

Memorandum #06 - 23 (FS)

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

From: Carol Hylton, President/CEO

Subject: Program Year (PY) 24/25 Preliminary Budget

Date: June 11, 2024

SUMMARY

The Program Year (PY) 24/25 preliminary budget reflects an overall decrease in the State allocation and carry forward of 17.4% for a total of (\$3,395,425). The total amount of PY 24/25 formula and carry forward is projected to be \$16,127,619 as compared to \$19,523,044 in PY 23/24 as shown in Table 1. Approved at the 6/5 One Stop Services and 6/10 combined Executive and Audit Committee meetings.

Our dedicated grants for PY 24/25 totaling \$11,359,368 are not included in the total available funds because these grants may only be used for the specific purposes outlined in the grants. The dedicated grants decreased by 1% (\$60,601) as compared to \$11,419,969 in PY 23/24. Table 2 details the dedicated grants and projected amounts to present a full picture to the governing boards of the funds allocated for the upcoming program year.

The formula and dedicated funds total \$27,486,987 (\$16,127,619 + \$11,359,368) compared to PY 23/24 total funds of \$30,943,013. As usual, the above does not include unrestricted funds. CareerSource Broward (CSBD) recommends acceptance and approval of the PY 24/25 Preliminary Budget.

BACKGROUND

Each year CSBD brings its projected budget to the governing boards for approval.

The formula allocation is based on our local area's unemployment and poverty rates. The better a region is doing, the lower the local area's formula allocation.

The funds are allocated among the various activities and services to align with Board initiatives and key business results, the current labor market, and federal and state performance measures. The level of detail provided is in accordance with the CSBD governing boards' direction. We provide additional detail to the elected officials per their request. This detail is available to all upon request.

A budget true-up based on the actual allocations is presented to the Board at the mid-year mark.

Table 1 presents a comparison between PY 23/24 and PY 24/25 total allocation from the state and carry forward funds. The WIOA Adult and DW funding streams are combined because WIOA allows 100% transferability between these funding streams.

Table 1
Comparison of PY 23/24 to PY 24/25 Formula Funds Including Carry Forward*

| Fund Name | PY 23/24 Total Funds Available | PY 24/25 Total Funds Available | \$ Change | % Change |
|--|---|---|-----------------------|---------------------|
| WIOA (Adult/DW) | | | | |
| Formula Funds | \$ 6,043,979 | \$ 5,773,104 | \$ (270,875) | -4.5% |
| Carryforward | 2,480,415 | 1,182,981 | (1,297,434) | -52.3% |
| Subtotal | 8,524,394 | 6,956,085 | (1,568,309) | -18.4% |
| WIOA (Youth) | | | | |
| Formula Funds | 2,324,084 | 2,124,775 | (199,309) | -8.6% |
| Carryforward | 2,013,000 | 626,771 | (1,386,229) | -68.9% |
| Subtotal | 4,337,084 | 2,751,545 | (1,585,539) | -36.6% |
| WTP | | | | |
| Formula Funds | 3,775,387 | 3,482,799 | (292,588) | -7.7% |
| Carryforward | 674,856 | 770,106 | 95,250 | 14.1% |
| Subtotal | 4,450,243 | 4,252,905 | (197,338) | -4.4% |
| WP | | | | |
| Formula Funds | 1,273,356 | 1,179,810 | (93,546) | -7.3% |
| Carryforward | 416,651 | 465,957 | 49,306 | 11.8% |
| Subtotal | 1,690,007 | 1,645,768 | (44,239) | -2.6% |
| Veterans (DVOP/LVER) | 286,783 | 286,783 | - | - |
| Supplemental Nutritional Assistance Program (SNAP) | 234,533 | 234,533 | - | - |
| Totals | \$ 19,523,044 | \$ 16,127,619 | \$ (3,395,425) | -17.4% |

*There are rounding differences in this table

Table 2 is our anticipated dedicated grant allocations for PY 24/25. They are not included in the preliminary budget as the funds are for the activities indicated in the chart.

Table 2: Comparison of Dedicated Grants

| Grant / Program | Description | PY 23/24 Amount \$ | PY 24/25 Anticipated Amount \$ |
|--|---|---------------------------|---------------------------------------|
| Children's Services Council | Summer Youth Employment Program (SYEP) | \$ 4,215,656 | \$ 4,215,656 |
| Broward County | SYEP | - | 700,000 |
| City of Fort Lauderdale | SYEP | 150,000 | 290,925 |
| Community Foundation | SYEP | - | 50,000 |
| City of Dania Beach | SYEP | - | 50,000 |
| Bank of America | SYEP | 10,000 | Ended |
| Joint Broadband Grant Broward Health will serve as Grant Recipient | For renovation of the Pompano Multipurpose Facility providing workforce and health services | 3,000,000 | 3,000,000 |
| Reemployment Services and Eligibility Assessment (RESEA) | Reemployment assistance and assessments | 565,000 | 1,072,087 |
| Flood NEG WIOA ¹ | NEG | 418,623 | 660,931 |
| Florida Healthcare Training ² | Expand access to high-quality healthcare training programs | 916,666 | 472,735 |
| Non-Custodial Parent Employment ² | Employment services for non-custodial parents | 772,447 | 298,055 |
| Get There Faster Veteran and Military Grant ² | Veterans Grant | 846,503 | 254,664 |
| Hope Florida - A Pathway to Promise ² | To address poverty and promote economic mobility | 217,815 | 212,815 |
| Apprenticeship Navigator | Develops registered apprenticeships | 62,500 | 62,500 |
| Trade Adjustment Assistance (TAA) | For workers impacted by the Trade Acts | 20,568 | 19,000 |
| Single Mothers to Be Grant | Employment & training activities for single mothers | 224,191 | Ended |
| | Totals | \$11,419,969 | \$11,359,368 |

¹ The state recently informed us of an additional Flood NEG WIOA award of \$500,000.

² This is the amount of the grants remaining for PY 24/25.

DISCUSSION

The following narrative indicates how funds will be spent 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. Considerations we took into account in constructing the budget:

Considerations

1. The state requires that a minimum of 50% of the WIOA Adult and DW allocation be spent on training.³ To ensure compliance, we have budgeted 55% of our WIOA Adult and Dislocated Worker program funds for training.
2. We are required to spend a minimum of 20% of Youth expenditures on Work Experience, we have budgeted over 21% to ensure we meet the requirement.
3. Integrative Staffing Group (ISG) is the employer of record for the 3 One-Stop centers. The budget includes their fee of \$85.00 per employee, per pay period, which is the same as last year. The total cost is estimated at \$181,220. It does not include staff benefits or taxes, which are pass-thru funds.⁴
4. We are in the process of our bi-annual compensation study we will bring the results to the governing boards in the fall. Implementation of any recommendations will be based upon fund availability.
5. We have set aside \$50,000 for the State of the Workforce Job Fair and WOW Career Awareness Event. CSBD will be looking for donations and partners to support these events.
6. We have set aside \$174,800 for external program and fiscal monitoring services. This includes a small increase for our fiscal monitors. All other costs are the same as last year.
7. We have set aside \$34,000 for our annual audit.

Budget Strategies

1. WIOA AD and DW allocations, including carry forward for PY 24/25, is decreased by (\$1,568,309) for a total allocation of \$6,956,085. Where applicable we will cross train WIOA staff so their time can also be allocated to our dedicated grants reducing the burden on our formula grants. Some participants will be served through the dedicated grants, which also allow for training.
2. The WIOA Youth allocation, including carry forward for PY 24/25, is decreased by (\$1,585,539) for a total allocation of \$2,751,545. As most of the youth are PELL eligible, we have reduced the set aside for training and support. To the extent WTP funds are available some of the allowable in school youth program costs may be charged to WTP.

³ For PY 23/24, the State reduced the training requirement to 35%. They have not signaled their intent for PY 24/25.

⁴ Pass-thru means we are only responsible for the actual cost, there is no fee for handling.

3. Welfare Transition Program (WTP) allocation, including carry forward for PY 24/25, is decreased slightly by (\$197,338) for a total allocation of \$4,252,905. This year, the State is allowing us to carry forward funds for 2 months, which we are allowed to use for the summer program.
4. Wagner Peyser (WP) is decreased slightly by (\$44,239) in pass-thru for a total allocation of \$1,645,768. This does not include the salaries for state staff assigned to the career centers as they are paid by the State.
5. Veterans and Supplemental Nutritional Assistance Program (SNAP) funding will be level.
6. The strategies below are applicable to multiple funding streams and help to defray the impact of the reductions.
 - a. We plan to manage the vacancy fill rate both at the CSBD and Center levels.
 - b. We have set aside only a minimal amount for furnishings and technology refresh needs as these were addressed this past year.
 - c. We have reduced our Facilities and Related Costs. We are not renewing our outreach and marketing agreements and instead will create a vendor list for "as need" projects.

The recommended PY24/25 Preliminary Budget categories are described below followed by the budget summary.

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|--|
| PROGRAM SUPPORT STAFF - \$4,749,116 |
|--|

This category includes all staff salaries and benefits other than the administrative, State Wagner Peyser and Veterans' staff.

Included in this category is:

1. The Integrative Staffing Group (ISG) contract for staffing the 3 One-Stop centers and serves as the "employer of record." This contract includes salaries and mandatory benefits, insurance, 401K, and health costs for the staff.
2. The One-Stop Center Managers
3. The Management Information Systems staff
4. The Program Managers
5. The Quality Assurance staff
6. WTP and SNAP
7. WIOA Adult, DW and Youth

FACILITIES AND RELATED COSTS – \$2,981,825

This category includes the rent for the three career centers, including the annual increase for the north center. It also includes supplies, customer assessments, equipment rental (copiers), telephones, information technology, high-speed lines, monitoring, and costs associated with business outreach such as mileage, travel and membership dues.

This category includes certain fixed costs which do not lend themselves to reductions in cost, and we are not budgeting for upgrades to furnishings or technology refresh as we used the time over the last few years to refresh the centers.

CONTRACTS – \$1,631,896

This category includes 1) WIOA youth 2) the One-Stop Operator and the Chamber contracts.

Table 3: PY 24/25 Proposed Contract Amounts

| Contractor | Service | Funding Stream | PY 24/25 Amount |
|-------------------------------------|------------------|-----------------------|------------------------|
| FLITE Center | OSY ⁵ | WIOA | 240,000 |
| HANDY | OSY | WIOA | 152,000 |
| Center for Independent Living (CIL) | OSY | WIOA | 60,896 |
| Harmony Development Center (New) | OSY | WIOA | 60,000 |
| School Board | OSY | WIOA | 525,000 |
| School Board | ISY ⁶ | WTP | 200,000 |
| Junior Achievement of S. Florida | ISY | WTP | 160,000 |
| Greater Fort Lauderdale Chamber | Adult/DW | WIOA | 65,000 |
| Greater Hollywood Chamber | Adult/DW | WIOA | 55,000 |
| One-Stop Operator | All | All | 114,000 |
| Total | | | 1,631,896 |

1. Navigators – FLITE, HANDY, CIL and Harmony. Youth currently in their caseloads who are ready to receive workforce services have access to all WIOA 14 elements⁷ as appropriate for each youth.
2. School Board of Broward County **OSY** Full-Service Provider – youth who have not completed high school and considered OSY under WIOA are enrolled in GED and receive case management, employability skills, and obtain their high school credential.
3. School Board of Broward County **ISY** Full-Service Provider – WIOA eligible seniors are recruited and enrolled in work experience to keep them attached to school through graduation.

⁵ OSY – Out of School Youth

⁶ ISY – In-School Youth

⁷ The WIOA 14 elements are the individual services allowed which help youth succeed such as tutoring, work experience, case management, employability skills, ITA's, etc.

4. Junior Achievement of South Florida ISY Full-Service Provider – WIOA eligible seniors are recruited and enrolled in work experience to keep them attached to school through graduation.
5. Chambers of Commerce - To assist with marketing, outreach and obligating OJT, IWT, and Internship funds, along with communicating our services to their membership.
6. One-Stop Operator – This is a required service under WIOA. Fosters cooperation among the one-stop partners so that participants can receive services in a coordinated and seamless fashion, assists with grant acquisition and implementation and the one-stop MOUs, and supervises the community liaison.

TRAINING - \$4,782,979

This category includes 1) Individual Training Account's 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. There is no change to the overall percentage of budget in the total projected in this category.

While this overall amount is reduced from last year, we can use some of the funds in the dedicated grants such as Get There Faster Grant, Hope Florida, and the Florida Healthcare Training to offset the reduction in this category.

PARTICIPANT SUPPORT SERVICES – \$549,462

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.

The percentage of funding budgeted for support services has decreased slightly from PY 23/24.

ADMINISTRATION – \$1,481,178

Administration includes personnel and non-personnel costs for administrative and oversight functions related to the grants. By law, we are allowed to budget up to 10% in administration; however, we have capped the budget at 9% as per the governing board's directive.

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 24/25 budget.

Table 4 – PY 24/25 Preliminary Budget Summary

| TOTAL AVAILABLE FUNDING | WIOA Adult/DW | | WIOA Youth | | WTP | | WP | | DVOP/ LVER | | SNAP | | PY 24/25 TOTAL \$ | PY 23/24 % of Total Budget | PY 24/25 % of Total Budget |
|------------------------------|------------------|-------------|------------------|-------------|------------------|-------------|------------------|-------------|----------------|-------------|----------------|-------------|------------------------|----------------------------|----------------------------|
| PY 24/25 Allocation | 4,988,808 | | 2,020,287 | | 3,482,799 | | 1,179,810 | | 286,783 | | 234,533 | | 12,193,020 | | |
| PY 24/25 Supplemental | 784,296 | | 104,488 | | - | | | | | | | | 888,784 | | |
| PY 23/24 Carryforward | 1,182,981 | | 626,771 | | 770,106 | | 465,957 | | 0 | | 0 | | 3,045,815 | | |
| TOTAL | 6,956,085 | | 2,751,545 | | 4,252,905 | | 1,645,768 | | 286,783 | | 234,533 | | 16,127,619 | | |
| TOTAL EXPENDITURES | | | | | | | | | | | | | | | |
| Program Support | 2,200,006 | 32% | 532,852 | 19% | 1,686,843 | 40% | 141,748 | 9% | 22,027 | 8% | 165,640 | 71% | 4,749,116 | 29% | 29% |
| Facilities & Related Costs | 575,405 | 8% | 115,727 | 4% | 652,734 | 15% | 1,353,402 | 82% | 240,974 | 84% | 43,583 | 19% | 2,981,825 | 18% | 18% |
| Training | 3,144,314 | 45% | 727,557 | 26% | 911,108 | 21% | - | 0% | - | 0% | - | 0% | 4,782,979 | 30% | 30% |
| Contracts | 164,031 | 2% | 1,037,896 | 38% | 370,500 | 9% | 7,486 | 0% | 928 | 0% | 2,221 | 1% | 1,583,061 ¹ | 9% | 10% |
| Participant Support Services | 161,587 | 2% | 143,029 | 5% | 244,846 | 6% | - | 0% | - | 0% | - | 0% | 549,462 | 5% | 3% |
| Administration | 710,744 | 10% | 194,484 | 7% | 386,874 | 9% | 143,132 | 9% | 22,853 | 8% | 23,091 | 10% | 1,481,178 | 9% | 9% |
| TOTAL | 6,956,084 | 100% | 2,751,545 | 100% | 4,252,905 | 100% | 1,645,768 | 100% | 286,783 | 100% | 234,533 | 100% | 16,127,619 | 100% | 100% |

1. The total amount for Contracts is slightly reduced as a result of the One Stop Operator charging a portion of her time to the dedicated grants.

* Currently our in-direct cost rate is 12% it includes administration costs along with program costs.

* There may be rounding differences in this table.