs for WAGES clients.⁴ Another five employers had either gone out of business or had their contracts terminated. Thus, after nearly one year, the initiative had succeeded in developing ongoing jobs for WAGES clients in only 20 of the 64 entities offered contracts in October 1998.

Employers gave several reasons for not entering into contracts or for delaying entering into contracts.⁵ For example, most employers were not offered the amount of funding they requested. While some of these employers were able to modify their plans or garner additional sources of funding, others were not and, thus, were unable to implement their proposed projects. In addition, some employers were hesitant to enter into a performance-based contract, especially when dealing with a labor pool with limited experience in the workplace. A few employers reported that their projects represented business ideas that failed or had projected timelines for developing jobs that were not acceptable to the local WAGES coalitions.

The delays in executing contracts make it difficult to assess the extent to which the WAGES employment projects initiative will result in increasing job opportunities for WAGES clients. While the projects still under contract on October 1, 1999, had anticipated developing an additional 4,000 jobs by the end of the second year, achieving this goal is unlikely, given the delays experienced during the initiative's first year.

⁴ We collected information related to the jobs developed by this initiative (number of jobs, salaries, benefits, etc.) directly from local WAGES coalitions and employment projects because complete information on this initiative was not available elsewhere.

⁵ We interviewed 41 of the 64 entities that were offered employment projects funding.

Without additional services, the jobs developed by WAGES employment projects are unlikely to lead clients to economic self-sufficiency—the primary goal of the state's WAGES program.

Although data are preliminary, it appears that most of the jobs developed by this initiative are unlikely to result in clients achieving economic self-sufficiency. While most of the employers indicated they provide permanent positions with vacation or sick leave benefits, the majority of the jobs pay between minimum wage and \$7 per hour and include only limited opportunities for pay increases and career advancement.⁶ In addition, employers indicated that some WAGES clients are facing challenges in staying on the job and may need an array of services to help them achieve success.

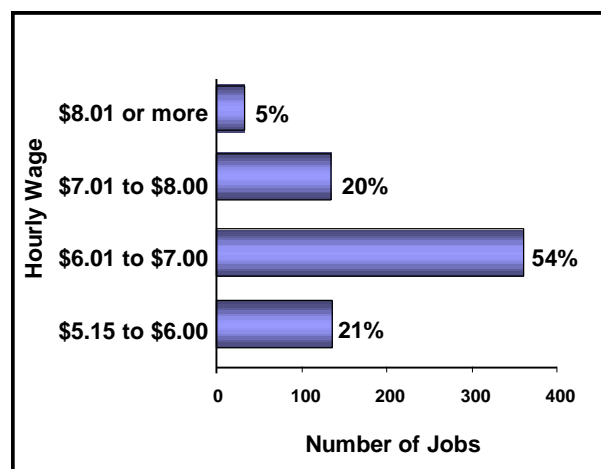
As shown in Exhibit 3, three-fourths (75%) of these jobs pay between \$5.15 and \$7 per hour.⁷ While most of the employers we spoke with indicated they offer raises after a period of satisfactory employment, increases tend to be small and the majority of these employers do not offer a formal career ladder where employees can follow a career path leading to advances in pay and position. Training, when offered, is generally aimed at developing skills specific to the job.

Even though a few employers offer tuition reimbursement for their employees to attend a university, community college, or vocational school, not many WAGES clients are likely or able to avail themselves of this opportunity. Some clients who work full-

time find it difficult to attend classes, especially at night when childcare is often unavailable and public transportation inadequate. Also, many of the clients remaining in the WAGES program have low levels of education, with over half (56%) not having earned a high school diploma or equivalent. Clients such as these, with low educational skills, need to first obtain basic education and literacy training.

Exhibit 3

Three-fourths of the 667 Jobs Developed by the WAGES Employment Projects Initiative Pay WAGES Clients Between \$5.15 and \$7 Per Hour



Source: OPPAGA analysis of information provided by local WAGES coalitions and WAGES employment projects.

Many WAGES clients also have difficulty keeping their jobs and need a variety of services and supports to remove barriers to employment. About half of the employers we interviewed indicated they have had difficulty retaining WAGES clients hired under this initiative.⁸ Some clients left their jobs for positive reasons, such as to take a better job or to attend an education or training program. However, other WAGES clients left because they did not like the job, were unhappy with the pay or benefits, or were dismissed due to poor performance or

⁶ Preliminary data also indicates that many of the 20 employers that had developed jobs by October 1, 1999, offer health insurance. However, many WAGES clients may not be able to pay for this benefit.

⁷ Clients working full-time (from 32 to 40 hours per week) for \$5.15 per hour would earn from \$8,570 to \$10,712 annually, or from 62% to 77% of the 1999 poverty level for a family of three (\$13,880). Clients working full-time for \$7 per hour would earn from \$11,648 to \$14,560 annually or from 84% to 105% of the 1999 poverty level for a family of three. While these income levels exceed the cash assistance payments for a family of three, clients earning these salaries would not be considered self-sufficient as they would continue to be eligible for non-cash based assistance, such as food stamps.

⁸ Some employers also indicated having had difficulty finding WAGES clients to fill jobs. In some cases, this was because the local WAGES coalition was not referring clients to the business; in other cases, referred clients were not qualified for the jobs.

excessive absences. Since most of the WAGES clients employed by these projects had been on the job for two months or less at the time we requested job placement and retention information, we could not determine the extent to which long-term retention may be a problem.

Similar to other employers who have hired WAGES clients, employers involved in this initiative characterized many WAGES clients as being ill-prepared for the ethics of work and for coping with personal and family problems. For example, some WAGES clients do not routinely call the workplace if they plan to be late or absent. Other clients do not dress appropriately for the workplace. Many WAGES clients also have difficulty balancing personal and family concerns, such as sick children and doctor appointments, with work. Still other clients are struggling with transportation problems, drug or alcohol dependence, depression, or poor health.

Because of the characteristics of WAGES clients and the variety of barriers they face to employment, multiple strategies are needed to help them retain jobs and move towards economic self-sufficiency.

Factors Contributing to Lack of Success

Several design problems have contributed to delays in implementing the WAGES employment projects initiative and will likely continue to hamper its future success.

Three major factors have affected the ability of employers to take advantage of this initiative to develop jobs for WAGES clients. These include

- diffused administrative responsibility for the initiative;
- a short timeline for potential recipients to identify and develop projects for funding; and
- unclear mission and purpose of the initiative.

The lack of a centralized administrative authority has contributed to diffused responsibilities at both the state and local levels. Section 414.030, F.S., assigns responsibility for identifying, developing, and completing WAGES employment projects to several state and local entities (see Exhibit 1, page 2). However, the law does not clearly define oversight responsibilities and authority for ensuring the success of the employment projects.

While state law directs Enterprise Florida, Inc., to review and prioritize projects that local economic development organizations and WAGES coalitions believe will result in needed jobs for WAGES clients, it does not assign Enterprise Florida, Inc., responsibility for administering the projects. Rather, state law makes local WAGES coalitions responsible for contracting with WAGES employment projects recipients and ensuring that these projects are developed.

State law further places responsibility with the Governor who has the authority, by executive order, to designate WAGES employment projects and authorize the release of funds necessary to execute these projects. Executive Order 98-252, which designated the Fiscal Year 1998-99 employment projects, also provided that jobs developed by employment projects be full-time and that contracts be performance-based. In addition, it created an implementation team charged with fostering timely, effective implementation of these projects by providing necessary financial and technical assistance.⁹ Further, the Department of Labor and Employment Security was responsible for releasing funds to the local coalitions and for tracking expenditures.

⁹ The implementation team includes representatives of the Governor's Office of Tourism, Trade, and Economic Development; Enterprise Florida, Inc.'s business expansion and targeted business recruitment units; the state WAGES board; a local WAGES coalition; the Department of Community Affairs community assistance and community development bureaus; the Department of Labor and Employment Security's jobs and benefits division; and other agencies identified by the Implementation Team.

Performance Review

Diffused administrative responsibility for the WAGES employment projects initiative has resulted in confusion and varying interpretations of project guidelines and contract requirements. Stakeholders generally perceive the initiative as disorganized and bureaucratic and reported that rules and guidelines constantly changed, with new requirements imposed after applications were submitted or even after recipients were offered funding. For example, many employers reported that they expected to receive requested funding up front before they developed jobs and did not learn that funds would be provided on a performance-based payment schedule until they were notified of their awards.

While some of the problems experienced during the first year may lessen in future years, a designated administrative entity is needed to ensure that consistent guidance is provided to potential recipients and to ensure the success of the initiative.

A short timeline has dissuaded businesses from applying for funding, prevented state and local entities from identifying additional resources, and limited Enterprise Florida, Inc.'s ability to determine the viability of applicants. State law identifies several processes that must occur within a relatively short period of time. For example, local economic development organizations must submit applications for projects to Enterprise Florida, Inc., by August 1 of each year. Enterprise Florida, Inc., in turn, must review these applications and recommend projects to the Governor by September 1 of each year. At the same time Enterprise Florida, Inc., is to provide a list of the recommended projects to employment project coordinators in designated state agencies that by October 1 must identify additional resources that are available to support the projects recommended to the Governor by Enterprise Florida, Inc.

Stakeholders indicated that the statutory timeline for accomplishing these steps is problematic. For example, the decision to

start up, relocate, or expand a business is a complex process, depending on a number of factors related to the readiness of a business. As such, businesses that are not in a position to start up, relocate, or expand during the time specified in state law, are precluded from participating in this initiative.

The short timeline also impedes the ability of state and local entities to identify other funding sources to support employment projects. According to staff in the Governor's office, more time is needed for state and local agencies to identify additional resources that can be used to help fund local employment projects. While identifying other sources of funding can maximize the likelihood that projects will be successful, the short timeline has precluded state and local agencies from doing so.

Furthermore, Enterprise Florida, Inc., officials indicated that they had difficulty determining the viability of projects given the short timeline. Because employment projects applications did not require businesses to submit sufficient financial information, Enterprise Florida, Inc., could not readily assess project viability. Although Enterprise Florida, Inc., contacted some applicants for additional information, the one-month window of time from August 1 to September 1 did not give them enough time to review and prioritize all applications as well as to obtain and assess additional information.

Making WAGES employment projects funding available on a year-round basis would allow businesses to apply for funds when they are ready to start up, relocate, or expand. A year-round program would also give state and local agencies time to research and identify additional sources of funding for projects and for Enterprise Florida, Inc., to better assess the viability of potential projects. However, to ensure that the initiative remains competitive, the Legislature may wish to consider staggering the funding opportunity throughout the year. For example, the Legislature could amend state law to allow Enterprise Florida,

Inc., to solicit and review employment projects applications several times a year.

The purpose of the WAGES employment projects initiative is unclear, resulting in confusion about the types of projects that can be funded. Stakeholders hold varying views related to the types of projects that should qualify for employment projects funding. Some, including Enterprise Florida, Inc., officials, believe that the intent of the initiative is to create new jobs in areas that do not have enough jobs for WAGES clients.¹⁰ Other stakeholders believe that the purpose of the initiative is to find jobs for and to place WAGES clients into existing jobs. Still others hold the view that employment projects should place WAGES clients into employment and training programs. In actuality, the initiative is currently supporting, at different levels of payment, each of these purposes.¹¹

This confusion likely reflects the various versions of legislation that were considered during the 1998 legislative session. While earlier versions targeted specific areas of the state with the intention of creating jobs in those areas, some subsequent versions as well as the final version of the bill were less clear. For example, the final enacted bill does not specifically target areas of the state, but provides criteria for Enterprise Florida, Inc., to consider when reviewing and prioritizing projects for funding. These criteria suggest that the initiative could target areas of the state that have a dearth of jobs available in which WAGES clients are typically placed, areas that exhibit certain general economic conditions, or areas that have a high proportion of hard-to-serve WAGES clients.

The enacted law also does not speak specifically to creating jobs. Rather, it speaks to developing and completing

projects that have a great impact on employing WAGES clients. A clearly defined purpose and mission is important for guiding the development of projects that can be funded under the WAGES employment projects initiative.

All of these factors have affected the ability and willingness of businesses and other entities to participate in the WAGES employment projects initiative. To resolve these concerns and to ensure the integrity of employment projects, one entity should have oversight responsibility for the initiative. Success will also be facilitated by providing that funding opportunities be available on a year-round basis and by clearly defining the purpose and mission of the initiative.

In some cases, the WAGES employment projects initiative has resulted in questionable use of state dollars as well as the potential for incurring legal fees to recover state funds.

As of October 1, 1999, the state had released approximately \$2.1 million in employment projects funding to 17 employers that had not developed sustainable jobs for WAGES clients. While 12 of these employers are expected to provide employment to WAGES clients in the near future, the other 5 employers are no longer participating in the initiative. These five businesses received \$805,708 in employment projects funds.

Of the five businesses no longer participating in the initiative, three had developed a total of 82 jobs for WAGES clients before failing or having their contracts terminated.¹² The other two businesses had not developed any jobs. These two businesses had their contracts cancelled for non-performance by local WAGES coalitions after receiving \$357,500 from the state. One coalition is attempting to recover the \$125,000 it advanced to one of these companies. Thus, the state could now

¹⁰ While the state's total WAGES caseload has declined, some stakeholders are still concerned that there are areas in the state that have insufficient jobs for WAGES clients.

¹¹ Contracts provide that employers will be paid up to \$2,500 or up to \$5,000 for each job developed for WAGES clients.

¹² Two businesses closed after developing a total of 73 jobs. One business had its contract cancelled after developing 9 jobs when the local WAGES coalition learned the business was not covered by worker's compensation.

incur legal fees as it seeks to recover at least some of the funds that were advanced to these businesses.¹³

Close oversight is needed to ensure WAGES employment projects are viable and that recipients are held accountable for spending funds wisely and for providing jobs for WAGES clients in a timely manner. Although expenditure information is currently maintained by the Department of Management Services, no one central entity is responsible for ensuring and reporting on the overall success of the initiative.

Continuation of Initiative

The WAGES employment projects initiative, as currently structured, should not be continued. However, the state can learn from this experience and design a program that will facilitate developing a stable source of jobs for WAGES clients that includes strategies or avenues for WAGES clients to move towards economic self-sufficiency.

During its first year, design problems resulted in slow implementation of the WAGES employment projects initiative. Even so, the state should not abandon the concept without first exploring ways to design an improved program. A public purpose is served by offering inducements for businesses to hire WAGES clients, especially the hard-to-serve clients, because these inducements can help WAGES clients as well as other low-income individuals, move towards economic self-sufficiency.

To improve this initiative, the state should continue to build on the infrastructure already in place to help WAGES clients obtain, retain and advance in jobs. This will require that agencies providing services to WAGES clients work closely together to ensure that clients' needs are assessed and services provided with the goal of removing

barriers to being employed and providing opportunities to advance. For example, employers involved in this initiative emphasized that clients with limited work experience or those with poor work ethics would benefit from pre-employment or life skills training. For some clients, such training may need to be long term, continuing after they are hired into jobs. The state could also increase its efforts to identify ways to incorporate education and training for WAGES clients into a systematic approach that would help clients develop a career path leading them to earning higher wages.

Recommendations —

Although the intent of the WAGES employment projects initiative is laudable, a number of design problems have plagued its first year, causing delays in developing jobs for WAGES clients. While this slow start limits conclusions about the eventual impact of the initiative, several changes are necessary for the initiative to attract businesses and other entities willing to hire or place WAGES clients. Further, without additional services, many of the jobs developed by this initiative are unlikely to result in WAGES clients becoming economically self-sufficient. We therefore recommend that if the Legislature decides to continue this initiative, the following actions be taken.

- **Designate one of the several entities involved in this initiative as the administrative entity responsible for ensuring that WAGES employment projects are developed and executed in a manner that complies with state law and that meets legislative intent.** For example, Enterprise Florida, Inc., could be given this role, as it serves as the state's principal economic development organization, and is charged with enhancing economic development in communities with special needs, such as urban cores and rural areas.

¹³ Up to 25% of the total amount awarded an employer can be provided after the contract is signed but before WAGES clients are hired. However, these advances are expected to be repaid from performance-based contract earnings for placing clients in jobs.

- **Provide funding on a year-round basis so that businesses and other entities can apply for funding when they are in a position to start up, expand, or relocate.** This would allow Enterprise Florida, Inc., time to work with economic development organizations to ensure that potential projects meet local economic development needs, to assess the viability of the potential projects, and to garner other resources to help support projects.
- **Clearly articulate the purpose and mission of the WAGES employment projects and how these projects fit with the state's goal to help WAGES clients move towards economic self-sufficiency.** The Legislature has an opportunity to redesign and strengthen the WAGES employment projects initiative. In doing so, the Legislature should specify the types of projects to be funded by this initiative as well as areas of the state to be targeted. Once the Legislature makes these decisions, it should direct the designated administrative entity to develop a way to pinpoint areas of the state to be targeted by the initiative, such as by using a Geographic Information Systems software package to plot relevant criteria.

The Legislature should also consider exploring additional strategies to help WAGES clients targeted by this initiative to move towards economic self-sufficiency. For example, it could consider appropriating funds to help pay for health insurance for WAGES clients who are working.¹⁴
- **Direct the designated administrative entity for the WAGES employment projects to develop procedures and guidelines that will increase the probability that projects are successful and provide stable sources of employment for WAGES clients.** For example, the administrative entity should design an application and review process that ensures projects that are selected for funding are viable and likely to provide sustainable employment. In addition, the administrative entity should ensure that technical assistance is provided to employers and to local economic development organizations, as well as work closely with local and regional education and training institutes, WAGES coalitions, and workforce development boards.

The Legislature should hold the administrative entity accountable for ensuring that employment contracts are negotiated consistently and timely, and that recipients provide information that it can use to monitor and evaluate the success of the projects. In addition to periodically monitoring the employment projects and completing an annual progress report for the Legislature, the administrative entity should evaluate the overall success of the initiative as well as the differential effectiveness of various types of employment projects.

¹⁴ Since federal welfare dollars cannot be used to pay for health insurance premiums, the state would need to appropriate funds from its "maintenance of effort" dollars, which the state must spend from general revenue in order to receive federal welfare funds.

Joint Response from Enterprise Florida, Inc., and the WAGES State Board

The OPPAGA performance review of the WAGES Employment Projects made four specific recommendations, all of which Enterprise Florida and the WAGES State Board agree with. All of the recommendations would have enhanced this program.

That having been said, the respondents believe that the program review may have missed the most important story to be told about these projects. So much of the report is dedicated to reporting problems with dealing with WAGES clients and their all too familiar challenges that the reviewers failed to recognize how successful these projects have been when compared with the other solutions the state has attempted. We do not believe that this program was designed to solve all WAGES challenges, but to aid in the overall effort to assure the success of the WAGES participants.

OPPAGA Comments

OPPAGA recommends caution in comparing the preliminary results of this initiative to the results of other efforts targeting WAGES participants. In considering the respondents' comments, it is important to remember the factors noted below.

- ***The objective of this initiative is to develop full-time, sustainable jobs.***
- ***In terms of outcomes, such as wage rates, job placements, and cost per job, it is premature to compare preliminary results of this initiative with results of more long-standing efforts; most clients had only been employed by initiative projects two months or less.***
- ***It is not valid to compare the initiative's failure rate with national and state failure rates for new businesses, as the businesses that received funding through this initiative were a mixture of new, expanding and relocating businesses.***
- ***The initiative fell short of legislative expectations by not developing jobs quickly for WAGES clients; the 667 jobs represented only about 15% of the jobs expected to be developed by initiative funds awarded the first year.***

Full Time Employment

That story begins with the difference between the kind of employment provided by the program and the employment obtained by the rest of the WAGES populations during the same period. All 667 sustainable jobs created by this project were full-time (32 hours or more) jobs. Even those employment opportunities that failed to last the entire year were full-time jobs. In comparison, only 28% of all WAGES placements in the fourth quarter of 1998 were placed in full-time positions. In fact, in no reporting period to date are even 50% of the WAGES placements in full-time jobs. This includes reports for clients who have exited the system as many as two years earlier.

As was indicated, most of the employers provided some benefits associated with these jobs. This admitted accomplishment should have been trumpeted in the report. Likewise, the admission that training, when it was made available, was for specific job skills, was presented as a negative factor in the review. The respondents did not view this project as primarily a training project and were pleased to find job skills training identified by the review team.

Wage Rates

The Review reports that income levels for WAGES participants in this program was modest with a majority making between minimum wage and \$7 per hour. This translates into an annual pay range of \$8,570 to \$14,560 per year. This compares very favorably to the average annual wages of all WAGES participants exiting the system in the fourth quarter of 1998, which was \$5,924 annualized. Those exiting the program in the first quarter of 1999 were making \$5,160 a year. The low earnings reflect the heavy reliance on part-time work, but demonstrate how much better off the participants in this program were than the general population of WAGES participants.

Business Failures

The Review seemed to be concerned with failure of some of these newly created or expanding businesses. While we share a concern that every project was not as successful as it could have been, it is important to note that from the beginning, those involved in the process considered these projects high-risk endeavors. They were projects that had not been funded by the private sector or other governmental economic development efforts. Nonetheless, the failure rate so far for these businesses is far below the national average failure rate for new businesses (50%) and lower than Florida's current new business failure rate (21%). With only 14% of these projects in clear failure, the respondents are pleasantly surprised with the program results.

Even allowing for the business failures, the maximum cost to the state for the creation, training, and placement in the 667 identified jobs is \$7,039 per job. That number includes the costs that the state may wind up paying for the failed ventures. As additional jobs are created for those projects that have already been funded, the per-job cost can only decrease. The review team's focus on the failed projects does not accurately represent the overall program performance. While all involved would agree that we need to do everything to eliminate waste of the taxpayer provided resources, this cost for job creation, training, and placement still seems relatively modest when compared with other efforts targeted at these populations. This is particularly true of those more traditional approaches that had simply failed to create jobs in targeted areas.

The Future of the Program

OPPAGA indicated that there should be changes in the program if it is to be retained in statute. All parties involved agree. Some of the changes were suggested by the review. In addition, the respondents suggest:

1. If the program is to be retained, it would have to be redesigned to meet the job-upgrade needs of former WAGES participants as the number of adult participants has declined so dramatically as to insure failure for many proposed projects. Concisely stated, there are not enough WAGES clients in most areas of the state to make such projects viable.
2. To ensure a better evaluation of potential success of projects, the review of the projects should include assessment by local economic development professionals. Many of the projects that did not enter into contract, did so because of the lack of sufficient resources for the project. The governmental review process, while very successful as indicated by the cited data, could benefit from that professional input.
3. The Legislature should continue to seek innovative solutions that utilize the WAGES reserve responsibly to assist WAGES participants and like populations on the road to self-sufficiency.

The Florida Legislature

Office of Program Policy Analysis and Government Accountability



Visit *The Florida Monitor*, OPPAGA's online service. This site monitors the performance and accountability of Florida government by making OPPAGA's four primary products available online.

- OPPAGA publications and contracted reviews, such as policy analyses and performance reviews, assess the efficiency and effectiveness of state policies and programs and recommend improvements for Florida government.
- Performance-based program budgeting (PB²) reports and information offer a variety of tools. Program evaluation and justification reviews assess state programs operating under performance-based program budgeting. Also offered are performance measures information and our assessments of measures.
- Florida Government Accountability Report (FGAR) is an Internet encyclopedia of Florida state government. FGAR offers concise information about state programs, policy issues, and performance. Check out the ratings of the accountability systems of 13 state programs.
- Best Financial Management Practice Reviews for Florida school districts. OPPAGA and the Auditor General jointly conduct reviews to determine if a school district is using best financial management practices to help school districts meet the challenge of educating their students in a cost-efficient manner.

OPPAGA provides objective, independent, professional analyses of state policies and services to assist the Florida Legislature in decision making, to ensure government accountability, and to recommend the best use of public resources. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021 or 800/531-2477), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

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

Project supervised by Debbie Gilreath (850/487-9278)

Project conducted by Yvonne Bigos (850/487-9230), Sharon Anderson, and Susan Munley