



Workforce Development Board (WDB) Budget Informational Session Agenda

Date: Tuesday, June 02, 2020
Time: 11—12:30 p.m.
Place: <https://us02web.zoom.us/j/87022804240>
Password: **801544**

Welcome and Introductions

- Chair calls the meeting to order and provides update
- Non-agenda public comment

Agenda Items

Information Items:

- | | |
|------------------------------------|---|
| Item 1: FY21 Budget | 2 |
| Item 2: Revenue Strategy & Outlook | 5 |

Next Meeting: June 18th, 8am – 9:30am

PUBLIC COMMENT: Members of the public may address the Board on issues on this agenda (three minutes per subject) and/or other items within the Board's scope. To speak, please use the "raise hand" function at the time of public comment. SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

Item 1: FY21 Budget

INFORMATION ITEM – NO VOTE REQUIRED

Peter Callstrom (CEO) and April House (COO) will walk through the FY 21 budget, including confirmed revenues and planned expense categories.

FY21 REVENUE

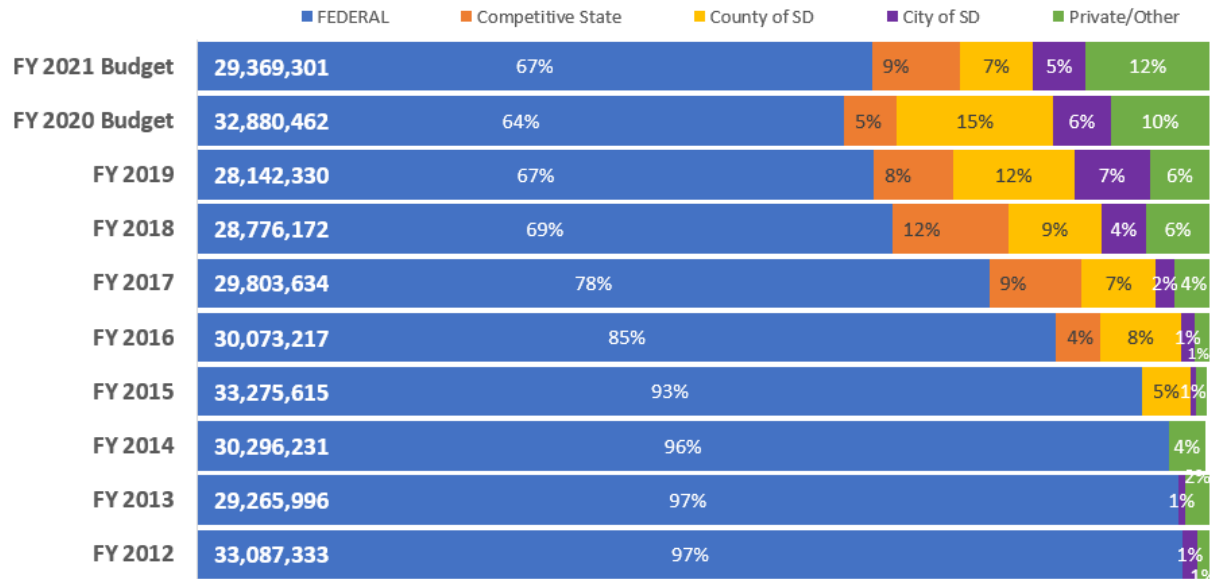
Revenue (*fig. 1*) is planned at \$29.3M or \$3.5M lower than the \$32.8M FY20 revised budget approved by the Board on December 5, 2019, a decrease of 10.7%. Revenue diversification is depicted over time (*fig. 2*) demonstrating growth in non-federal funding sources year over year prior to FY21. Non-federal revenue for FY21 is 8% less than last fiscal year due to reductions in San Diego County funding.

- **Strategy #1: Workforce Innovation and Opportunity Act (WIOA) Formula Funds** – These are funds received each year because the Workforce Partnership serves as the local Workforce Board for San Diego County. WIOA formula funds decreased by approximately 6% or \$1.3M.
- **Strategy #2: Grants / Contracts** – These are competitive and non-competitive grants and contracts we receive from federal, state, and local government, as well as businesses and private foundations. This category decreased by 31% or \$2.7M from the previous budget due to the loss of the County of San Diego Expanded Subsidized Employment (ESE) program.
- **Strategy #3: Income Share Agreements** – Income share agreements increased 26% or \$0.5M from previous budget. This increase is primarily related to planned funding in FY21 from the original fundraising efforts for the Workforce ISA Fund.
- **Strategy #4: CalFresh Employment and Training** – This is an uncapped reimbursement program we are now administering on behalf of the County of San Diego.

Figure 1: Two Budget Cycle Revenue Comparison

| | FY21 | FY20 | \$ Difference | % Difference |
|---|---------------------|---------------------|----------------------|--------------|
| Strategy #1: WIOA Formula Funds | \$ 19,569,596 | \$ 20,888,144 | \$ (1,318,548) | (6%) |
| Strategy #2: Grants / Contracts | \$ 6,041,509 | \$ 8,706,129 | \$ (2,664,620) | (31%) |
| Strategy #3: Income Share Agreements | \$ 2,258,196 | \$ 1,786,189 | \$ 472,007 | 26% |
| Strategy #4: CalFresh Employment and Training | \$ 1,500,000 | \$ 1,500,000 | \$ - | 0% |
| Total | \$29,369,301 | \$32,880,462 | \$(3,511,160) | (11%) |

Figure 2: Revenue by Funding Source



FY21 EXPENSES

The Workforce Partnership categorizes expenses in three categories (*fig. 3*):

- Central Operations:** Includes executive, finance operations and support services. A 7% or \$0.15M decrease in spending is planned in this category, driven primarily by a reduction in staffing.
- Direct Program Support:** This category includes expenses that directly support specific grant programs and/or functions. The following departments are included in this category: Adult, Youth, Regional Planning, Businesses Services, Research, Communications, IT, Facilities, and Human Resources. Overall, there was a reduction of 7% or \$0.5M decrease in spending is planned in this category, driven primarily by a reduction in staffing.
- Programs & Contracts:** Services provided to program participants through contracted providers, including training funds, supportive services, and direct service staff (the America’s Job Centers of CA, WIOA Youth Contracts, etc.). The Workforce Partnership anticipates a decrease of 12% or \$2.9M which is primarily due to the loss of the County of San Diego Expanded Subsidized Employment (ESE) program.

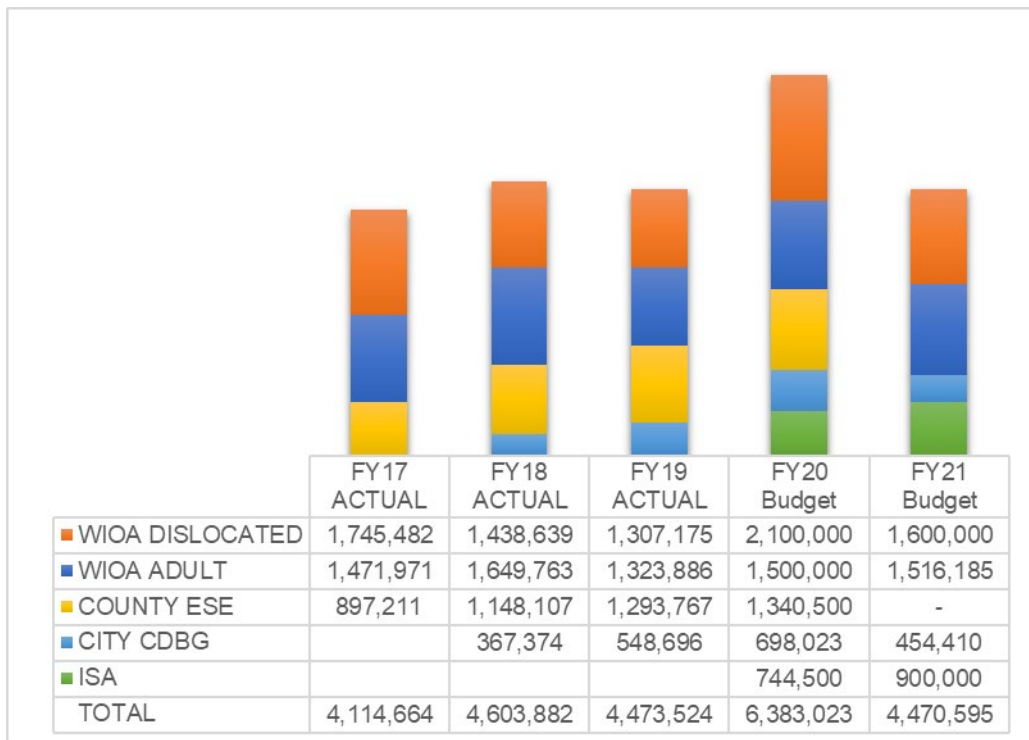
Figure 3: Planned Expense Categories

| (Thousands) | FY21 BUDGET | FY20 BUDGET | \$ Difference | % Difference |
|------------------------|---------------|---------------|----------------|--------------|
| Central Operations | 2,185 | 2,339 | (154) | (7%) |
| Direct Program Support | 6,438 | 6,945 | (507) | (7%) |
| Programs & Contracts | 20,747 | 23,597 | (2,850) | (12%) |
| Total | 29,369 | 32,880 | (3,511) | (11%) |

FY21 TRAINING DOLLARS

The Workforce Partnership invests in individuals in the community by providing training dollars (financial assistance) in the form of stipends, course registration, wages, etc. to help develop the skills necessary to become successful. The graph below shows our organizations' continued commitment to putting as many dollars back into the community as possible every year (*fig. 4*).

Figure 4: Planned Training Dollars



Item 2: Revenue Strategy & Outlook

INFORMATION ITEM – NO VOTE REQUIRED

Andy Hall (CIO) will facilitate a discussion with the board about the organization's revenue strategy for the next fiscal year.

A PowerPoint slide will be used guide the conversation.