
OFFICE OF GOVERNOR RONNIE MUSGROVE
INTEROFFICE MEMORANDUM

TO: GOVERNOR
FROM: RILEY
SUBJECT: JOBS FOR MISSISSIPPI'S GRADUATES (JMG) – MEMO 2
DATE: 6/15/2000
CC: BOYD
COLE
SIMMONS

The following is additional information that I have obtained regarding potential funding for the Jobs for Mississippi's Graduates (JMG).

JMG Funding

As stated in my June 14 memo to you, JMG has been predominantly funded with federal JTPA funds, with the Legislature appropriating state funds for this year's operations. Federal JTPA funds will no longer fund the program effective June 30. Jean Hendrix, JMG's President, reported funding for the most recent 2 years is as follows:

	1998/1999	1999/2000
State Funds		\$250,000
Federal JTPA Funds*	\$521,695	534,769
Other Federal Funds		<u>125,000</u>
TOTAL	\$521,695	\$909,769

The Department of Education sought \$2 million in FY 2001 funds in order to institutionalize the program throughout the state. The Legislature appropriated \$243,000, leaving an approximate \$666,769 deficit to the existing \$909,769 funding level. However, 1999/2000's federal funds included \$125,000 in federal School-to-Careers funds that are still available, so JMG is actually facing a \$541,769 deficit. According to Ken Smith, President of Jobs for America's Graduates, approximately \$600,000 is needed to maintain operations at the state office and the 16 JMG programs at 15 sites.

Use of federal Workforce Investment Act (WIA) Funds

According to Mr. Smith, states' discretionary federal Workforce Investment Act (WIA) funds can be used to fund the program. According to information provided by his office, the following states have utilized WIA funds in the following manner:

- Jobs for **Maine's** Graduates, operated by a private non-profit organization, will receive statewide WIA funds this July, in addition to funds awarded under the state's formula grant. Jobs for Maine Graduates did not submit a proposal to Governor King, rather he awarded the funds based upon the program's direct appeal to him and the state labor agency (which oversees the WIA program and the state workforce board).
- Jobs for **Louisiana's** Graduates, operated by the state department of education, submitted a proposal to Governor Foster and the state workforce board to secure statewide WIA funds for the program. Based on this proposal, Governor Foster awarded the State Department of Education \$250,000. A contract is still being drafted.
- Jobs for **Kentucky's** Graduates is administered by the state department of education and received approximately \$500,000 of Governor Patton's discretionary WIA funds last year. Based upon this year's performance, Jobs for Kentucky's Graduates has received verbal confirmation of a \$576,500 appropriation from Governor Patton's discretionary WIA funds for the coming year.

Mississippi's WIA plan has been approved by the U.S. Department of Labor. As stated in my June 14 memo, Jean Denson, Director of DECD's Employment Training Division, has written the Department of Labor's Regional Administrator on June 12 requesting clarification of the use of WIA statewide funds. She has not received a reply as of this time. I spoke to Jean this morning and she said that there is no doubt that WIA funds can be used, but that she needs clarification as to if all ten program elements must be met. If they do, JMG will have to make substantial program changes, including but not limited to:

- serving more disadvantaged youth than the program now serves;
- lowering its administrative costs
- spending 30% of program funds out-of-school; and,
- extensive changes in its curriculum

Ken Smith said that Assistant Secretary for Employment and Training, Raymond Bramucci, or his deputy, would be happy to speak to you concerning using WIA funds.

Use of TANF Funds

According to the Center for Law and Social Policy, TANF and state Maintenance-of-Effort (MOE) funds can be spent on a variety of services and benefits for low-income families. However, federal law and regulations restrict these funds to certain purposes. HHS has specified that when regulations do not specify an issue, states can expend TANF funds under their own reasonable interpretations of the statute. There are three bases under which it is permissible for a state to expend TANF funds, the third of which

is that the state may use funds in any way not otherwise prohibited that is reasonably calculated to accomplish the purposes of TANF. The four purposes of TANF are:

1. To “provide assistance to needy families so that children may be cared for in their homes or in the homes of relatives.”
2. To “end the dependence of needy parents on government benefits by promoting job preparation, work and marriage.”
3. To “prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies;” and,
4. To “encourage the formation and maintenance of two-parent families.”

In its guide for funding children and family services through TANF, HHS states that programs that help young people stay in school, those that keep them supervised after school, and those that increase their motivation and self-esteem can be funded under Purpose 3. TANF-funded benefits or services are classified as either “assistance” or “non-assistance,” with various prohibitions and requirements placed on clients receiving “assistance.” Many of the services (case management, counseling, tutoring, training) offered by youth employment, development and education programs are not considered “assistance.”

JAG provided information concerning the following states’ use of TANF to fund youth development programs that focus on improving multiple outcomes for youth, including pregnancy prevention and school completion. These are eligible for funding under Purpose 3.

- **Texas** is spending \$4 million in TANF funds to operate its Communities in Schools drop-out prevention program. Services offered include academic training, career assistance and exploration, work experience opportunities, and workshops on peer pressure.
- **Wisconsin** will be spending \$15 million of TANF funds in fiscal years 2000 and 2001 on Community Youth Grants. These grants will be used to provide services to at-risk youth ages 5-18 whose family income does not exceed 200% of the federal poverty level. One of the program’s goals is to improve social, academic and employment skills.

Composition of Board

Dr. Thompson has expressed concern that JMG’s board membership should be strengthened. Ken Smith agreed and said that Governor Mabus is willing to chair the board if that pleases you. Smith said that, in general, Bettye Fletcher, J.C. Burns and Richard Thompson should serve on the board, as well as:

- the chair of or a strong leader from the Workforce Development Council
- several strong business leaders (state-wide businesses or big industry in MS): Smith suggested you consider brand names as well as those business leaders respected by the Legislature and also those businesses hiring a lot of youth.
- Small business representation
- MS Economic Council
- The state's small business organization or some other professional association geared towards small business
- Churches: Smith said that other states have found churches to be extremely influential and pointed out the important role churches play in engaging families and in providing social services.
- 1 or 2 local superintendents: Smith said that Howard Sanders, currently on the board, has been extremely effective.
- 1 or 2 state legislators: Smith said that Speaker Pro-Tem Clark was instrumental in initial funding and authorization for the Jobs for Mississippi Graduates program.

I inquired as to average size of an effective board and Smith said that the board should have at least 25 members because, typically, only about 2/3s will be able to attend a meeting. He said that membership is typically pretty balanced between government, business and education. Smith said that the most important consideration in the board composition is that it compliment your educational and workforce development initiatives.

Staff Recommendation

Dr. Thompson is anxious to identify available funds by July 1. Jean Denson at DECD is awaiting clarification from the Department of Labor. Dr. Thompson said that he has spoken to J.C. Burns and Dr. Bettye Fletcher and that both have expressed an interest in the program and in identifying available funds for the program.

Each party involved in this matter has their own staff working on JMG. **I recommend that Dr. Cole have a meeting this week with MDE, DECD and DHS so that everyone will be fully informed and so that any concerns or unanswered questions may be presented.** Due to the lack of funding effective July 1, we should all work as efficiently as possible on this matter.