



WORKFORCE DEVELOPMENT BOARD
OF SOLANO COUNTY

BUDGET COMMITTEE
Friday, February 21, 2020
1:00 p.m. – 2:30 p.m.
500 Chadbourne Road, Suite A
Fairfield, CA 94534

MEETING AGENDA

- I. Welcoming/Convening**
- II. Agenda Additions and/or Deletions**
- III. Public Comment** - *Workforce Development Board (WDB) members, staff, or the public may address the WDB on subjects relating to employment and training in Solano County. A time limit of 3 minutes may be imposed. No action may be taken on non-agenda items.*
- IV. Action Items**
 - A. Approval of September 10, 2019 Meeting Minutes
 - B. Review and Approval of the Second Modification to the Program Year 2019-20 Budget
- V. Adjournment**

Note: The next Budget Committee will be scheduled at a later time.

MINUTES
BUDGET COMMITTEE MEETING
September 10, 2019

I. Welcoming/Convening

Committee Chair, Mario Giuliani, called the meeting to order at 8:31 a.m. Quorum was established.

Members Present: Mario Giuliani (Chair), Dr. Celia Esposito-Noy, Fadi Halabi, Tim Healer

Members Absent: none

Staff Present: Heather Henry, Kitt Lee, Tammy Gallentine

II. Additions and/or Deletions from the Agenda

There were no additions to or deletions from the agenda.

III. Public Comment

Ms. Henry announced Ms. Lee would be retiring the end of September. The position has been posted and several resumes have been received. Interviews would be conducted the last week of September. Mr. Giuliani will participate in the interview panel. Ms. Lee has agreed to assist with the transition. The committee expressed their appreciation for her service.

IV. Action Items

A. Approval of July 2, 2019 Meeting Minutes

MOTION #1

A motion was made and seconded to approve the July 2, 2019 Meeting Minutes. (Halabi/Healer) MOTION PASSED UNANIMOUSLY.

B. Review and Approval of the First Modification to the Program Year 2019-20 Budget

Ms. Lee gave a detailed overview of agenda item **V.B Review and Approval of FY 19/20 Budget**, which was included as part of the agenda package and incorporated herein, noting there is a 2% overall increase however staff will be looking to reduce costs and identify more funding due to the cut back in WIOA funding. Each grant will need to be looked at individually to ensure each grant is sustainable. This budget is not the budget for the year but more of a budget for this point and time and will experience adjustments through the year. About 10% of grant funding is allocated towards administrative costs. The biggest concern is personnel costs. Healthcare costs is always is a concern. The budget projected a 5% increase in healthcare costs however there was actually a 7% increase. A decision regarding the structure of the healthcare plan would need to be decided on by September. Staff is exploring new ways to bring in new funding, more sponsorships and becoming a Ticket to Work site. Ms. Henry noted there is a proposal by California Workforce Association (CWA) to move WDB from the North Bay Region to the East Bay Region. Staff will look deeper into what financial impact vs. programmatic impact this will bring.

MOTION #2

A motion was made and seconded to approve the First Modification to the Program Year 2019-20 Budget.

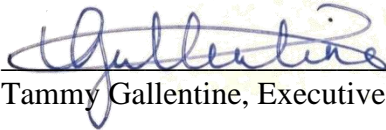
(Esposito-Noy/Halabi) MOTION PASSED UNANIMOUSLY.

V. Adjournment

The meeting was adjourned at 9:10 a.m.

Note: The next Budget Committee meeting has not been scheduled.

Respectfully submitted by:

A handwritten signature in blue ink, appearing to read "Gallentine", is written over a horizontal line.

Tammy Gallentine, Executive & Board Support Specialist



WORKFORCE DEVELOPMENT BOARD
OF SOLANO COUNTY

AGENDA SUBMITTAL

SUBJECT: Review and Approval of the Second Modification to the Program Year 2019-20 Budget	MEETING DATE February 21, 2020	AGENDA ITEM IV.B
FROM: Heather Henry President/Executive Director	ACTION REQUIRED YES ✓ NO	ATTACHMENTS A

RECOMMENDATION:

Attached is the second modification to the organizational budget for the program year 2019-20 presented to the Workforce Development Board of Solano County (WDB) Budget Committee at their February 21, 2020 meeting for review and recommendation to the WDB at their March 20, 2020, meeting.

SUMMARY:

This budget reflects recommended changes to the budget. This budget includes the amount of unspent funds remaining at June 30, 2019, which are available for expenditure in the 2019-20 year.

This projected budget for program year 2019-20 of \$6,176,003 represents an overall decrease in available grant funding for the WDB of \$72,012, or -1.16%.

DISCUSSION:

Opportunities and Challenges for the Agency Budget:

The WDB uses its various program resources to provide a broad range of career services to job seekers from labor market information services to vocational training geared toward high wage/high growth occupations. The WDB also responds to employers, working in conjunction with education and other community partners, to build a workforce to meet the present and future needs of the area economy. The WIOA legislation requires the local Workforce Development Board to perform tasks/activities in addition to providing comprehensive career services which relate to research, collaborative efforts, employer engagement, system changes, continuous improvement, etc., to be performed locally and regionally. A continuing budget challenge is to support these planning and development tasks, in addition to the demand for increased services for the job seekers and businesses.

This funding year, the WDB utilized all available carry-over normally set aside for the following program year in order to maintain current expenditure trends. The WDB spent this program year focused on reducing expenditures where able, and increasing available funding streams.

Funding and Expenditure Detail:

- **Chart A:** This chart compares the Grant Funding and the corresponding Line-Item Budget for the 2019-20 year, to the approved September budget modification.

- **Chart B:** This chart shows the budget to actuals as of December 31, 2019.

Revenue – 2019-20

Unknowns:

- The amount of discretionary funding that may be awarded in 2019-20 may change. Awards could be new grants or adjustments to existing grants such as the SBDC program funding.

To date, two new grant funding streams have been awarded, but final contracts have not yet been executed and are therefore not yet included in the budget projections:

- California Workforce Development Board – AB1111: Breaking Barriers to Employment
 - Funding amount: \$319,250 with \$224,000 from April 1, 2020 to September 30, 2021 to be subcontracted to Caminar
- California Workforce Development Board – Regional Planning Implementation 3.0
 - Funding amount: \$325,000 for the North Bay Region with a \$157,500 anticipated subcontract for Solano from Sonoma

To date, two grant funding streams are pending and could change the program year budget for the last quarter:

- California EDD Disability Employment Accelerator – submitted December 2, 2019
 - Potential funding: \$194,400 for 18 months
- California EDD Veteran Employment-Related Assistance Program – submitted December 6, 2019
 - Potential funding: \$500,000 for 18 months

Additionally, the Small Business Development Center (SBDC) and the Business Services unit have been developing fee-for-service seminars and trainings, as well as seeking sponsorships for events and activities. They have held their first such training. The WDB is also in the final stages of applying to be a Social Security Administration Employment Network, which will generate revenue in the coming program years.

Grant Program Funding Changes:

This discussion will focus on changes that are + / - 10%, or more

- Youth is adjusted to reflect a decrease of \$154,220 to allow for carry-over funds into program year 2020-21.
- Disability Employment Accelerator is adjusted to reflect the return of \$32,188 to the state, generally due to contract with Solano County Office of Education (SCOE) for the Disability Resources Navigator (DRN) coming in under budget. The grant ended December 2019.

Expenditures - 2018-19

The expenditure levels are current calculations and estimates of what will be required to operate programs for the remainder of the 2019-20 year.

Unknowns:

- Costs incurred by WIOA Youth Contractor – Solano County Office of Education (SCOE)

- Incumbent Worker and Transitional Employment services continue to be rolled out and the amount of funds that will be expended is an estimate.

Explanation of Line-items:

This discussion will primarily focus on changes that are +/- 10%, or more

Direct Program Costs benefit job seekers, enrolled clients, and the business community:

- Training services provide vocational and “job keeping” skills, along with the support services needed to enable a participant to succeed in the training program. These costs in the three Training line-items can be seen as an integrated group. A comprehensive program review re-allocated these three line-items with a net decrease of \$69,825.
 - Vocational Skills training enrollment has been lower than anticipated this program year; however, work-based learning and incumbent worker training has been in higher demand. As such, funds were taken from vocational skills training and added to the work-based learning line item.
- Job Search Support Services costs include transportation and childcare, program fees and supplies that enable clients to complete their programs. A comprehensive program review reduced the line-item by \$22,375.

Partners: Project Services costs included the discretionary DEA grant only. The grant ended December 2019 and +/- \$31,993 will be returned to the state. These returned funds are generally due to our subcontract for the Disability Resources Navigator (DRN) coming in under budget.

Personnel: Salaries + Benefits/Taxes costs includes salaries and benefits/payroll taxes. The budget includes new medical benefit premiums and fees. Staffing vacancies for the CalWORKS (Success Track and Pathway to Employment) contracts are currently frozen due to background check requirements from Health and Social Services. The budgeted amount includes the full 5% possible “retirement bonus” contribution.

Operating Expenses:

- Facilities includes rent and maintenance costs. This line item has been reduced to effectively capture the savings in utilities recognized by moving the Fairfield office to 500 Chadbourne.
- Communications\... costs increased in general due to addition of digital outreach and added Prison to Employment costs.
- Supplies\... costs decreased due to reassessment of actual and anticipated supply costs.
- Professional Development costs cover both staff and Board members. The budgeted cost is decreased generally due to reduction in cost of Human Centered Design training for AJCC Partners.
- Accounting / Legal... costs include accounting fees, property and directors’ insurance, legal, and County overhead and audit costs. Both County overhead and audit are set fees, calculated by formula, for services rendered. The budget amount has been increased generally due to increased County CAO and Auditor fees, as well as an anticipated increase in legal fees.

BACKGROUND:

The Budget Approval Process:

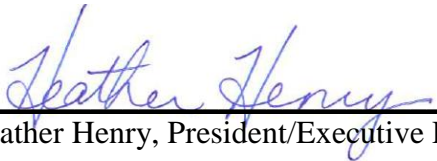
This is the third FY2019/20 budget to be presented to the WDB. It is typical for the organizational budget to be modified at least three times throughout a program year:

- The first modification included final grant allotments, replacement of estimated funds carried over from the prior year with the actual amounts, recalculated line-item expenditure amounts to replace estimates, changes in service delivery strategies.
- This subsequent modification is the result of changes in available grant funding and program design at midyear.
- A third quarter modification is anticipated, reflecting changes in available grant funding and program design.

The WDB's budget responsibility to the County has already been satisfied by the submission of a budget for the 2019-20 year. The County budget cycle is timed differently than the WDB cycle. Changes may be made to the County budget for new grant awards and during the standard modification periods to align it with the WDB-approved program operation budgets.

REPORT PREPARED BY:

Heather Henry, President/Executive Director and Kirsti Muskat, Interim Fiscal Director. Please contact Heather at 707-863-3501 if you have any questions regarding the information outlined in this report.



Heather Henry, President/Executive Director

REVENUE and EXPENDITURE

Program Year of JULY 2019 through JUNE 2020

	(1)	(2)	(3)	(4)	(5)	(6)
GRANT FUNDING	FUNDING	%	FUNDING	%	DIFFERENCE	%
	2019/20	Share of	2019/20	Share of	Increase or	Change
	Approved 09/19	Budget	Projected 01/20	Budget	(Decrease)	
WIOA Formula Allocations:						
Adult	1,049,403	16.8%	1,063,984	17.2%	\$14,581	1%
Youth	1,372,599	22.0%	1,218,379	19.7%	(154,220)	-11%
Dislocated Workers	1,018,159	16.3%	1,076,864	17.4%	58,705	6%
Administration	346,611	5.5%	373,247	6.0%	26,636	8%
Rapid Response	211,708	3.4%	211,829	3.4%	121	0%
SUB-TOTAL ALLOCATED WIOA:	\$3,998,480	64.0%	\$3,944,303	63.9%	(\$54,177)	-1.4%
Other:						
TANF Success Track Subsidized Employment	700,000	11.2%	700,000	11.3%	\$0	0%
TANF Pathway to Employment	500,000	8.0%	500,000	8.1%	0	0%
WIOA Prison 2 Employment	154,095	2.5%	154,095	2.5%	0	0%
WIOA Regional Planning & Capacity Building	126,622	2.0%	126,622	2.1%	0	0%
WIOA Work Based Learning Accelerator	14,351	0.2%	14,351	0.2%	0	0%
WIOA Disability Employment Accelerator	147,094	2.4%	114,906	1.9%	(32,188)	-22%
Solano Small Business Development Center	314,354	5.0%	328,707	5.3%	14,353	5%
Tipping Point North Bay Fire Response	293,019	4.7%	293,019	4.7%	0	0%
SUB-TOTAL DISCRETIONARY:	\$2,249,535	36.0%	\$2,231,700	36.1%	(\$17,835)	-0.8%
TOTAL	\$6,248,015	100.0%	\$6,176,003	100.0%	(\$72,012)	-1.2%

	(1)	(2)	(3)	(4)	(5)	(6)
LINE-ITEM BUDGET	BUDGET	%	BUDGET	%	DIFFERENCE	%
	2019/20	Share of	2019/20	Share of	Increase or	Change
	Approved 7/19	Budget	Proposed 01/20	Budget	(Decrease)	
Direct Program Costs:						
Training: Vocational Skills	\$656,688	10.5%	\$580,688	9.4%	(\$76,000)	-12%
Training: On-the-Job / Work Based Learning / Incumbent	87,000	1.4%	143,000	2.3%	56,000	64%
Training-Related: Support Services / Fees & Supplies	127,450	2.0%	100,000	1.6%	(27,450)	-22%
Job Search: Success Track Wage Subsidy	95,000	1.5%	95,000	1.5%	0	0%
Job Search: Support Services / Fees & Supplies	69,825	1.1%	47,450	0.8%	(22,375)	-32%
Youth: Apprenticeships / Work Based Learning	35,308	0.6%	35,308	0.6%	0	0%
Youth: Vocational Skills / Support Services	52,000	0.8%	52,000	0.8%	0	0%
Youth: Contracted Services-Youth Work Experience	67,743	1.1%	67,743	1.1%	0	0%
Youth: Contracted Services	229,516	3.7%	229,516	3.7%	0	0%
Programs: Services	56,000	0.9%	57,000	0.9%	1,000	2%
Business Services	93,252	1.5%	96,456	1.6%	3,204	3%
Workforce System: AJCC / Outreach	94,500	1.5%	94,500	1.5%	0	0%
Program Design: Research / Software / Materials	29,500	0.5%	29,500	0.5%	0	0%
Sub-total	\$1,693,782	27.1%	\$1,628,161	26.4%	(\$65,621)	-3.9%
Regional: Planning / Training / Employer Engagement	\$96,956	1.6%	\$96,956	1.6%	\$0	0.0%
Partners: Project Services	\$76,194	1.2%	\$44,201	0.7%	(\$31,993)	-42.0%
Personnel: Salaries + Benefits/Taxes	\$3,543,555	56.7%	\$3,598,030	58.3%	\$54,475	1.5%
Operating Expenses:						
Facilities	455,838	7.3%	\$402,006	6.5%	(\$53,832)	-12%
Communications & Information Network / Equipment / Software	108,097	1.7%	142,135	2.3%	34,038	31%
Supplies / Printing / Postage / Furniture-Office Equipment	72,797	1.2%	55,445	0.9%	(17,352)	-24%
Professional Development	46,902	0.8%	30,014	0.5%	(16,888)	-36%
Employee Mileage	33,700	0.5%	31,697	0.5%	(2,003)	-6%
Accounting / Legal / D&O Insurance / County CAO & Auditor	120,194	1.9%	147,358	2.4%	27,164	23%
Sub-total	\$837,528	13.4%	\$808,655	13.1%	(\$28,873)	-3.4%
TOTAL	\$6,248,015	100.0%	\$6,176,003	100.0%	(\$72,012)	-1.2%

EXPENDITURE REPORT
Program Year of JULY 2019 through JUNE 2020

GRANT FUNDING	FUNDING 2019/20 Available 7/1/19	% Share of Budget	EXPENDITURES thru 12/31/19	OBLIGATIONS	% Expended + Obligated	FUNDS AVAILABLE @ 01/01/20
WIOA:						
Adult	\$1,049,403	16.8%	\$427,660	\$114,698	52%	\$507,045
Youth	1,372,599	22.0%	370,236	347,543	52%	654,820
Dislocated Workers	1,018,159	16.3%	386,703	131,520	51%	499,936
Administration	346,611	5.5%	191,652	0	55%	154,959
Rapid Response	211,708	3.4%	126,550	0	60%	85,158
SUB-TOTAL ALLOCATED WIOA:	3,998,480	64.0%	1,502,801	593,761	52%	1,901,918
OTHER:						
TANF Success Track Subsidized Employment	700,000	11.2%	322,379	24,354	50%	353,267
TANF Pathway to Employment	500,000	8.0%	186,906	0	37%	313,094
WIOA Prison to Employment	154,095	2.5%	3,803	0	2%	150,292
WIOA Regional Planning & Capacity Building	126,622	2.0%	23,488	57,478	64%	45,656
WIOA Work Based Learning Accelerator 6.0	14,351	0.2%	14,350	0	100%	1
WIOA Disability Employment Accelerator	147,094	2.4%	79,233	0	54%	67,861
Solano Small Business Development Center	314,354	5.0%	152,422	0	48%	161,932
North Bay Fire Response	293,019	4.7%	203,607	7,295	72%	82,117
SUB-TOTAL DISCRETIONARY:	2,249,535	36.0%	986,188	89,127	48%	1,174,220
TOTAL	\$6,248,015	100.0%	\$2,488,989	\$682,888	51%	\$3,076,138

LINE-ITEM BUDGET	BUDGET 2019/20 Approved 7/19	% Share of Budget	EXPENDITURES thru 12/31/19	OBLIGATIONS	% Expended + Obligated	BUDGET BALANCE @ 01/01/20
Direct Client Costs:						
Training: Vocational Skills	\$656,688	10.5%	\$147,247	\$155,934	46%	\$353,507
Training: On-the-Job-Training / Work Based Learning	87,000	1.4%	37,436	30,826	78%	18,738
Training-Related: Support Services / Fees & Supplies	127,450	2.0%	17,396	8,157	20%	101,897
Job Search: Success Track Wage Subsidy	95,000	1.5%	41,550	24,354	69%	29,096
Job Search: Support Services / Fees & Supplies	69,825	1.1%	24,171	7,395	45%	38,259
Youth: Apprenticeships / Work Based Learning	35,308	0.6%	35,370		100%	-62
Youth: Vocational Skills / Support Services	52,000	0.8%	1,303	13,320	28%	37,377
Youth: Contracted Services-Work Experience	67,743	1.1%	0	73,908	109%	-6,165
Youth: Contracted Services	229,516	3.7%	0	241,091	105%	-11,575
Program Services	56,000	0.9%	0	0	0%	56,000
Business Services	93,252	1.5%	42,542		46%	50,710
Workforce System: AJCC / Outreach	94,500	1.5%	8,858	70,425	84%	15,217
Program Design: Research / Software / Materials	29,500	0.5%	0	0	0%	29,500
Sub-total	1,693,782	27.1%	355,873	625,410	58%	712,499
Regional: Planning / Employer Engagement	96,956	1.6%	21,428	57,478	81%	18,050
Partners: Project Services	76,194	1.2%	37,343	0	49%	38,851
Personnel: Salaries + Benefits/Taxes	3,543,555	56.7%	1,683,272	0	48%	1,860,283
Overhead:						
Facilities	455,838	7.3%	176,782	0	39%	279,056
Communications & Information Network / Equip / Softwar	108,097	1.7%	46,505	0	43%	61,592
Supplies / Printing / Postage / Furniture-Office Equipmen	72,797	1.2%	31,695	0	44%	41,102
Professional Development	46,902	0.8%	26,409	0	56%	20,493
Employee Mileage	33,700	0.5%	11,822	0	35%	21,878
Accounting / Legal / D&O / County CAO & Auditor	120,194	1.9%	97,858	0	81%	22,336
Sub-total	837,528	13.4%	391,073	0	47%	446,455
TOTAL Expenditure Budget	\$6,248,015	100.0%	\$2,488,989	\$682,888	51%	\$3,076,138