



WORKFORCE DEVELOPMENT BOARD

OF SOLANO COUNTY

BUDGET COMMITTEE

Friday, February 22, 2019 8:30 – 10:00 a.m.

320 Campus Lane, Training Room 7

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 December 4, 2018 Meeting Minutes
 - B. Review and Approval of FY18/19 Budget Modifications
- V. Adjournment**

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

MINUTES
BUDGET COMMITTEE MEETING
December 4, 2018

I. Welcoming/Convening

Committee Chair, Mario Giuliani, called the meeting to order at 8:33 a.m. Quorum was established.

Members Present: Mario Giuliani (Chair), Fadi Halabi, Tim Healer

Members Absent: Dr. Celia Esposito-Noy

Staff Present: Heather Henry, Kitt Lee, Tammy Gallentine, Chainey Brown

Ms. Henry welcomed Mr. Healer to the Budget Committee and thanked him for his attendance.

II. Additions and/or Deletions from the Agenda

There were no additions to or deletions from the agenda.

III. Public Comment

There were no public comments.

IV. Action Items

A. Approval of August 31, 2018 Meeting Minutes

MOTION #1

A motion was made and seconded to approve the Consent Calendar. (Halabi/Healer) MOTION PASSED UNANIMOUSLY.

V. Discussion Items

A. Review of FY18/19 Expenditure Report

Ms. Lee gave a detailed overview of agenda item **V.A Review of FY18/19 Expenditure Report**, which was included as part of the agenda package and incorporated herein. Ms. Lee noted there is a focus on the youth grant and concern with the expenditure of youth experience. In reviewing the chart provided in the agenda package. Some items showing 0% spent are lump sum expenses.

Ms. Lee highlighted that the amounts in green represent federally mandated expenditures. Not spending the required percentage of a particular grant could result in forfeiture of remaining funds. With much of the focus on the youth program, contracting out youth services would make the biggest impact on youth expenditures. The state is looking at doing a waiver for youth grant to reduce the percentage required to spend.

B. Review of FY18/19 October Budget Analysis

Ms. Lee gave an overview of agenda item **V.B Review of FY18/19 October Budget Analysis**, which was included as part of the agenda package and incorporated herein. The attached charts which included a list of the budgeted line items were reviewed in detail explaining that there is movement within the overall budget throughout the fiscal year.

Staff is improving enrollment and delivery of services and will continue to work with case management and contract out other services. The goal is also to focus on targeted youth populations such as disabled youth and youth in foster care. There is a requirement to contract out some of youth services.

There was also an increase in the budget for Communications-Information Network/Equip-Software due to previous issues with the network provider. There is currently an interim IT Manager providing monthly service but an RFP will be going out to identify a service provider on a contract basis. This will also provide an opportunity to upgrade the current Microsoft license and possibly move to Office 365.

C. Financial Impact of Negotiations

Ms. Lee provided a chart outlining a comparison of the approved salary and benefit budget with recalculations. The recalculations include the proposed salary increases and the new savings in benefits. Initially, a staff person was to be hired to oversee the new Fire Grant however a staff person was given a salary increase as an Interim Project Lead which resulted in a savings in paid salaries. There was also a savings in benefits with vision and life. Overall, there is currently a 3.5% savings since the original budget was approved.

D. Review of the Youth Contract Funding

Ms. Henry announced the Board of Directors approved a Youth Contract of up to 25% of the youth budget, approximately \$300,000. Staff would like to start the RFP between \$150,000 and \$200,000. There will be some draw down from some line items that are underspent and will be reallocated to the fund the youth contract. It is important to ensure there is enough money in the contract so the contractor is successful.

V. Other Business

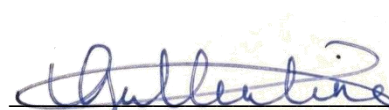
There was no further business discussed.

VI. Adjournment

The meeting was adjourned at 9:37 a.m.

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

Respectfully submitted by:



Tammy Gallentine, Executive & Board Support Specialist



WORKFORCE DEVELOPMENT BOARD
OF SOLANO COUNTY

AGENDA SUBMITTAL

SUBJECT: Review and Approval of FY 18-19 Budget Modifications	MEETING DATE February 22, 2019	AGENDA ITEM IV.B
FROM: Heather Henry President/Executive Director	ACTION REQUIRED YES ✓ NO	ATTACHMENTS A

RECOMMENDATION:

Attached is a proposed modification to the 2018-19 agency budget, presented to the Budget Committee of the Workforce Development Board of Solano County (WDB) for consideration at its February 22nd meeting. This proposed budget will be reviewed by the Committee for consideration of recommendation of approval to the WDB at its March 15th meeting.

SUMMARY:

Funding allocations for the grants have been received for program year 2018-19. This budget has been adjusted to include funding award changes and to match spending trends. This modified 2018-19 year budget of \$6,570,902 represents an overall increase of \$56,958, or + 0.9%, in available grant funding from the September modification of the 2018-19 budget.

DISCUSSION:

Influences on the Agency Budget:

The WDB uses its various program resources to provide effective services to job seekers; ranging 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 has a number of tasks/activities the local Workforce Development Board must perform 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 training for the enrolled job seekers.

Revenue – 2018-19:

Unknowns:

---The amount of discretionary funding that may be awarded in 2018-19 may change; there are currently several possibilities for additional funding.

Expenditures - 2018-19:

The expenditure levels are current calculations, and estimates, of what will be required to operate programs for the remainder of the 2018-19 year.

Unknowns from the September budget:

---*Vallejo AJCC supporting cost structure and the level of Partner participation in sharing costs;*

The shared costing has been updated with the WDB amount for the period ending August 2018 is included at \$4,700.

---changes in availability of suitable vocational training;

Finding eligible training sites for use with WIOA funds continues to be a challenge.

---cost to increase access to suitable Youth work experience sites and to enhance Youth services;

A Request for Proposal for youth services will soon be released; the funding for the contract is included in this budget at \$250,000 for services from June 2019 through March 2020.

---cost to finish the stabilization and upgrade of the communication and information network;

A solicitation for a Managed IT Service Provider will soon be released, and an upgrade to our Microsoft Office software is planned.

---insurance premium increases; Healthcare, Workers Comp, Liability, Directors & Officers;

The costs for the year have been determined.

Revenue and Expenditure Detail:

◆ **Chart A:** This chart compares the Grant Funding and the corresponding Line-Item Budget for the 2018-19 year, to the approved September budget modification.

➤ **Revenue - Grant Program Funding:**

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

WIOA Prison 2 Employment Project grant is newly awarded to NBEC. The Solano share of the award will be approximately \$500,000. Solano with the largest population of justice involved individuals will receive the largest share amongst the NBEC partners. This program will require extensive collaboration with community partners to provide the range of services needed for the program participants to reach their employment goals. The initial budget amount is \$15,000 to support the initial coordinated planning with local services and resources that will be critical to the success of the project.

WIOA Regional Organizer & Training Coordinator funds for NBEC have been increased to assist with the enhancement of regional cooperation and effectiveness, and collaboration within NBEC for capacity building, and updating the structural organization of the NBEC regional activities. The total grant amount is \$161,060 with \$11,160 in this budget for startup. The grant runs April 2019 – March 2020. The Fiscal Agent responsibility for this new NBEC grant is with Solano.

Solano Small Business Development Center (SBDC) is now under the direction of the Solano WDB and has been relocated to the 320 Campus Lane Building as of January 2019. The \$279,579 for project funding includes one federal grant, two state grants, and required In-Kind match, to support the program activities. The initial grants run through September and December 2019. The amount in this budget is the estimate through June 30, 2019.

North Bay Fire Response is a \$500,000 grant from Tipping Point Community Emergency Relief Fund to fund targeted employment services for Solano residents affected by the North Bay Fires of October 2017, and low-income Vallejo residents. The project will also support Solano County small businesses to take advantage of fire rebuilding contracts, thereby expanding the job opportunities for Solano residents. The program is currently successfully serving up to 50 job seekers with “quick-hit”, low cost interventions. The amount budgeted through June 30, 2019 has been reduced to reflect the current service pattern.

➤ **Expenditures - 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 skills and “job keeping” skills, and the support services needed to enable a participant to succeed in the program. These costs in the three Training line-items can be seen as an integrated group.

This budget shifts funds from OJT to Vocational Training to meet a greater demand. A reduction to the line item for Support Services shifts costs to Vocational Training, and for Fire Response participants, to Job Search support, fees, and supplies.

Job Search Support Services costs for transportation and childcare, program fees and supplies, enable clients to complete their programs. The increase is primarily due to the Fire Response project which provides immediate services to stabilize and assist the participant find employment; including clothing, gas, fees for skills classes, etc.

Youth Services: four line-items; one for Work Experience/Apprenticeships, two for Contracted Services, and one for Vocational Skills can be viewed as a group. The budget for this group has increased only \$27,000 while there is a significant internal shift of funds to the Contracted Services totaling \$250,000.

Workforce System: AJCC Services / Outreach... costs include basic career services in the AJCC with all job seekers and employers able to access these services. A range of business services are made available to employers; recruitments, the Career Fair, and layoff aversion. The increase in budgeted cost is primarily due to the addition of Business Advisors serving employers under the SBDC grant.

Personnel cost includes salaries and benefits/payroll taxes. The budget has been minimally reduced to include the impact of staffing changes, actual cost of health insurance benefits. Staffing costs may fluctuate with changes in program’s funding and purposes. An estimated amount for a negotiated salary increase has been included in the budget.

Operating Expenses include:

Professional Development costs cover both staff and Board members. The budgeted cost is increased to cover the cost of Human Centered Design training for AJCC Partners. The WDB will contract with a consulting firm to provide the training and follow-up with assistance to partners in implementing design changes.

Accounting / Legal... costs have been accounting fees, directors’ insurance, and legal assistance with contracting, personnel issues, negotiating with the employee bargaining unit. County costs include a set fee, calculated by formula, for services rendered, and the amount for the one-time audit fee imposed each year. The budget amount has been increased to cover the additional legal costs incurred since July.

BACKGROUND:

The Budget Approval Process:

This is the third budget to be presented to the WDB; it is typical for the agency budget to be modified at times throughout a program year;

- This 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; and

- This subsequent modification is the result of 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 2018-19 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.

ALTERNATIVES:

The WDB may reject the program budget as presented and require a different approach to allocating the financial resources. The WDB is expected, as stewards of public funds, to employ a budgeting process that will ensure the proper use of federal funds. The means and timing of this budget oversight is determined by the WDB, which can give further guidance to staff in order to redraft an alternative budget for subsequent WDB approval.

REPORT PREPARED BY: Kitt Lee, Fiscal/Information Manager. Please contact Kitt at 707-863-3514 if you have any questions regarding the information outlined in this report.

Heather Henry, President/Executive Director

Workforce Development Board of Solano County

REVENUE and EXPENDITURE PROJECTION

Program Year of JULY 2018 through JUNE 2019

	(1)	(2)	(3)	(4)	(5)	(6)
GRANT FUNDING	FUNDING	%	FUNDING	%	DIFFERENCE	%
	2018/19	Share of	2018/19	Share of	Increase or	Change
	Approved 09/18	Budget	Available 2/19	Budget	(Decrease)	
WIOA Formula Allocations:						
Adult	\$1,141,076	17.5%	\$1,141,076	17.4%	\$0	0%
Youth	1,266,151	19.4%	1,261,151	19.2%	(5,000)	0%
Dislocated Workers	1,282,411	19.7%	1,282,411	19.5%	0	0%
Administration	400,211	6.1%	400,211	6.1%	0	0%
Rapid Response	259,809	4.0%	278,332	4.2%	18,523	7%
SUB-TOTAL ALLOCATED WIOA:	\$4,349,658	66.8%	\$4,363,181	66.4%	\$13,523	0.3%
Other:						
TANF Success Track Subsidized Employment	700,000	10.7%	700,000	10.7%	0	0%
TANF Pathway to Employment	500,000	7.7%	500,000	7.6%	0	0%
WIOA Prison 2 Employment	0	0.0%	15,000	0.2%	15,000	100%
WIOA Regional Planning & Capacity Building	226,609	3.5%	251,369	3.8%	24,760	11%
WIOA Work Based Learning Accelerator	129,036	2.0%	119,473	1.8%	(9,563)	-7%
WIOA Disability Employment Accelerator	262,814	4.0%	242,814	3.7%	(20,000)	-8%
Solano Small Business Development Center	0	0.0%	127,112	1.9%	127,112	100%
Tipping Point North Bay Fire Response	345,827	5.3%	251,953	3.8%	(93,874)	-27%
SUB-TOTAL DISCRETIONARY:	\$2,164,286	33.2%	\$2,207,721	33.6%	\$43,435	2.0%
TOTAL	\$6,513,944	100.0%	\$6,570,902	100.0%	\$56,958	0.9%

	(1)	(2)	(3)	(4)	(5)	(6)
LINE-ITEM BUDGET	BUDGET	%	BUDGET	%	DIFFERENCE	%
	2018/19	Share of	2018/19	Share of	Increase or	Change
	Approved 9/18	Budget	Proposed 2/19	Budget	(Decrease)	
Direct Program Costs:						
Training: Vocational Skills	\$606,282	9.3%	\$667,780	10.2%	61,498	10%
Training: On-the-Job / Work Based Learning / Incumbent	170,000	2.6%	122,000	1.9%	(48,000)	-28%
Training-Related: Support Services / Fees & Supplies	202,350	3.1%	152,600	2.3%	(49,750)	-25%
Job Search: Success Track Wage Subsidy	95,000	1.5%	95,000	1.4%	0	0%
Job Search: Support Services / Fees & Supplies	15,150	0.2%	54,100	0.8%	38,950	257%
Youth: Work Experience / Apprenticeships	182,986	2.8%	75,986	1.2%	(107,000)	-58%
Youth: Contracted Services-Work Experience	0	0.0%	175,000	2.7%	175,000	100%
Youth: Contracted Services	50,000	0.8%	75,000	1.1%	25,000	50%
Youth: Vocational Skills / Work Based Learning / Services	101,000	1.6%	35,000	0.5%	(66,000)	-65%
Youth: Incentives / Support Services / Fees	18,700	0.3%	18,700	0.3%	0	0%
Workforce System: AJCC / Outreach / Business Services	144,115	2.2%	178,295	2.7%	34,180	24%
Program Design: Research / Equipment-Software / Materials	125,600	1.9%	127,500	1.9%	1,900	2%
Sub-total	1,711,183	26.3%	1,776,961	27.0%	65,778	3.8%
Regional: Planning / Training / Employer Engagement	120,003	1.8%	120,603	1.8%	600	0.5%
Partners: Project Services	114,000	1.8%	114,000	1.7%	0	0.0%
Personnel: Salaries + Benefits/Taxes	3,617,366	55.5%	3,580,617	54.5%	(36,749)	-1.0%
Operating Expenses:						
Facilities	555,070	8.5%	555,070	8.4%	0	0%
Communications & Information Network / Equipment / Software	148,565	2.3%	148,565	2.3%	0	0%
Supplies / Printing / Postage / Furniture-Office Equipment	42,295	0.6%	42,295	0.6%	0	0%
Professional Development	64,415	1.0%	73,944	1.1%	9,529	15%
Employee Mileage	34,240	0.5%	34,240	0.5%	0	0%
Accounting / Legal / D&O Insurance / County CAO & Auditor	106,807	1.6%	124,607	1.9%	17,800	17%
Sub-total	951,392	14.6%	978,721	14.9%	27,329	2.9%
TOTAL	6,513,944	100.0%	6,570,902	100.0%	56,958	0.9%