
Memorandum #09 – 20 (FS) Revised

To: Executive Committee
From: Carol Hylton, President/CEO
Subject: Program Year (PY) 21-22 Preliminary Budget
Date: May 5, 2021

SUMMARY

The Program Year (PY) 21-22 Preliminary Budget being presented reflects an overall decrease of 4.9% in funds or (-\$989,299) which was largely due to reduced carryforward. The total amount of formula and carry forward that we project to be available in PY 21-22 is \$19,229,696 as compared to \$20,218,995 actual in PY 20-21. Approved at the 5/4 One Stop Services Committee meeting.

This does not include dedicated grants because those grants may only be spent for the specific purposes outlined in those grants. PY 21-22 dedicated grants total \$3,811,336 which when added to formula funds total \$23,041,032 as compared to the PY 20-21 total of \$25,937,362¹. This does not include our general (unrestricted) fund. CareerSource Broward (CSBD) recommends acceptance and approval of the preliminary PY 21-22 budget.

BACKGROUND

Below are the considerations for the PY 21-22 budget:

1. Workforce Innovation and Opportunity Act (WIOA) Adult (AD), Dislocated Worker (DW) and Youth
 - a. Formula allocations for WIOA are based on our local area's share of unemployed, long term unemployed, mass layoff data and other factors.² Based upon last year's spike in unemployment due to the pandemic our WIOA AD and DW formula allocations increased by 1.9% and our youth by 22%.
 - b. Although our formula allocation increased slightly, our carryforward is less due to the success of adding additional short term programs to our ITA list and the corresponding increase in enrollments. The AD and DW WIOA allocation including carry forward for PY 21-22 reflects a decrease of \$1,292,343 for a projected total allocation of \$8,837,918.
 - c. Over the past several years the State has awarded a supplemental allocation of AD/DW, and youth funding after the start of the year. We anticipate receiving a supplemental award in PY 21-22 as well at approximately the same amount as in PY 20-21 of \$1,038,705.
 - d. The youth allocation including carry forward for PY 21-22 is increased by \$301,932. The total amount available is \$4,425,206. While we are required to spend a minimum of 20% of the youth allocation on Work Experience, we have budgeted 26% of program costs to

¹ This includes an additional \$28,438 of WIOA DW on today's agenda for consideration.

² The data for our formula grants were based on the jobless numbers. South Florida, relies heavily on hospitality and tourism, and was hard hit which accounts for the increase in the allocation.

ensure we meet the requirement and allow for the maximum benefit to youth who need to be connected with work as the economy continues to improve.

2. The state allocations for Temporary Assistance for Needy Families (TANF), Wagner Peyser (WP), and Supplemental Nutrition Assistance Program (SNAP) funds are based on factors such as: participation rates, unemployment, and number of low income families.
 - a. TANF – This formula allocation funds our Welfare Transition Program. This formula is based on the relative number of TANF customers across the 24 regions. Our rolls have been increasing and our formula allocation was increased by 6.1%. Last summer during the height of the shutdown we were allowed to carry some funds forward. This is not available this year and we project an overall decrease in available funding of 3.2% or (-\$134,449).
 - b. We are projecting level funding for SNAP. WP and Veterans pass thru is expected to increase as can be seen in the chart below. This does not include the salaries for the state staff in the career centers which are paid by the state.
3. Reemployment Assistance (RA). We do not expect to receive funds this year. RA claimants continue to be on waivers from work search / work registration. The state has told us to use our WP funds for these one stop services.

A budget true-up based on the actual allocations will be presented by the January meeting in 2022.

Table 1 presents a comparison between PY 20-21 and PY 21-22 of the total allocations from the state and carryover funds which are available for budgeting. For PY 20-21, it includes the actual amount of carryforward which varies from year to year and supplemental allocations received. For PY 21-22, it includes the projected amount of carryforward and supplemental allocations. The WIOA Adult and DW funding streams are combined in Table 1 because WIOA allows 100% transferability between these funding streams.

**Table 1: Comparison of Projected Funds Including Carry Forward PY 20-21 TO PY 21-22
(% changes are rounded)**

Fund Name	PY 20-21 Total Funds Available	PY 21-22 Total Funds Available	\$ Change	% Change
WIOA (Adult/DW)				
Formula Funds	\$ 7,606,920	\$ 7,750,913	\$ 143,993	1.9%
Carryforward	2,523,341	1,087,005	(1,436,336)	-56.9%
Subtotal	10,130,261	8,837,918	(1,292,343)	-12.8%
WIOA (Youth)				
Formula Funds	2,550,209	3,112,167	561,958	22.0%
Carryforward	1,573,065	1,313,038	(260,027)	-16.5%
Subtotal	4,123,274	4,425,206	301,932	7.3%
Welfare Transition Program (WTP)				
Formula Funds	3,867,637	4,103,360	235,723	6.1%
Carryforward	370,172	0	(370,172)	-100.0%
Subtotal	4,237,809	4,103,360	(134,449)	-3.2%
Wagner Peyser (WP)	1,098,644	1,184,089	85,445	7.8%
Veterans (DVOP/LVER)	285,512	335,628	50,116	17.6%
Supplemental Nutritional Assistance Program (SNAP)	343,495	343,495	0	0.0%
Totals	\$ 20,218,995	\$ 19,229,696	\$ (989,299)	-4.9%

Table 2 presents a comparison between PY 20-21 and PY 21-22 of our dedicated grants. They are not included in the preliminary budget for PY 21-22 because the funds are dedicated to the below listed activities.

Table 2: Comparison of Dedicated Grants

Grant / Program	Description	PY 20-21 Amount \$	PY 21-22 Anticipated Amount \$
Children's Services Council (CSC)	Summer Youth Employment Program (SYEP)	\$ 2,517,041	\$ 1,944,577
City of Fort Lauderdale	SYEP	190,000	190,000
Bank of America ³	SYEP	19,000	19,000
National Emergency	COVID 19	1,637,946	734,750
National Emergency	COVID 19 PPE	30,000	Ended
Reemployment Services and Eligibility Assessment (RESEA)	Reemployment assistance and assessments	617,989	617,989
Trade Adjustment Assistance (TAA)	Workers who become unemployed due to impact of international trade	169,172	169,172
Apprenticeship Expansion	Marine Industry Apprenticeship	100,000	88,848
Apprenticeship Navigator	Navigator will identify and develop Registered Apprenticeship programs	75,000	47,000
Pre-Apprenticeship Expansion (Youth)	Focus on Construction and Culinary Arts	236,092	Ended
Apprenticeship - IT	Focus on Information Technology	87,771	Ended
Apprenticeship Expansion	Program Manager	5,511	Ended
Pathways to Prosperity - Families Ascent to Economic Security (FATES)	Occupational training for the working poor	32,845	Ended
	Totals	\$ 5,718,367	\$ 3,811,336

³ By approving the preliminary budget the governing boards accept these additional funds for PY 20-21.

DISCUSSION

Detailed below is our expenditure plan for the three one-stop centers, employer services, and participant training for all non-dedicated funding streams. This includes apprenticeships, On the Job Training, Individual Training Accounts, Incumbent Worker Training, subsidized work experience and administrative support.

In making the budget recommendations we address local recovery efforts and labor shortages from COVID 19, continue to support a hybrid of in-person and virtual service delivery and make investments in participant training including rapid credentialing and short term programs to get people back to work. Considerations affecting the budget recommendations include:

1. Last program year the state lowered the 50% minimum training requirement of the WIOA AD/DW expenditures to 30%. The state has not indicated if they will keep the 30% requirement, so we have budgeted 56% to have sufficient funds in the training category, should it go back up to 50%.
2. While WIOA requires that 75% of youth funds be spent on Out-of-School (OSY) the CSBD boards approved targeting all WIOA youth funds for OSY.
3. The cost of the EmpHire contract for staffing the one-stop centers which includes salaries and mandatory benefits, insurance, 401K and health insurance for the staff as well as the EmpHire fee.
4. The level of detail provided is in accordance with the CSBD governing boards' direction in the past. Additional detail is provided to the elected officials per their request. As always, anyone wanting that additional detail may have it upon request.
5. The distribution of the funds among the various activities and services listed is aligned with Board initiatives and key business results, the current labor market, federal and state performance measures.
6. All funds flowing through our system must pay their fair share and are charged our approved State indirect cost rate of 11.81%.
7. There is a set-aside of up to \$35,000 budgeted for the annual audit.
8. There is a set-aside of up to \$56,000 budgeted for the One Stop Operator.
9. There is a set-aside of up to \$152,000 for our external program and fiscal monitoring.⁴

⁴ We budgeted the same number for monitoring's, however this will be discussed at the Audit committee prior to the end of this year.

The recommended PY 21-22 Preliminary Budget categories are described below and are followed by a budget summary.

PROGRAM SUPPORT STAFF - \$5,667,301

This category includes all staff salaries and benefits other than the administrative, state Wagner Peyser staff, and Veterans staff. Included in this category is:

The EmpHire contract for staffing the one-stop centers and staff such as:

- a. The three center managers and, two assistant managers.
- b. Quality Assurance staff,
- c. WIOA AD/DW Success Coaches
- d. WTP Success Coaches
- e. SNAP (formerly Food Stamps) staff

FACILITIES AND RELATED COSTS – \$2,669,863

This category is for rent, supplies, customer assessments, equipment rental (copiers), telephones and information technology, high-speed lines, monitoring and auditing fees and costs associated with business outreach such as mileage, travel and membership dues.

Expenditures in this category include a rent increase for our North Center pursuant to our lease and an annualized rent increase for the South and Central Centers. Also included are technological upgrades to improve our ability to offer services virtually.

CONTRACTS – \$1,624,044

This category includes WIOA youth contracted services.

We have set aside funds for five (5) out of school youth (OSY) contracts providing high school and post-secondary credentials, employability and life skills, job skills and placement. The five contracts are: 1) HANDY 2) FLITE Center 3) the Center for Independent Living 4) School Board of Broward County and 5) Broward College.

Table 3: PY 21-22 Proposed Contract Amounts

Youth Providers amounts are subject to negotiation.

Contractor	Service	Funding Stream	PY 20-21 Amount	PY 21-22 Amount	% Change
FLITE Center	Youth	WIOA	218,202	234,794	8%
HANDY	Youth	WIOA	115,253	130,750	13%
Center for Independent Living	Youth	WIOA	56,385	60,000	6%
School Board Broward County (SBBC) - CTACE OSY	Youth	WIOA	550,000	600,000	9%
Broward College (BC)	Youth	WIOA	540,000	540,000	0%
Tutoring	Youth	WIOA	2,500	2,500	0%
Job Club Speakers	WTP	WTP	10,000	0	-100%
One Stop Operator	All	All	56,000	56,000	0%
Total			1,548,340	1,624,044	5%

1. Navigators - HANDY, FLITE and Center for Independent Living. Youth who are already receiving services from these agencies are enrolled into WIOA to receive employment services such as work experience, ITA's, leadership skills, employability skills, access to entrepreneurial skills, GED and training if appropriate.
2. Full Service Providers – School Board of Broward County and Broward College. OSY with one or more barriers to employment and/or education are recruited and enrolled to receive WIOA services including case management, employability skills, GED, and post-secondary training. We have added a counselor / recruiter position to the School Board contract to assist with identifying appropriate referrals for GED and Broward College.
3. Vendor for Tutoring – Tutoring set aside for youth in need.
4. One Stop Operator – Funded to coordinate the services of the various programs among one-stop partners. This is a required service under WIOA.
5. We have reallocated the Job Club speaker funds to support WTP customers as we anticipate caseloads will increase when the waiver ends.

TRAINING - \$6,758,890

This category includes 1) ITAs budgeted at up to \$12,000 per participant for tuition and education-related expenses 2) OJT reimbursements and other work based training activities such as IWT, upgrade OJT, subsidized work experience and apprenticeships so our customers can earn while they learn. This amount is for participants across all formula funding streams that allow training related expenditures.

PARTICIPANT SUPPORT SERVICES – \$760,759

This category funds participant support costs for 1) gas cards 2) clothing vouchers 3) bus passes and 4) participant performance incentives for WIOA AD / DW and Youth, and WTP. For PY 21-22, we added personal protection equipment and technology tools and kept the support services percentage the same as PY 20-21, which is 4% of the total budgeted allocation.

ADMINISTRATION – \$1,748,838

Currently our indirect cost rate is 11.81% and is comprised of 9% administrative and 2.81% program costs totaling 11.81%. Dedicated grants contribute their fair share in the same percentage to the indirect cost rate. The 9% Administration shown on Table 4 (presented on the next page) on the far right represents a simple percentage of total administration costs to total available funds.

Table 4 shows the detail of categories by funding streams with a comparison to last year's budget.

Pursuant to board permission we can spend up to 9% on administration. We have been able to maintain our administrative costs at 9% going into next year although the law allows us to spend up to 10%.

RECOMMENDATION

That the governing boards accept and approve the preliminary PY 21-22 budget.

Table 4: PY 21-22 Preliminary Budget Summary

TOTAL AVAILABLE FUNDING	WIOA Adult/DW		WIOA Youth		WTP		WP		DVOP/LVER		SNAP		PY 21-22 TOTAL \$	PY 20-21 % of	PY 21-22 % of
PY 20-21 Allocation	7,017,538		2,806,837		4,103,360		993,084		256,961		343,495		15,521,274		
PY 20-21 Supplemental	733,375		305,330		-								1,038,705		
PY 19-20 Carryforward	1,087,005		1,313,038		-		191,006		78,667				2,669,715		
TOTAL	8,837,918		4,425,206		4,103,360		1,184,089		335,628		343,495		19,229,696		
TOTAL EXPENDITURES															
Program Support	2,680,773	30%	375,618	8%	2,066,988	50%	286,515	24%	32,919	10%	224,488	65%	5,667,301	28%	29%
Facilities & Related Costs	735,237	8%	153,598	3%	621,901	15%	798,617	67%	274,886	82%	85,624	25%	2,669,863	14%	14%
Training	4,467,389	51%	1,857,398	42%	434,103	11%	-	0%	-	0%	-	0%	6,758,890	37%	35%
Contracts	29,478	0%	1,576,555	36%	12,719	0%	3,241	0%	694	0%	1,356	0%	1,624,044	8%	9%
Participant Support Services	35,420	0%	150,200	3%	575,139	14%	-	0%	-	0%	-	0%	760,759	4%	4%
Administration*	889,620	10%	311,835	7%	392,511	10%	95,716	8%	27,129	8%	32,026	9%	1,748,838	9%	9%
TOTAL	8,837,918	100%	4,425,206	100%	4,103,360	100%	1,184,089	100%	335,628	100%	343,495	100%	19,229,696	100%	100%

*Currently our in-direct cost rate is 11.81% it includes administration costs along with program costs.

**There may be rounding differences in this table.