
Memorandum #07-22 (FS) Revised

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

From: Carol Hylton, President/CEO

Subject: Program Year (PY) 23/24 Preliminary Budget

Date: June 13, 2023

SUMMARY

The Program Year (PY) 23/24 Preliminary Budget reflects an overall decrease of 8.6% or (\$1,801,836) in formula funds. The decrease is due to an overall reduction in the State allocation. The total amount of PY 23/24 formula and carry forward that we project to be available is \$19,264,993 as compared to \$21,066,829 actual in PY 22/23 as shown in Table 1.

Our dedicated grants, totaling \$7,121,657 are not included in the total available funds because those grants may only be used for the specific purposes outlined in those grants. 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 \$26,386,650 (\$19,264,993 + \$7,121,657) compared to PY 22/23 total funds of \$29,125,401.¹ As usual, the above does not include unrestricted funds. CareerSource Broward (CSBD) recommends acceptance and approval of the PY 23/24 Preliminary Budget. Approved at the 6/6 One Stop Services and 6/12 Executive Committee meetings.

BACKGROUND

The state has released the formula allocations for next year, and our formula funds are decreased by 8.6%, or \$1,801,836, from last year. The reductions are not evenly spread across the funding streams and are reflected in Table 1.

Addressing the Reduced Formula Allocation

We have absorbed the reduction in allocation by:

1. Allowing temporary positions to end, managing the vacancy fill rate, including up to four board support positions next year.
2. Not budgeting for upgrades to furnishings or technology refresh as we used the time over the pandemic years to refresh the centers.
3. Reducing the Facilities and Related Cost category.

¹ This includes additional funds 1) \$1.4M from CSC and 2) \$100K from Community Foundation accepted by the Board at its meeting on 4/27/23 that we do not anticipate will be re-occurring for PY 23/24.

DISCUSSION

The following factors impact CSBD's allocations for the PY 23/24 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, poverty rates, mass layoff data, and other factors. The better a region is doing, as compared to the other regions, the lower the local area's formula allocation. Broward's unemployment rate and other applicable factors are lower than many of the other regions which impacted our allocation.
 - b. WIOA AD and DW allocations, including carry forward for PY 23/24, is decreased by \$972,720 for a total allocation of \$8,713,780. Cross-training WTP staff on WIOA requirements as the WTP caseloads are still running low so we are re-assigning some of the WIOA caseload to WTP staff. Cross-training will benefit the staff and CSBD, as staff will be trained across multiple funding streams and will be able to step in wherever needed.
 - c. The WIOA Youth allocation, including carry forward for PY 23/24, is decreased by \$715,877 for a total allocation of \$4,572,281. We have reduced the total set aside for training, work experience, and support because most of the youth are not electing to go to training or they are PELL eligible. 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. This allowed us to provide slight increases to the youth providers for wages and other increased costs.
2. Welfare Transition Program (WTP) allocation, including carry forward for PY 23/24, is increased by \$79,631 for a total allocation of \$4,367,562. The Legislature determines the formula allocation for the regions. Our share is based on the relative number of WTP customers across the 24 regions. Our rolls are down in comparison to pre-pandemic levels. This year, the State is allowing us to carry forward funds for 2 months, which we are allowed to use for the summer program.
3. Wagner Peyser (WP) is decreased by \$192,869 in pass-thru for a total allocation of \$981,888. This does not include the salaries for state staff assigned to the career centers as they are paid by the State.
4. Veterans and Supplemental Nutritional Assistance Program (SNAP) funding will be level.

A budget true-up based on the actual allocations will be presented at the February 2024 meeting. Table 1 presents a comparison between PY 22/23 and PY 23/24 total allocation from the state and carry forward funds.

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 PY 22/23 to PY 23/24 Formula Funds Including Carry Forward
(There are rounding differences in this table*)

Fund Name	PY 22/23 Total Funds Available	PY 23/24 Total Funds Available	\$ Change	% Change
WIOA (Adult/DW)				
Formula Funds	\$ 7,577,505	\$ 6,089,227	\$ (1,488,278)	-19.6%
Carryforward	2,108,995	2,624,553	515,558	24.4%
Subtotal	9,686,500	8,713,780	(972,720)	-10.0%
WIOA (Youth)				
Formula Funds	2,914,085	2,324,084	(590,001)	-20.2%
Carryforward	2,374,073	2,248,197	(125,876)	-5.3%
Subtotal	5,288,158	4,572,281	(715,877)	-13.5%
WTP				
Formula Funds	4,064,166	3,675,387	(388,779)	-9.6%
Carryforward	223,765	692,175	468,410	209.3%
Subtotal	4,287,931	4,367,562	79,631	1.9%
WP				
Formula Funds	966,776	919,961	(46,815)	-4.8%
Carryforward	207,981	61,927	(146,054)	-70.2%
Subtotal	1,174,757	981,888	(192,869)	-16.4%
Veterans (DVOP/LVER)	286,783	286,783	-	0%
SNAP	342,700	342,700	-	0%
Totals*	\$ 21,066,829	\$ 19,264,993	\$(1,801,836)	-8.6%

Table 2 on the next page reflects our dedicated grants which are not included in the preliminary budget for PY 23/24 because the funds are devoted to the below-listed activities. We anticipate the allocations for next year as indicated.

Table 2: Comparison of Dedicated Grants

Grant / Program	Description	PY 22/23 Amount \$	PY 23/24 Anticipated Amount \$
Children's Services Council ²	Summer Youth Employment Program (SYEP)	\$ 4,215,656	\$ 2,815,656
City of Fort Lauderdale	SYEP	301,543	301,543
Community Foundation	SYEP	100,000	Ended
Bank of America	SYEP		10,000
Reemployment Services and Eligibility Assessment	Reemployment assistance and assessments	708,438	708,438
Get There Faster Veterans Grant	Veteran's employment and training	1,058,098	933,683
Trade Adjustment Assistance	For those affected by US Trade Agreements	56,595	56,595
Single Mothers Grant	Provides employment & training for single moms.	500,000	450,000
WIOA National Dislocated Worker Grant Funds ³	Temporary jobs for cleanup and humanitarian aid	105,000	895,000
Non-Custodial Parent Employment	Employment services for Non-custodial parents	950,742	950,742
Apprenticeship Navigator	Identify and develop Apprenticeship programs	62,500	Ended
	Totals	\$ 8,058,572	\$ 7,121,657

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. Considerations we took into account when constructing the budget include the following:

1. The state requires that a minimum of 50% of the WIOA Adult and DW allocation be spent on training.⁴ To ensure compliance, we have budgeted 57% of our WIOA Adult and Dislocated Worker program funds for training.⁵
2. 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 handled as pass-thru funds.⁶ One-Stop staff is initially hired as a 90-day "Temp to Perm," and we anticipate this to be low with the cost absorbed by vacancy turnover as we are currently fully staffed.

² We did not include the additional 1.4m this year in the allocation above.

³ This grant is funded through 9/30/24 for a total of \$1,000,000. For PY 23/24, we have budgeted \$895,000.

⁴ For PY 22/23, the State reduced the training requirement to 30% they have not signaled their intent for PY 23/24.

⁵ We have updated the percentage budgeted from 53% to 57% as the state guidance was changed to allow support services to be counted in the training requirement.

⁶ Pass thru means we are only responsible for the actual cost there is no fee for handling.

3. We have set aside of \$100,000 for a career awareness initiative for in-school youth ages 14-15 (Freshmen and Sophomores) to educate in-school youth with an emphasis on the areas with the greatest poverty and unemployment regarding CSBD services. This will introduce youth at an earlier age to career options and involve their parents for a two-gen approach.
4. 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.
5. We have set aside up to \$183,050 for external program and fiscal monitoring services.
6. We have set aside \$40,000 for our annual audit contract. A new Request For Quotes has been issued this year for audit services.

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.

The recommended PY23/24 Preliminary Budget categories are described below followed by the budget summary.

PROGRAM SUPPORT STAFF - \$5,647,248
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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 as well as the ISG fee.
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. WIA Adult, DW and Youth

We are absorbing some of the reduction in allocation by budgeting less in this category, allowing temporary positions to end, and managing the vacancy fill rate. Further, because our WTP caseloads are still running low, we are re-assigning some of the WIOA caseload to WTP staff, who will be cross-trained. This will benefit the staff and CSBD, as staff will be trained across multiple funding streams and will be able to step in wherever needed.

FACILITIES AND RELATED COSTS – \$3,467,842

This category is for rent for the three career centers, including the annual increase for the north center. It also includes supplies, customer assessments, equipment rental (copiers), telephones and information technology, high-speed lines, monitoring, costs associated with business outreach such as mileage, travel and membership dues. Our community outreach, contracts with Goodman and Moore & Assoc., and our employer outreach agreement with the Fort Lauderdale Alliance and the two small contracts we piloted this year with the Chambers, are in this category.

To reduce costs, rather than fill additional business services positions, we are in the process of releasing a request for quotes seeking assistance from our economic development partners, and employer associations. Because they have direct access to employers, as a result of their large employer memberships. We are asking our business partners to now market and obligate OJT, IWT, and Internship funds, along with communicating our services to their membership. CSBD staff will finalize the contracts as we do now.

We have been able to keep the overall ratio for this category the same as last year as during the past few years we have refreshed the one-stop centers and do not need to budget for furniture and computers this year.

CONTRACTS – \$1,742,485

This category includes WIOA youth and the One-Stop Operator. Contract amounts are subject to negotiation and are slightly reduced from the maximum originally approved.

Table 3: PY 23/24 Proposed Contract Amounts

Contractor	Service	Funding Stream	PY 23/24 Amount
FLITE Center	OSY ⁷	WIOA	236,452
HANDY	OSY	WIOA	143,825
Center for Independent Living (CIL)	OSY	WIOA	62,024
School Board	OSY	WIOA	605,185 ⁸
School Board	ISY	WIOA	360,000
Junior Achievement of S. Florida	ISY	WIOA	225,000
Non-Custodial Parent - OIC	Adult	WTP	Ended
One-Stop Operator	All	All	110,000 ⁹
Total			1,742,485

⁷ OSY – Out of School Youth, ISY – In-School Youth

⁸ The School Board has indicated they have another grant that can be leveraged to support this contract, so we have reduced the amount by \$10,000.

⁹ Subsequent to the One Stop Services Committee meeting we adjusted the amount from \$100,000 to \$110,000 due to a scrivener’s error.

1. Navigators – FLITE, HANDY, and CIL. Youth currently in their caseloads who are ready to receive workforce services have access to all WIOA 14 elements¹⁰ 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.
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. One-Stop Operator – Fosters cooperation among the one-stop partners so that participants can receive services in a coordinated and seamless fashion, assists with the one-stop MOUs, and supervises the community liaison. This is a required service under WIOA. Budgeted as a full-time equivalent (FTE) for this year and will assume grant acquisition and implementation.

TRAINING - \$5,663,527

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.

While this amount is reduced from last year we can use some of the funds in the dedicated grants such as Get There Faster Grant, and the Single Mothers Grant to offset the slight reduction in this category.

PARTICIPANT SUPPORT SERVICES – \$947,925

This category funds participant support costs for 1) gas cards 2) clothing vouchers 3) bus passes 4) youth ride-sharing services, and 5) participant performance incentives for WIOA AD/DW, Youth, and WTP.

The percent reserved for support is the same as last year.

¹⁰ 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.

ADMINISTRATION – \$1,768,965

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 23/24 budget.

Table 4: PY 23/24 Preliminary Budget Summary

TOTAL AVAILABLE FUNDING	WIOA Adult/DW	%	WIOA Youth	%	WTP	%	WP	%	DVOP/LVER	%	SNAP	%	PY 23/24 TOTAL \$	PY 22/23 % of Total Budget	PY 23/24 % of Total Budget
PY 23/24 Allocation	5,547,099		2,324,084		3,675,387		919,961		286,783		342,700		13,096,014		
PY 23/24 Supplemental	542,128		-		-				-		-		542,128		
PY 22/23 Carryforward	2,624,553		2,248,197		692,175		61,927		-		-		5,626,851		
TOTAL	8,713,780		4,572,281		4,367,562		981,888		286,783		342,700		19,264,993		
TOTAL EXPENDITURES															
Program Support	2,374,325	27%	1,120,099	24%	1,871,326	43%	89,852	9%	20,301	7%	171,344	50%	5,647,248	30%	29%
Facilities & Related Costs	1,138,190	13%	334,247	7%	801,387	18%	814,839	83%	243,219	85%	135,960	40%	3,467,842	18%	18%
Training	3,999,697	46%	925,390	20%	738,440	17%	-	0%	-	0%	-	0%	5,663,527	31%	30%
Contracts	45,188	1%	1,675,836	37%	15,767	0%	3,093	0%	699	0%	1,901	1%	1,742,485	7%	9%
Participant Support Services	264,053	3%	203,820	4%	507,052	12%	-	0%	-	0%	-	0%	974,925	5%	5%
Administration	892,325	10%	312,888	7%	433,589	10%	74,104	8%	22,563	8%	33,495	10%	1,768,965	9%	9%
TOTAL	8,713,780	100%	4,572,281	100%	4,367,562	100%	981,888	100%	286,783	100%	342,700	100%	19,264,993	100%	100%

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

*There may be rounding differences in this table.