
Memorandum #05-21 (FS) Revised

To: Broward Workforce Development Board, Inc./CareerSource Broward Council of Elected Officials

From: Carol Hylton, President/CEO

Subject: Program Year (PY) 22/23 Preliminary Budget

Date: June 17, 2022

SUMMARY

The Program Year (PY) 22/23 Preliminary Budget being presented reflects a 4.3% increase in formula funds or \$820,003¹ which is due primarily to an increase in carry forward. The total amount of formula and carry forward that we project to be available in PY 22/23 is \$19,910,168 as compared to \$19,090,165 actual in PY 21/22. This is a revised budget from the one considered at the One Stop Services Committee meeting of 5/17.

This does not include dedicated grants in the total of funds available shown in Table 1 because those grants may only be spent for the specific purposes outlined in those grants. Table 2 details these grants and projected amounts to present a full picture to the governing boards of the funds allocated to CareerSource Broward (CSBD). For PY 22/23, the dedicated grant funds total \$4,735,158 as compared to PY 21/22 of \$5,235,111.

This is a grand total of \$24,645,326 (\$19,910,168 + \$4,735,158) for PY 22/23 in available funds including carryforward and dedicated funds, as compared to PY 21/22 which was \$24,325,276.²

As usual this does not include unrestricted funds. CSBD recommends acceptance and approval of the preliminary PY 22/23 budget.

BACKGROUND

Below are the considerations for the PY 22/23 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. As of May 2022, the Broward County unemployment rate is 2.5% compared to 5.1% 2021.
 - b. The AD and DW WIOA allocation including carry forward for PY 22/23 reflects an increase of \$16,509 for a projected total allocation of \$8,596,300.
 - c. The amount of youth funding available which also includes carry forward for PY 22/23 is increased by \$660,885. The total amount available is \$5,098,911. While we are required

¹ Subsequent to the One Stop Services Committee meeting the state notified us there would be slight increase of \$159,437 to our WIOA Dislocated Worker allocation for PY 22/23.

² This includes 1) a small adjustment of \$166,070 as the state reduced the funding subsequent to the true up memo presented in February 2) an increase in TAA funding totaling \$37K, and 3) an award of \$20K in funding from Bank of America for SYEP.

to spend a minimum of 20% of the youth expenditures on Work Experience, we have budgeted 26% of program costs to ensure we meet the requirement and allow for the maximum benefit to youth who are being connected to work.

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 1) participation rates 2) unemployment and 3) 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. This year the State will allow us to carry forward funds for 2 months resulting in approximately \$184,571 carry forward, for an overall increase of 3.3% or \$136,034. The total amount available is \$4,287,931.
 - b. We are projecting slight fluctuations in funding available for WP and Veterans pass thru and level funding for SNAP.³

A budget true-up based on the actual allocations will be presented by the February meeting in 2023.

Table 1 presents a comparison between PY 21/22 and PY 22/23 of the total allocations from the state and carry forward funds which are available for budgeting. For PY 21/22, it includes the actual amount of carry forward which varies from year to year. For PY 22/23, it includes the projected amount of carry forward.

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 Formula Funds Including Carry Forward
PY 21/22 to PY 22/23 (There are rounding differences in this table)**

Fund Name	PY 21/22 Total Funds Available	PY 22/23 Total Funds Available	\$ Change	% Change
WIOA (Adult/DW)				
Formula Funds	\$ 7,413,331	\$ 6,895,445	\$ (517,886)	-7.0%
Carryforward	1,166,460	1,700,854	534,394	45.8%
Subtotal	8,579,791	8,596,300	16,509	0.2%
WIOA (Youth)				
Formula Funds	2,824,273	2,914,085	89,812	3.2%
Carryforward	1,613,753	2,184,826	571,073	35.4%
Subtotal	4,438,026	5,098,911	660,885	14.9%
Welfare Transition Program (WTP)				
Formula Funds	4,151,897	4,103,360	(48,537)	-1.2%
Carryforward	-	184,571	184,571	100.0%
Subtotal	4,151,897	4,287,931	136,034	3.3%
Wagner Peyser (WP)	1,285,213	1,296,748	11,535	0.9%
Veterans (DVOP/LVER)	291,743	286,783	(4,960)	-1.7%
Supplemental Nutritional Assistance Program (SNAP)	343,495	343,495	-	0.0%
Totals	\$ 19,090,165	\$ 19,910,168	\$ 820,003	4.3%

³ Does not include the salaries for the state staff in the one-stop centers which are paid by the state.

Table 2 presents a comparison between PY 21/22 and PY 22/23 of our dedicated grants. They are not included in the preliminary budget for PY 22/23 because the funds are dedicated to the below listed activities.

Table 2: Comparison of Dedicated Grants

Grant / Program	Description	PY 21/22 Amount \$	PY 22/23 Anticipated Amount \$
Children’s Services Council (CSC)	Summer Youth Employment Program (SYEP)	\$ 2,772,408	\$ 2,815,656
City of Fort Lauderdale	SYEP	190,000	190,000
City of Dania Beach	SYEP	50,000	50,000
Bank of America ⁴	SYEP	20,000	20,000
Reemployment Services and Eligibility Assessment (RESEA)	Reemployment assistance and assessments	824,158	824,158
Get There Faster Veteran and Military Grant ⁵	Veterans Grant	328,834	767,279
Trade Adjustment Assistance (TAA) ⁶	Workers who become unemployed due to impact of international trade	105,065	68,065
National Emergency	COVID 19	817,716	Ended
Apprenticeship Expansion	Marine Industry Apprenticeship	84,888	Ended
Apprenticeship Navigator	Navigator to identify and develop Apprenticeship programs	42,042	Ended
	Totals	\$ 5,235,111	\$ 4,735,158

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.

⁴ By approving the preliminary budget, the governing boards accept these additional BOA funds for PY21/22

⁵ Veterans Grant is for \$1,096,113 from 10/21-9/23. For PY 22/23 we have budgeted \$767,279.

⁶ By approving the preliminary budget, the governing boards accept an additional \$37,000 in TAA for PY21/22

Considerations affecting the budget recommendations:

1. We budgeted 56% of program funds in the training category, as the state requires that a minimum of 50% of the WIOA Adult/DW program funds be spent on training.
2. We budgeted 80% of program funds on out-of-school youth (OSY) as WIOA requires that 75% of the youth formula funds be spent on OSY. The state has requested a waiver to allow up to 50% of the WIOA youth program funds to be spent on in-school youth (ISY). If the waiver is granted, we will bring this back to the governing boards for consideration.
3. As can be seen from Table 1 there are some slight decreases in the WIOA Adult/DW formula funds, Veterans and WTP.
4. In preparing the budget we anticipated there may be a financial impact based upon the recommendations from the compensation study and have taken that into account.
5. The budget includes the fee for Integrative Staffing Group the staffing company for the 3 one-stop centers in the amount of \$85.00 per employee per pay period estimated at \$176,800 and the cost of the 90 day "Temp to Perm" at a 40% mark-up of salaries for an estimated \$16,416 for a total of \$193,216. This doesn't include benefits and taxes which we traditionally treat as pass through costs not subject to mark up or profit.
6. A set-aside of \$50,000 to continue the management study for the areas not covered in this current year.
7. 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.
8. All funds flowing through our system must pay their fair share and are charged our approved State indirect cost rate of 11.99%.
9. The annual fiscal and program monitoring contracts are expiring in September and quotes will be obtained as this is the last year under the current procurement. There is a set-aside of up to \$157,500 budgeted for external program and fiscal monitoring services.
10. A set-aside of \$35,000 budgeted for the annual audit contract.

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.

The recommended PY 22/23 Preliminary Budget categories are described below and are followed by a budget summary.

PROGRAM SUPPORT STAFF - \$6,269,969

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 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
- d. WIOA Youth Success Coaches⁷
- e. WTP Success Coaches
- f. SNAP staff

FACILITIES AND RELATED COSTS – \$2,890,512

This category is for rent, supplies, customer assessments, community outreach, 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 rent for the South and Central one-stop center and a slight increase in rent for our North one-stop center pursuant to our lease. Also included are technological upgrades to improve our ability to offer services virtually.

CONTRACTS – \$1,479,745

This category includes WIOA youth and WTP contracted services.

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

Funds are also set aside for two (2) in school youth programs providing work experience, employability skills, and counseling (SBBC and Junior Achievement of South Florida), a contract with OIC of South Florida for a non-custodial parent program providing employability skills and job placement, and for the One Stop Operator.

⁷ To provide out of school youth (OSY) services, post-secondary credentials, employability and life skills, job skills, work experience and placement.

Table 3: PY 22/23 Proposed Contract Amounts

Youth Provider amounts are subject to negotiation.

Contractor	Service	Funding Stream	PY 21/22 Amount	PY 22/23 Amount	% Change
FLITE Center	Out of School Youth (OSY)	WIOA	214,956	214,956	0%
HANDY	OSY	WIOA	130,750	130,750	0%
Center for Independent Living	OSY	WIOA	56,385	56,385	0%
School Board Broward County (SBBC) - CTACE OSY	OSY	WIOA	512,654	512,654	0%
SBBC - In School Youth (ISY) Program	ISY	WIOA	187,811	200,000	6%
Junior Achievement of S. Florida - ISY Program-	ISY	WIOA	-	150,000	100%
Non-Custodial Parent - OIC	Adult	WTP	-	150,000	100%
One Stop Operator	All	All	56,000	65,000	16%
Total			1,158,556⁸	1,479,745	28%

1. Navigators – FLITE, HANDY, 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 Provider – School Board of Broward County. 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.
3. In School Youth Programs - ISY with one or more barriers to employment and/or education are recruited and enrolled to receive WIOA services including case management, employability skills, work experience, and mentoring.
4. Non-Custodial parent - For parents without primary custody of their children who are receiving TANF will be provided with employability skills training, work experience, and family reunification counseling.
5. One Stop Operator – Funded to coordinate the services of the various programs among one-stop partners. This is a required service under WIOA.

⁸ Tutoring contracts have ended. Tutoring services are still available and have been moved to Facilities and Related Costs. Number of youth contracts reduced by one and services provided by staff in the one stop centers.

TRAINING - \$6,663,273

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. The dedicated Get There Faster Grant for Veteran and Military Grant also provides funds for occupational training not included in this category.

PARTICIPANT SUPPORT SERVICES – \$727,233

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, Youth, and WTP. For PY 22/23, based on feedback from our youth focus group we added Youth Ride Share support services to improve transportation assistance. We increased the support services by 1% from PY 21/22, which is now 4% of the total budget allocation.

ADMINISTRATION – \$1,879,435

Currently our indirect cost rate is 11.99% and is comprised of 9% administrative and 2.99% program costs totaling 11.99%. 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.

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%.

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

RECOMMENDATION

That the governing boards accept and approve the preliminary PY 22/23 budget.

Table 4: PY 22/23 Preliminary Budget Summary

TOTAL AVAILABLE FUNDING	WIOA Adult/DW		WIOA Youth		WTP		WP		DVOP/LVER	SNAP		PY 22/23 TOTAL \$	PY 21/22 % of Total Budget	PY 22/23 % of Total Budget	
PY 22/23 Allocation	6,895,445		2,914,085		4,103,360		966,776		258,530		343,495		15,322,255		
PY 22/23 Supplemental	-		-		-								-		
PY 21/22 Carryforward	1,700,854		2,184,826		184,571		329,972		28,253				4,428,476		
TOTAL	8,596,300		5,098,911		4,287,931		1,296,748		286,783		343,495		19,750,731		
TOTAL EXPENDITURES															
Program Support	2,889,185	34%	649,825	13%	2,031,093	47%	418,234	32%	60,472	21%	221,161	64%	6,269,969	30%	32%
Facilities & Related Costs	756,058	9%	300,533	6%	769,134	18%	772,766	60%	203,951	71%	88,072	26%	2,890,512	14%	15%
Training	4,008,419	47%	1,939,734	38%	715,119	17%	-	0%	-	0%	-	0%	6,663,273	35%	33%
Contracts	29,869	0%	1,275,040	25%	168,230	4%	3,862	0%	1,010	0%	1,735	1%	1,479,745	9%	7%
Participant Support Services	35,945	0%	494,250	10%	197,038	5%	-	0%	-	0%	-	0%	727,233	3%	4%
Administration	876,823	10%	439,529	9%	407,317	9%	101,887	8%	21,350	7%	32,527	9%	1,879,435	9%	9%
TOTAL	8,596,300	100%	5,098,911	100%	4,287,931	100%	1,296,748	100%	286,783	100%	343,495	100%	19,910,169	100%	100%

*Currently our in-direct cost rate is 11.99% it includes administration costs along with program costs.

**There may be rounding differences in this table.