

MONTHLY REPORT



A MONTHLY REPORT TO THE CSA AND BOARD OF DIRECTORS

May 2014

PLANS FOR SPECIAL MEETING OF THE BOARD OF DIRECTORS

Because of the interest of a number of Board members who have noted: (a) the growth of the organization; (b) the continued extraordinary levels of youth unemployment; and (c) the large numbers of young people who drop out each year, the Executive Committee is seeking the commitment of Board members to participate in a Special Board Meeting. **This meeting will have a single agenda item: exploring the best uses of the assets, experience, national platform, results, and “standing” of JAG to further our mission of helping the most at-risk and disadvantaged populations – young people of truly great promise, as we have consistently been able to demonstrate – succeed in the years ahead.**

We hope to confirm the dates of that Board meeting shortly. The Executive Committee will then work with management in vetting options that will be presented in detail for the consideration of the Board at that Special Board Meeting. All members of the Board will be invited to all of the teleconference meetings of the Executive Committee to offer their counsel.

The Council of State Affiliates, consisting of the leaders of our 31 State Affiliates, will be engaged in our summer meetings at the National Training Seminar July 13-18. We will also hold a special electronic gathering of the State Affiliates to review the final options and designs, so that we can bring their views to the Board as well.

Board members, if you have not done so, please send along the dates that work for you from the list that was submitted in late May.

2014 NATIONAL TRAINING SEMINAR, ORLANDO, FL, JULY 16-18

We are preparing for our National Training Seminar, JAG’s largest annual gathering of staff and management, focused on intensive best-practice sharing, staff and management training and development, rollout of additional services, and tools for the JAG National Network. This training and development work is combined with our annual recognition of approximately 186 Specialists and 11 state organizations for their performance for the Class of 2013 as follow-up services concluded on May 31. The numbers are looking good for what will likely be one of the largest turnouts in our history. Approximately 420 staff will be coming, including a substantial number of new staff as various Affiliates have grown and added schools for the 2014-15 school year.

We continue to encourage Board members to attend this inspiring event, if at all possible. It is one of the most engaging, educational, and motivational events that you are likely to attend this year – and offers the opportunity to spend time with 400 people who have the greatest dedication and commitment to and passion for helping others that we have ever experienced.

We are delighted that Stacey Stewart of our Board will be speaking this year as a new Board member. Stacey will help our team understand the many opportunities to partner with United Ways on our shared “Education and Income” goals. Carolyn Warner, whose powerful and moving addresses engage and motivate our people so effectively, will also be joining us as one of our organization’s favorite speakers.

Once again, Corinthian Colleges will be our National Sponsor for this critically important event, with supporting sponsorships by Shell and the Delta Regional Authority. The main events will be held July 16-18 at Disney’s Coronado Springs Resort in Orlando.

Board members, please let us know if you can be with us for even part of the time.

UPDATE ON USA FUNDS

It now appears that in June, USA Funds will seek final approval from their Board of Directors for the six separate investments in JAG State Affiliates, including an investment to support the launch of a first-ever Affiliate in one new state.

At their May 22 Board meeting, the management of USA Funds outlined their planned philanthropy for 2014, 2015, and 2016. Formal action by the Board committee responsible for philanthropy is expected to occur in June. The funding will then be made available for investments in our Affiliates in Delaware, Nevada, and Missouri. USA Funds will also support the first-time implementation of JAG in Detroit and Governor Bullock's goal of bringing JAG to all majority Indian high schools in Montana.

Timing is a challenge, as so many schools have already set the students' schedules and committed classroom space. Further, in several cases, matching funds are required.

We will work closely with our Affiliates in those states to decide upon the best implementation. Subject to the final approval dates by the USA Funds Committee, we expect to have the program underway in some schools in the fall. Others will begin on January 1, with the larger-scale expansion on July 1, 2015.

We have been asked to refrain from describing the sixth investment in a new state until formal discussions with the state leadership have occurred.

RESOURCE DEVELOPMENT UPDATE – MAKING THE BUDGET

As we approach the halfway point of the year, we are reaching out directly and through some Board members to potential new prospects to support our two major upcoming events, the October 1 *National Thought Leader* Event and the November 19-20 *National Leadership Awards* Events, as well as to support other aspects of our national work.

We are delighted with the extraordinary commitment of USA Funds as we anticipate their investment in six JAG states to expand and, in one case, launch the JAG organization. Great news, for sure. All of these dollars will be going directly to our Affiliates and none will be available to offset the costs of the national organization. Those costs will increase significantly as we provide assistance to the expanding new states later this year.

As of this writing, we are running significantly in the "red" for the first five operating months of the year. While not abnormal, we are always concerned, of course. Major sources of funding for the national organization – our three major financial supporters in the \$100,000-\$250,000 range and the annual affiliation fees – all tend to come in during the third quarter, as we expect to occur this year as well.

Even so, with the loss of J.C. Penney's \$100,000 support from last year due to their economic circumstances, meeting our approximately \$2 million operating budget this year will be a close call. The Resource Development Committee has met twice this year, once in May, to look at the current list of prospects, determine where there could be some additional help, and suggest new prospects.

On another track, Governor Markell has sent letters to major national foundations as we pursue a strategy of reaching these large national funders where there is a "fit" with our work. In recent years, we have been outside their "cycle of priorities" in most cases, as they have shifted their focus to other concerns such as early childhood and STEM, or have shifted away from the youth arena altogether. However, JAG has found a potential for a "fit" with at least four national foundations.

Mike D'Ambrose, Chair of the Resource Development Committee, has personally written 150 letters, primarily to HR leaders whom he knows, urging them to look at JAG and highlighting why Archer Daniels Midland and he, personally, are such strong supporters of our work. Because of these letters, seven major corporations are already showing interest and arranging teleconference briefings. It is important to underline that all said, "*We have never heard of JAG, and this sounds interesting,*" and Mike's communication captured their interest.

We will be grateful for any help and any suggestions and promise to follow up promptly.

MCKINSEY/JAG PARTNERSHIP: TESTING NEW YOUTH EMPLOYMENT STRATEGY

We continue to progress as the initial National Partner of McKinsey & Company’s “Generation Project,” intended to demonstrate a new set of arrangements between employers and high school graduates, particularly those who are high-risk and/or otherwise disadvantaged. The core concept is to engage the target population through the implementation of an eight- to twelve-week training “boot camp” for key entry-level occupations, with commitments by employers to provide a final two-month internship leading to employment. Healthcare is the initial industry being targeted.

JAG is now actively involved in:

- Participating in the McKinsey “hothouses” to develop the final curriculum, training, wraparound support services, and other activities to help ensure that young people succeed in employment.
- Organizing initial demonstrations of their model in our Delaware and Georgia Affiliates later this summer, with 50 youth each.

Once the initial demonstration sites have been completed – aiming for the end of the year – JAG will then help to conduct an in-depth review of how to make the model more effective for the young people and their future employers.

In addition, JAG has been assisting with surveys of young people in Delaware and Georgia about the various occupations, their readiness to participate in those “training boot camps” of 8-12 weeks, and to identify what they anticipate needing in order to succeed.

We expect that each of the two JAG Affiliates will use the follow-up services our current staff provides to our students for a year after graduation, plus support of an additional staff member for the six-month period to provide additional assistance, support, and “interference running” on behalf of the young people throughout the process.

LOSS OF JOBS FOR NEW JERSEY GRADUATES

We deeply regret to report that, even with the remarkable success in three of the most challenging schools in New Jersey, Jobs for New Jersey Graduates has lost their funding source because of major budget cutbacks throughout the State government in New Jersey.

The good news is that Governor Christie’s office and the Departments of Education and Labor recognize the value of the program. As you may recall, the Governor personally asked us to focus on schools in Newark, Camden, and Asbury Park – the lowest-performing schools in the state. Fortunately, after intensive efforts the JAG team was able to achieve 80% graduation rates in one school and 90%+ graduation rates in the other two.

We are working hard with our business supporters to see if there is any other opportunity to sustain the program. Further, we hope to meet with Governor Christie at the Summer Meeting of the National Governors Association July 10-13, as well as to conduct other activities in hopes of renewing support for such a great success story.

MAJOR EVENTS AHEAD

In addition to the JAG National Training Seminar, with 400 staff from around the country, July 16-18 in Orlando (as noted elsewhere in this report), major upcoming events include:

- The JAG *National Thought Leader* Event, which will be held October 1 in Washington. This year's *Thought Leader* Event will be led by Governor Jack Markell, and our Co-Hosts will be the National Urban League, the Society for Human Resource Management, the Asian and Pacific Islander American Scholarship Fund, and the Hispanic Heritage Foundation.
- The JAG Board of Directors meeting on the morning of November 20 in Washington and the events surrounding the Board meeting, the JAG *National Leadership Awards* Events, which will begin at 6:00 p.m. on the evening of November 19 with our Special Recognition Reception. Immediately following the Board meeting on November 20, we will hold our largest gathering each year, the JAG National Leadership Awards Luncheon, with an estimated 800 in attendance.

The following are other important activities in which JAG will participate this year :

- The National Governors Association Summer Meeting will be in Nashville July 10-13. Ken Smith and Janelle Duray will attend and will work with the Governors on the National Board to encourage the Governors with existing JAG organizations to consider additional resources in their next budget to expand the program. They will also pursue first-time implementation of JAG in those states that do not have the program.
- A number of events will be held in the states receiving USA Funds financial support, once the USA Funds Board formally approves. These events will focus on bringing together school, community, business, educational, and governmental leaders around the expansion plans.
- JAG continues to explore with the Business Roundtable and the U.S. Chamber of Commerce the potential of a "Summit on Youth Unemployment" to be held in the late fall. The challenge has been to find a date when Governor Markell and the Chief Executive Officers of the Business Roundtable and the Chamber can be in the same place at the same time. We must also decide the best timing for the turnout of the desired Governors and CEOs of companies, major foundations, and private sector organizations focused on how to redirect resources – both public and private – around solutions for youth unemployment.
- Over the summer, we will conduct an intensive series of state and local staff training and development activities, in addition to the New Specialist Training Program offered at the National Training Seminar. We anticipate at least 200 new staff coming aboard mid- to late summer and into the fall, as staged expansions of the JAG Model occur in different states.
- Meanwhile, on-site accreditation processes are underway on the normal cycle in a number of JAG states to ensure compliance with the process and outcome standards of the JAG Model and to provide technical assistance and other support for situations that need improvement.