

# The San Diego Consortium Policy Board

## Agenda

Date: Thursday, June 20, 2024

Time: 1:00 pm

Place: San Diego County Administration Center Board of Supervisors Chamber, Room 302  
1600 Pacific Highway, San Diego CA 92101

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### **AGENDA ITEMS – OPEN SESSION:**

Item 1: Non-Agenda Public Comment

### **ACTION ITEMS:**

Item 2: Minutes of the May 23, 2024 Meeting

Item 3: FY25 Proposed Budget Authorization

Item 4: Grant Associates Contract Renewal Authorization

### **INFORMATION ITEMS:**

Item 5: SDWP CEO Updates

### **AGENDA ITEMS – CLOSED SESSION:**

Item 6: PUBLIC EMPLOYMENT

Government Code Section 54957(b)

Title: Interim Executive Director of the San Diego Consortium and Interim  
President and Chief Executive Officer of the San Diego Workforce Partnership,  
Inc.

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**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 complete a Public Comment Form. The SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2900.

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**Item #1: Non-Agenda Public Comment**

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Opportunity for members of the public to speak to the Policy Board on any subject matter within the Policy Board's jurisdiction but not an item on today's agenda.

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**Item #2: Minutes of the May 23, 2024 Meeting**

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**ACTION ITEM – VOTE REQUIRED:**

San Diego Workforce Partnership  
Consortium Policy Board  
Minutes of the May 23, 2024, Meeting

**Members Present**

Monica Montgomery Steppe, Supervisor, County of San Diego, District 4 (Chair)  
Kent Lee, Council Member, City of San Diego, District 6  
Nancy Sasaki, CEO, United Way of San Diego County

**Legal Counsel Present**

David Powell, Deputy City Attorney, City of San Diego  
Randall Sjoblom, Senior Deputy County Counsel, County of San Diego  
Audie de Castro, General Counsel, SDWP

**Staff Present**

Tony Young, Interim President and CEO  
Khaleda Atta, COO  
A. Aceves, VP of Programs  
Carlynn Yu, VP of Finance

**Location**

San Diego County Administration Center Board of Supervisors Chamber, Room 302  
1600 Pacific Highway, San Diego CA 92101

All reports, memoranda, and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by Supervisor Montgomery Steppe at 1:13 pm, with a quorum.

**Non-Agenda Public Comment**

*Item 1*      **Non-Agenda Public Communication**  
None

## Information Item

### Item 2      **FY25 Draft Budget**

C. Yu overviewed the FY24 budget. She reported that the initial budget for the year was \$36.5 million. The current trend projects the year-end total to be \$36 million. As of the end of Q3, expenditures stood at \$25.2 million.

C. Yu explained that there is typically a ramp-up in spending towards the end of the fiscal year due to the completion of various training cohorts. These cohorts finish their programs, including training and schooling, towards the end of the fiscal year, which accounts for the increased spending.

In addition, she highlighted various factors contributing to major variances in expense categories. These included challenges in recruitment and restructuring, resulting in reduced spending on headcount-related expenses. Additionally, increased professional fees, attributed to higher legal and consulting costs, were noted.

Other factors that impacted spending were decreased attendance at conferences and low enrollment in specific programs, such as ERiCA, Healthcare, P2E, and the Dislocated Worker.

To address these challenges, efforts will focus on enhancing recruitment, managing professional fees, and intensifying outreach for the Dislocated Worker to attract more qualified participants.

C. Yu discussed the FY25 budget. She announced that the State cut \$1.8 million in funding for the Expanded Subsidized Employment (ESE) program. SDWP has eight staff members working on the ESE and had planned to reassign these employees to fill out vacant positions.

C. Yu noted that unrestricted funds of up to \$2.7 million are available to cover any gaps, ensuring adequate coverage. Close monitoring throughout the fiscal year will be essential to avoid surprises, with the programs team regularly assessing spending.

Comparing the FY24 and FY25 budgets, an increase is observed, mainly in personnel costs projected to rise from 130 to 152 employees, though this will be adjusted due to the ESE funding cut. Professional fees have increased due to a capacity-building grant from the Irvine Foundation and rising legal fees. Supportive services spending will also rise, driven by state grants and efforts to enhance service delivery. Contractor payments will see a \$5.6 million increase, primarily due to the HIRA program.

C. Yu highlighted key focus areas in FY25 including timing of events, hiring personnel, and managing subrecipients, which involves board approval. Careful planning is essential to ensure targets are met. Major grants such as the state EMS Fire Pilot Pathways and Peer Support and the CWDB (High Road Construction Careers, Resilient Workforce (HRCC RWF) require significant ramp-up in spending. The EMS grant totaling \$10 million and expiring in June 2026, has only seen \$750,000 spent to date. Similarly,

the CWDB HRCC grant, with a budget of \$6.4 million and the same expiration date, has only had \$621,000 spent so far. The target for this program in FY25 is to spend \$2.2 million. Efforts will focus on significantly increasing expenditures in FY25 to meet grant targets.

N. Sasaki inquired about the FY24 budget versus the FY25 budget regarding the visibility of funding received in previous years and how it is reflected in the intended spending for the current year. Due to the lack of financial statements, it was difficult to compare carryover amounts and actual expenditures.

C. Yu clarified that full financial statements and detailed data would be provided before voting to ensure well-informed approval decisions.

N. Sasaki requested more information regarding the significant discrepancy between the budgeted amount and spending for the EMS grant.

T. Young clarified that SDWP is currently in the process of ramping up a new program. Significant groundwork was laid over the past year, and the expenditure on equipment and other resources is expected to increase in the coming years.

M. Montgomery Steppe inquired about the details of the EMS program, particularly focusing on its parameters and its connection to similar initiatives by the probation department.

A. Aceves mentioned that the ongoing Request for Proposal (RFP) process, with approximately 10 organizations submitting bids to offer services regarding the program. The team agreed to explore alignment between these efforts and the services offered by other organizations.

M. Montgomery Steppe requested a detailed list of contractors to better understand the budget allocation and the reasons behind the increase in contractors' payments.

K. Lee addressed the presentation of the budget and inquired about its layout compared to traditional financial statements where revenues and expenses are detailed.

T. Young explained the purpose of presenting this item as an informational item to the Policy Board. He acknowledged that the budget discussion should have taken place last month, allowing for more comprehensive preparation and input. This meeting serves as an opportunity for the board members to discuss their expectations and what they want to see in the final budget document to be presented next month.

### *Item 3*

### **SDWP CEO Updates**

T. Young provided an update on ongoing efforts to streamline and optimize the organizational structure. Following previous discussions, it was decided to separate the Compliance and Procurement departments to follow best practices.

Andrew Mochulsky has been appointed as the new Compliance Officer. He was selected through a thorough process involving internal and external panel members and expressed his dedication to improving compliance within the organization.

Additionally, SDWP is recruiting a Procurement Manager and a Procurement Specialist to ensure fair and focused management of contracts, facilities, and other procurement needs. He emphasized the importance of adhering to Diversity, Equity, and inclusion (DEI) principles in the procurement process.

T. Young discussed the ongoing efforts to place more staff on the frontline resulting in identifying five new staff members for the career centers. The goal is to hire a total of eight new staff members. The new hires will help reduce wait times for services, which have already improved from several months ago to approximately 28 days. The objective is to cut this wait time in half by the end of the year through the addition of these new frontline members.

Further organizational restructuring and staff reallocations are planned to enhance efficiency. Specifically, the downtown career center will see reduced staff due to low client flow, with personnel being redirected to the Metro and South County centers where demand is higher. The downtown center, located on the 5<sup>th</sup> floor, incurs no rent, but its staff will be better utilized in other locations. The largest site on Imperial Ave, and South County will now handle clients previously serviced downtown. He added that the public will be informed about the updated service locations to ensure a smooth transition and continued access to services.

T. Young shared that the organization has been awarded a \$1.8 million grant by EDD for Opportunity Youth Adult (OYA) a Career Pathway Program. The program will help young adult participants pursue careers in the medical and other fields. The grant is significant and will involve partnerships with medical organizations, organized labor, and other training providers. This initiative targets individuals aged 18-24. Further details and plans for implementing the grant will be discussed in subsequent meetings.

An update on the strategic plan RFP was highlighted. T. Young announced that New Ways to Work has been selected as the partner for strategic planning. The selection followed a thorough evaluation by a panel. The CEO of New Ways to Work, who has extensive experience in workforce development and was recommended by the Irvine Foundation, will present to the board next month.

Various operational highlights were discussed, including participation in job and resource fairs across the region. T. Young mentioned his presence at events such as the South County Career Center and highlighted his involvement in supporting united domestic workers affected by the flood relief efforts.

Additionally, successful events like the Central Library Career Entry Resource Fair and a refugee job fair at Grossmont College showcased the team's efforts and dedication to the community.

## Action Items

### Item 4 **Minutes of the April 23, 2024 Meeting**

Motion: Board approves the meeting minutes.

*Moved (K. Lee), Seconded (M. Montgomery Steppe) Carried Unanimously*

### Item 5 **Employer of Record Contract Authorization**

K. Atta presented the recommendation of contracting with SUNA as the new employer of record (EOR) service provider. SUNA will be responsible for processing onboarding, payroll, benefits administration, and tax compliance for participants in short-term work-related programs.

The proposed contract with SUNA is for one year and is valued at up to \$250,000. This decision follows the experience with the previous provider, Signature Staffing LLC, which has been contracting for a couple of years. It is anticipated that payroll processing needs will be around \$900,000.

K. Atta added that SUNA was chosen from a shortlist of three firms interviewed, and it is a local company based in downtown San Diego, operating since 2008. The executive team is stable, with most members having over 10 years of tenure.

SUNA has offered favorable terms, including a 21% markup fee for payroll processing and a 4% fee for stipends, with a commitment to these terms for up to two years. The proposed contract is for one year, valued at up to \$250,000.

T. Young emphasized the importance of the decision to use a contractor for processing various financial tasks, including payroll and invoices. He added that this approach is more cost-efficient than having an in-house team manage these tasks.

N. Sasaki inquired about the comparison made with Signature Staffing regarding FY22. She noted that there was about \$1 million in distribution with Signature Staffing and their fees amounted to \$223,000. More clarification was sought on the current budget, noting that \$900,000 was allocated for distributions, but the budget included \$250,000 for fees.

K. Atta clarified that the amount of \$250,000 represents the maximum value to have some parameters on our contract.

Motion: Board approves the new contract recommendation and authorizes SDWP management to execute a contract with SUNA.

*Moved (K. Lee), Seconded (N. Sasaki) Carried Unanimously*

## WIOA Youth Subcontracts Extension Authorization

A. Aceves presented the proposal for the WIOA youth contract renewals, which are set on an annual basis. The proposal renewals included no changes to the number of young participants served or the funding amount from the previous year.

A. Aceves provided an overview of all contractors, contract amounts, terms, and spectrum of services.

She discussed the organizational restructuring and leadership changes, which have prompted a shift in how technical support is provided to partner organizations. It was emphasized that previous approaches, which sometimes led to punitive measures, are being replaced with a coaching and capacity-building model.

She highlighted the team's commitment to the new direction including revamped training initiatives and a shift from quarterly to monthly reporting to better address partner challenges promptly. These changes aim to improve program effectiveness and minimize disruptions during transitions between service providers, ultimately benefiting the youth served by these programs.

C. Charter, Program Specialist, highlighted the YMCA's commitment to empowering participants by providing job opportunities and skills development, thereby enhancing their sense of identity and readiness for the workplace. She expressed her positive feedback on the YMCA's targeted strategies and their ability to adapt and sustain progress once initiatives are implemented.

M. Montgomery Steppe discussed the Justice-Involved Youth Program and the commitments made by SDCS (South Bay Community Services) to partner organizations regarding job opportunities for justice-involved youth. She mentioned that SBCS had made financial commitments to organizations to support these job opportunities but later rescinded them, causing disruption and distrust among the youth involved.

She suggested establishing a rubric or framework outside of current metrics to ensure that partner organizations adhere to their commitments and fulfill their obligations to the community. The goal is to improve accountability and trust in program implementation, especially when dealing with vulnerable populations.

T. Young acknowledged that these commitments were crucial for building trust and stability among the youth. He suggested establishing a clearer mechanism outside of current metrics to ensure accountability and consistency in program implementation.



*Motion 6.1:* Board approves contract renewal recommendation with Access – Career Centers and authorizes SDWP management to execute the contract for \$1.5M. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (M. Montgomery Steppe), Motion carried Unanimously

*Motion 6.2:* Board approves contract renewal recommendation with Access – Foster Youth and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (K. Lee), Motion carried Unanimously

*Motion 6.3:* Board approves contract renewal recommendation with Access – San Pasqual Academy and authorizes SDWP management to execute the contract for \$400,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (M. Montgomery Steppe), *Seconded* (N. Sasaki), Motion carried Unanimously

*Motion 6.4:* Board approves contract renewal recommendation with SBCS – Justice-Involved Youth and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (M. Montgomery Steppe), Motion carried Unanimously

*Motion 6.5:* Board approves contract renewal recommendation with San Diego Continuing Education – ELL/Immigrant/Refugee and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (N. Sasaki), Motion carried Unanimously

*Motion 6.6:* Board approves contract renewal recommendation with SDYS – Unhoused Youth and authorizes SDWP management to execute the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (N. Sasaki), Motion carried Unanimously

*Motion 6.7:* Board approves contract renewal recommendation with YMCA – Black Opportunity Youth and authorizes SDWP management to execute

the contract for \$600,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (M. Montgomery Steppe), *Seconded* (N. Sasaki), Motion carried Unanimously

*Item 7*

**Helping Justice-Involved Reenter Employment (HIRE) Subcontracts Authorization**

A. Aceves presented this item and announced that SDWP had received an award from the California Workforce Development Board (CWDB) to continue their work with the reentry population, totaling \$4.8 million. This award signifies SDWP's commitment to supporting the community and collaborating with smaller organizations that may lack the resources to apply for state grants independently.

She added that SDWP is partnering with nine organizations to enhance their capacity and support their work with the reentry community. These organizations have prior experience working with the reentry population and have established interactions with each other and with SDWP.

T. Young clarified that the funds awarded to the organizations were provided by the CWDB directly. The funding source selected these organizations to receive the funding.

N. Sasaki the capacity needs for smaller nonprofit organizations involved in the pilot project. She emphasized that these organizations often lack sufficient internal capacity to fully utilize funding effectively.

A. Aceves mentioned that this pilot project aims to address this gap by fostering a network where organizations can support each other and share resources. She clarified that the allocated funds of \$750,000 are specifically designated for providing support services to program participants, not for expanding staffing or internal capacity within the SDWP itself.

M. Montgomery Steppe inquired about the impact measurement of grants awarded to nonprofit organizations. She emphasized the importance of ensuring effective measurement methods that could assess the outcomes and effectiveness of the grants, while also considering the fluidity required to support smaller organizations with varying capacities.

A. Aceves mentioned that the contracts being developed with identified milestones that programs aim to achieve with each participant. The measures of success for the 150 participants served align with the goals of the Prison-to-Employment program, emphasizing access to employment, successful placement, and completion of occupational training.

*Motion 7.1:* Board approves a new contract recommendation with Always Ready for Southern California and authorizes SDWP management to

execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (K. Lee), *Seconded* (N. Sasaki), Motion carried Unanimously

*Motion 7.2:* Board approves a new contract recommendation with Kitchens for Good and authorizes SDWP management to execute the contract for \$750,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (M. Montgomery Steppe), *Seconded* (K. Lee), Motion carried Unanimously

*Motion 7.3:* Board approves a new contract recommendation with Lived Experiences and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (K. Lee), Motion carried Unanimously

*Motion 7.4:* Board approves a new contract recommendation with Restoring Citizens and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (M. Montgomery Steppe), *Seconded* (N. Sasaki), Motion carried Unanimously

*Motion 7.5:* Board approves a new contract recommendation with Rise Up Industries and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (K. Lee), *Seconded* (M. Montgomery Steppe), Motion carried Unanimously

*Motion 7.6:* Board approves a new contract recommendation with SBSC Corporation and authorizes SDWP management to execute the contract for \$700,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (M. Montgomery Steppe), Motion carried Unanimously

*Motion 7.7:* Board approves a new contract recommendation with Vehicles for Change and authorizes SDWP management to execute the contract for

\$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (M. Montgomery Steppe), *Seconded* (K. Lee), Motion carried Unanimously

*Motion 7.8:* Board approves the new contract recommendation with Women Initiating Success Envisioned Inc, and authorizes SDWP management to execute the contract for \$350,000. The contract term commences on July 1, 2024, ending June 30, 2025.

*Moved* (N. Sasaki), *Seconded* (M. Montgomery Steppe), Motion carried Unanimously

*Item 8*      **High Road Construction Career (HRCC) Subcontracts Modification Authorization**

A. Aceves presented the proposed modifications to three subcontractors with the San Diego College of Continuing Education, The San Diego Building and Construction Trades Council, and Southwestern College.

These modifications pertain to changes in the readiness program, specifically focusing on a State Registered Pre-Apprenticeship program in construction built around the Multi-Craft Core Curriculum (MC3). These subcontracts are funded by the California Workforce Development Board (CWDB) under the High Road Construction Careers initiative, representing important partnerships for SDWP.

*Motion* Board approves contract modification recommendations and authorizes SDWP management to execute these modifications with:

- San Diego Continuing Education Foundation (SDCEF) for the amount of \$356,703
- San Diego Building & Construction Trades Council for the amount of \$583,351
- Southwestern College to extend the term of the contract

the term commences on July 1, 2024, ending June 30, 2025,

*Moved* (M. Montgomery Steppe), *Seconded* (N. Sasaki), Motion carried Unanimously

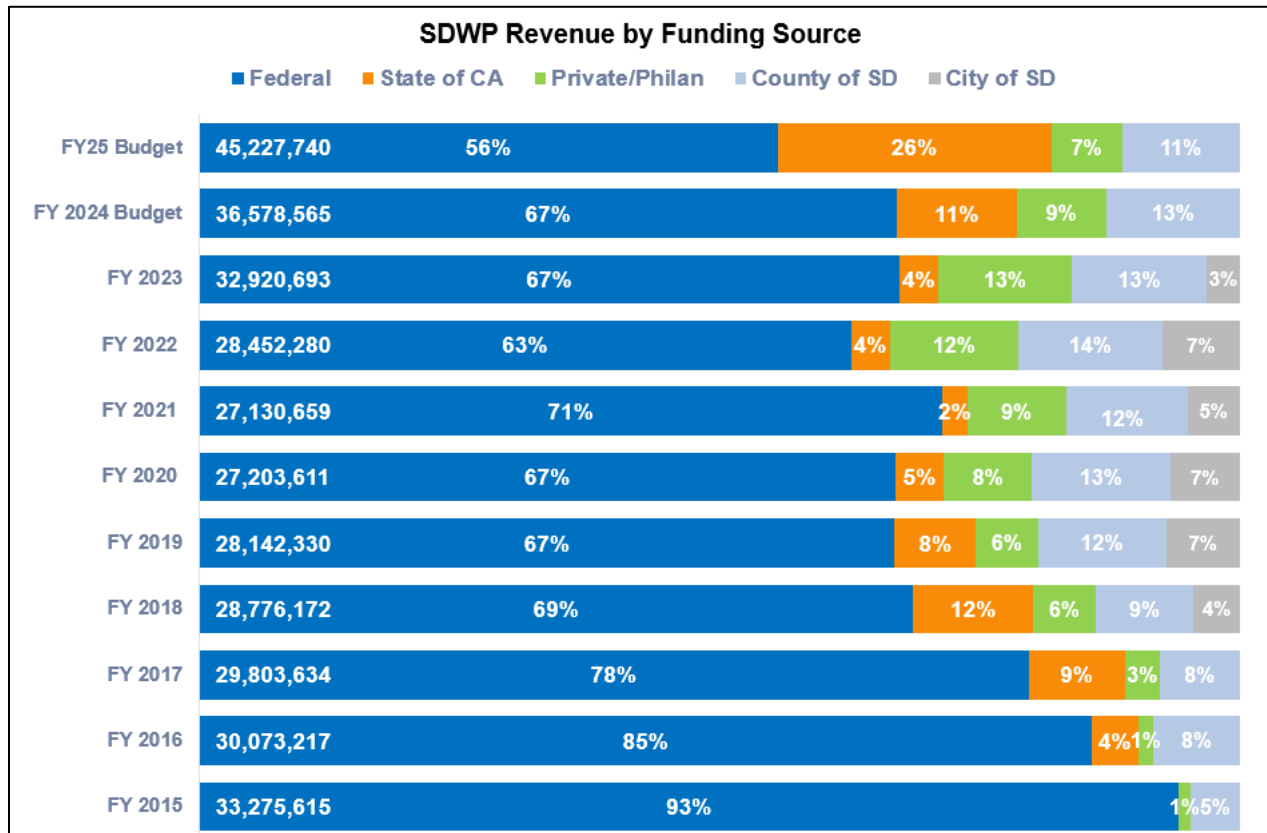
**Adjournment:** The meeting was adjourned at 2:30 pm for a closed session.

**Next Meeting:** 6/20/2024

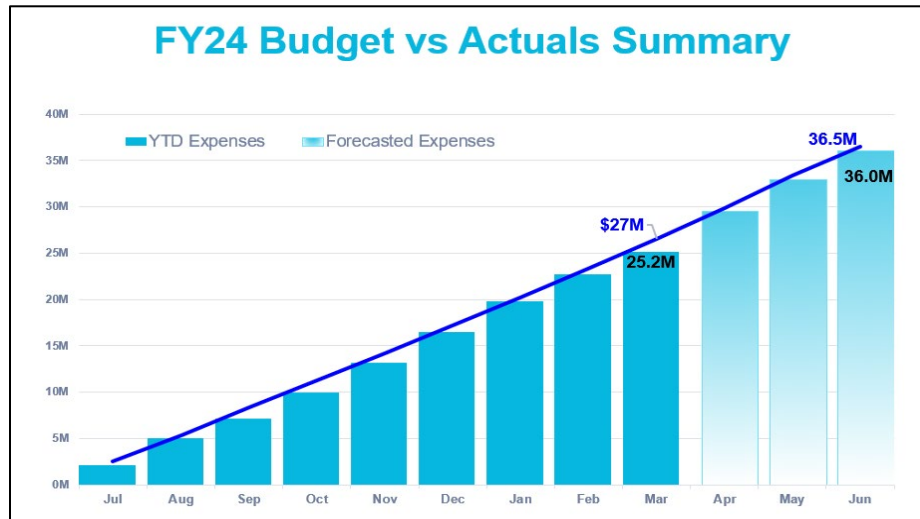
## Item #3: FY25 Proposed Budget Authorization

### **ACTION ITEM – VOTE REQUIRED:**

The FY25 Budget is projected at \$45.2M representing a 19% increase over the FY24 Budget (\$36.5M). Based on our projected estimates; Federal funding will increase slightly (\$25.3M vs \$24.5M), State funding increased dramatically (\$11.8M vs \$4.0M), with Private and County fairly stable at 8M each year and similar to last year: no funding is expected from the City of San Diego. However, we have seen a substantial increase in multi-year funding. The increase in multi-year funding has triggered us to ramp up spending this fiscal year to ensure that we are able to spend out prior to grant expiration.



FY24 Budget was approved at \$36.5M. Our projected expenditure to date is trending at \$36.0M. Some programs (e.g. Equal Representation in Construction Apprenticeship, State Peer Support and Google/Social Finance) adjusted the timing of their activities causing a reduction in expenses. The projected headcount for this FY was 160 while the current headcount is around 120 with significant recruitments still under way. We are currently identifying and eliminating inefficiencies to improve the structure of our organization while increasing productivity and efficiency.



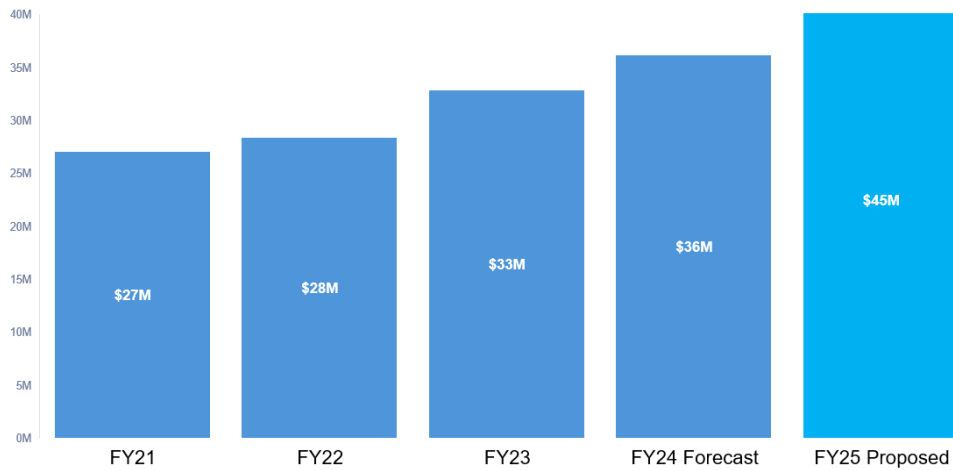
FY24 YTD (07/01/23-03/31/24) expenditure was budgeted at \$27M. We are currently at \$25.2M in Q3. The deficit is attributed to lower personnel count and enrollment with regards to supportive services. This is offset by an increase in professional fees as we incurred larger legal and consulting expenses.

Expenses	FY24 Total Budget	YTD Budget	YTD Actuals	%
Salaries & Wages	12,077,113	8,822,704	8,286,883	94%
Benefits, Insurance & Taxes	3,985,392	3,020,931	2,408,315	80%
Contracted Labor	239,111	214,216	75,371	35%
Professional Fees	701,301	525,691	718,097	137%
Facilities	2,014,346	1,513,884	1,790,247	118%
Communications	175,668	134,750	100,711	75%
Computer & Equipment	567,925	456,365	388,378	85%
Conferences & Meetings	431,066	252,350	101,584	40%
Insurance	131,000	119,714	91,078	76%
Office Expense	55,885	41,751	43,079	103%
Printing & Publications	64,625	48,423	32,747	68%
Shipping & Mailing	3,300	5,475	6,827	125%
Dues & Subscriptions	53,897	35,513	43,544	123%
Supportive Services	1,863,166	1,234,849	919,346	74%
Special Events	41,447	28,025	28,496	102%
Other Expenses	253,575	245,888	69,345	28%
Contractor Payments	13,919,748	10,314,488	10,123,566	98%
<b>Total Expenses</b>	<b>36,578,565</b>	<b>27,015,017</b>	<b>25,227,613</b>	<b>93%</b>

San Diego Workforce Partnership Balance Sheet As of 3/31/2024	
<b>Assets</b>	
Cash	12,710,992
Accounts Receivable	1,081,748
Other Assets	585,364
<b>Total Assets</b>	<u>14,378,104</u>
<b>Liabilities</b>	
Accounts Payable	
Accounts Payable	759,010
Accrued Accounts Payable	182,148
<b>Total Accounts Payable</b>	<b>941,159</b>
Accrued Liabilities	
Accrued Payroll	291,658
Accrued Vacation	432,447
<b>Total Accrued Liabilities</b>	<b>724,105</b>
Other Liabilities	
Due To State	391,174
Due To Federal	39,239
Due To Unclaimed Property	7,244
Due To Other	110,034
Flex Benefits	6,673
Insurance	(313,980)
Fica Medicare	5
SUI & ETT	29
SDI	(0)
Deferred Revenue-Other	41,806
<b>Total Other Liabilities</b>	<b>282,225</b>
<b>Total Liabilities</b>	<u>1,947,488</u>
<b>Fund Balance</b>	
<b>Total Fund Balance</b>	<u>12,430,616</u>
<b>Liabilities &amp; Fund Balance</b>	<u>(14,378,104)</u>

San Diego Workforce Partnership Statement of Revenues and Expenditures by Period From 7/1/2023 Through 3/31/2024	
<b>Revenues</b>	
GRANT REVENUE	35,095,871
DONATIONS	175
OTHER INCOME	<u>9,702</u>
<b>Total Revenues</b>	<u>35,105,749</u>
<b>Expenses</b>	
Salaries & Wages	8,286,883
Benefits, Insurance & Taxes	2,408,315
Contracted Labor	75,371
Professional Fees	718,097
Facilities	1,790,247
Communications	100,711
Computer & Equipment	388,378
Conferences & Meetings	101,584
Insurance	91,078
Office Expense	43,079
Printing & Publications	32,747
Shipping & Mailing	6,827
Dues & Subscriptions	43,544
Supportive Services	919,346
Special Events	28,496
Other Expenses	69,345
Contractor Payments	<u>10,123,566</u>
<b>Total Expenses</b>	<u>25,227,613</u>
<b>Total</b>	<u>9,878,136</u>

## Annual Trend



SDWP is still predominantly funded by Federal Grants representing 56% of our funding. WIOA provides majority of the Federal funds. Followed by a substantial increase in state funding representing 26% of our budget.

We are anticipating \$1.8M in Calfresh (CFET) revenue for FY24, making our FY25 budget projection more in line with current performance.

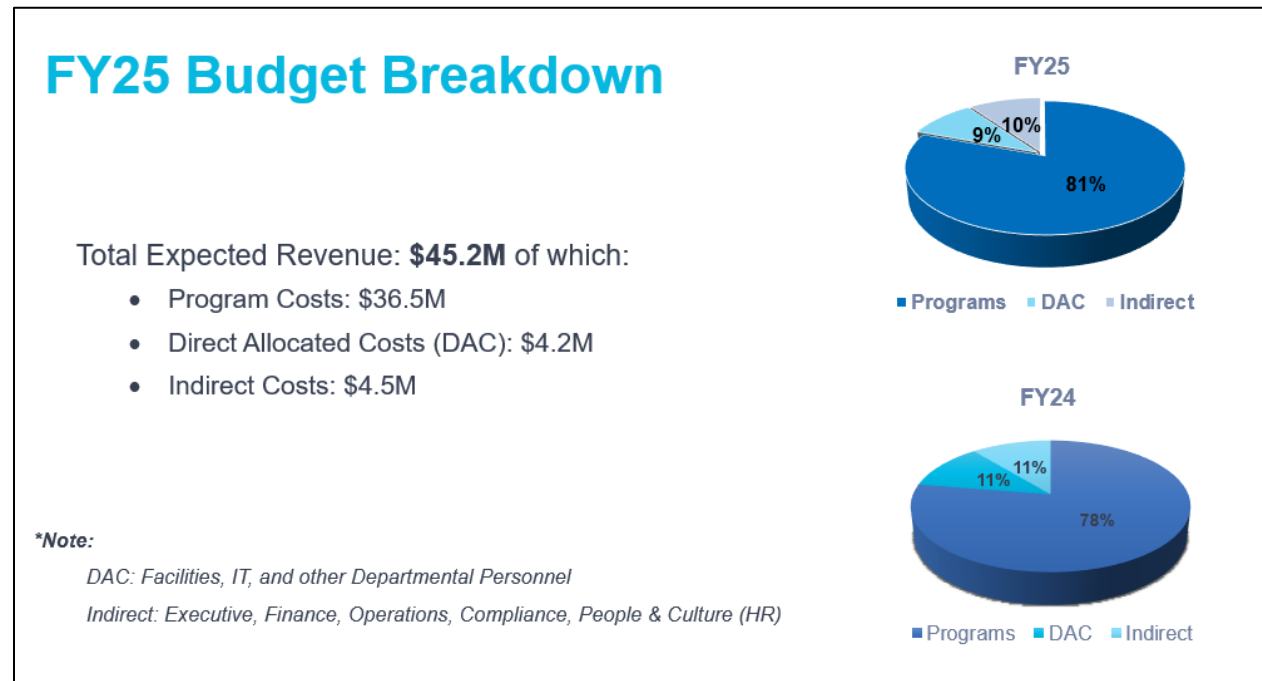
Funding Sources						
	FY25	FY24	\$ Diff	Diff	Budget	
County of SD	\$ 5,118,602	\$ 4,693,571	\$ 425,031	9%	11%	
Federal	\$ 25,141,288	\$ 24,535,930	\$ 605,358	2%	56%	
Private/ Philanthropic	\$ 3,076,616	\$ 3,158,564	\$ (81,948)	-3%	7%	
State of CA	\$ 11,891,233	\$ 4,190,500	\$ 7,700,733	184%	26%	
<b>Total</b>	<b>\$ 45,227,740</b>	<b>\$ 36,578,565</b>	<b>\$ 8,649,175</b>	<b>24%</b>	<b>100%</b>	

Revenue Categories						
	FY25	FY24	\$ Diff	Diff	Budget	
WIOA Formula Grants	\$ 23,115,309	\$ 20,007,567	\$ 3,107,742	16%	51%	
Other Grants	\$ 20,348,424	\$ 13,831,570	\$ 6,516,854	47%	45%	
CalFresh E&T (CFET)	\$ 1,764,007	\$ 2,739,428	\$ (975,421)	-36%	4%	
<b>Total</b>	<b>\$ 45,227,740</b>	<b>\$ 36,578,565</b>	<b>\$ 8,649,175</b>	<b>24%</b>	<b>100%</b>	

WIOA Formula Grants						
	FY25	FY24	\$ Diff	Diff	Budget	
Adult	\$ 11,634,109	\$ 7,992,325	\$ 3,641,784	46%	26%	
Dislocated Worker	\$ 4,281,280	\$ 6,743,778	\$ (2,462,498)	-37%	9%	
Youth	\$ 6,448,735	\$ 7,450,127	\$ (1,001,392)	-13%	14%	
Rapid Response/ Layoff Aversio	\$ 751,186	\$ 559,947	\$ 191,239	34%	2%	
<b>Total</b>	<b>\$ 23,115,309</b>	<b>\$ 22,746,177</b>	<b>\$ 369,132</b>	<b>2%</b>	<b>51%</b>	



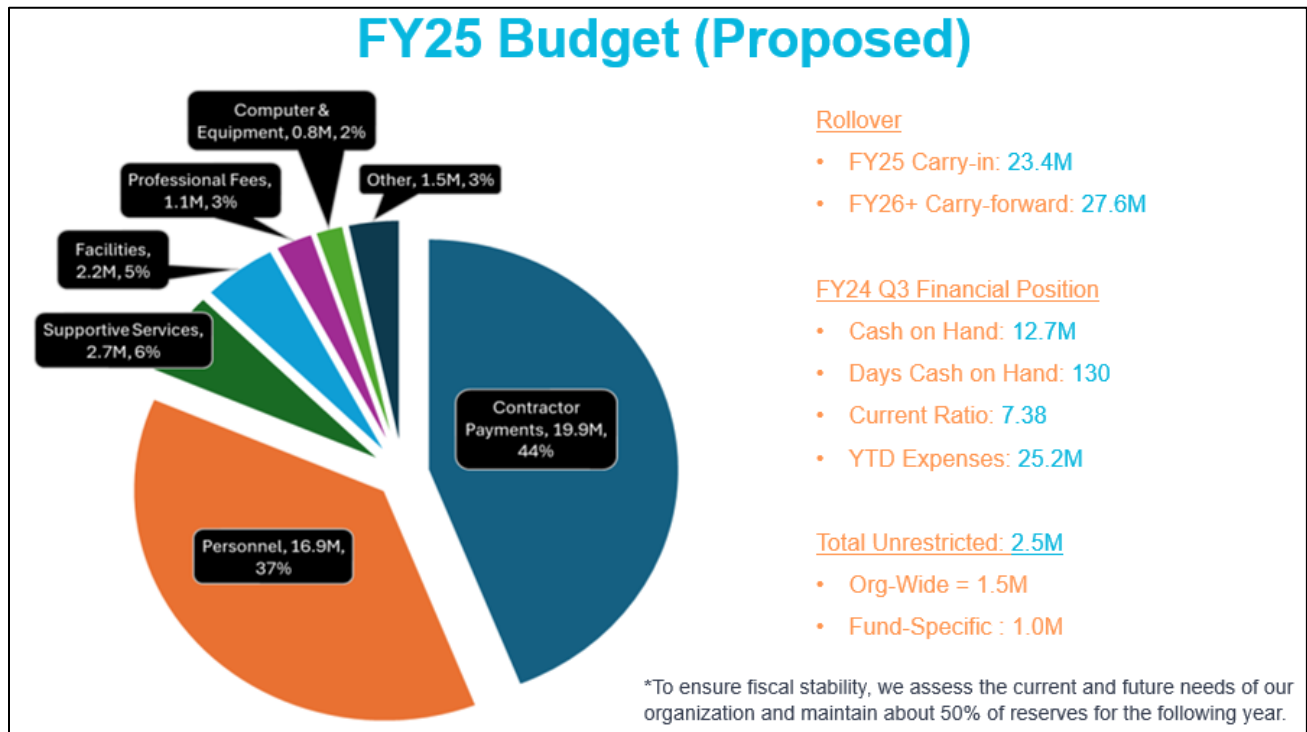
Our programmatic spending will go up 3% in comparison to FY24. This was a result of decreasing our Indirect (-1%) and Direct Allocated Costs (-2%).



The FY25 Budget was developed in conjunction with organizational restructuring initiatives. This was driven by optimization of WIOA funding across the organization, congruent with the mandate for WIOA to support the entire workforce system as well as the need for efficiency as we project substantial growth in the coming year.

Expenses	FY25 Budget (Proposed)	FY24 Budget	Difference	%
Personnel	16,938,454	16,062,505	875,949	5%
Professional Fees	1,118,140	940,412	177,728	19%
Facilities	2,202,412	2,014,346	188,066	9%
Communications	125,118	175,668	(50,550)	-29%
Computer & Equipment	835,849	567,925	267,924	47%
Conferences & Meetings	288,914	431,066	(142,152)	-33%
Insurance	151,000	131,000	20,000	15%
Office Expense	45,200	55,885	(10,685)	-19%
Printing & Publications	190,658	64,625	126,033	195%
Shipping & Mailing	3,300	3,300	0	0%
Dues & Subscriptions	97,903	53,897	44,006	82%
Supportive Services	2,681,778	1,863,166	818,612	44%
Special Events	82,607	41,447	41,160	99%
Other Expenses	544,034	253,575	290,459	115%
Contractor Payments	19,922,373	13,919,748	6,002,625	43%
<b>Total Expenses</b>	<b>45,227,740</b>	<b>36,578,565</b>	<b>8,649,175</b>	<b>24%</b>

To ensure fiscal stability, we assess the current and future needs of our organization and maintain about 6 months of reserves for the following year.



The FY25 Proposed Budget includes expenditure modifications to achieve a balanced budget for FY25. The list below highlights some of the changes by department:

- Executive & P&C
  - Increased headcount for additional support (2 FTEs)
- Programs
  - Dept restructure & realignment of duties
  - New grant awards
  - Loss of ESE contract (-\$2.7M)
- Client Services
  - Management reduction in force
  - South Career Center move (2 months overlap, tentative date: Apr 2025)
  - Shifting Downtown Library services to Metro Career Center
- Operations & Finance
  - Dept restructure & realignment of duties
  - ADP software enhancement (includes benefit & recruitment)
  - Questica Budget to replace PowerPlan Budget software.

We anticipate an \$8.6M increase in spending for FY25. Due to our reputation for innovation, we have secured many large grants that will require thorough planning and execution. FY24 timing of activities also shifted, leading to a ramp up of spending in FY25 as we move into the implementation phase of various grants. Listed below are key items for consideration throughout grant management as well as major grants that will require focus to ensure funds are fully spent down prior to expiration.

### Key Items for Grant Management:

- Collaboration
- Hiring of personnel
- Selection and management of subrecipients/contractors
- Contractual execution of agreements
- Networking
- Capacity building

### Major Grants:

- State Fire Pilot Pathways – \$5.0M
- State Peer Support – \$5.0M
- CWDB Behavioral Health Expansion – \$6.4M
- Helping justice-Involved Reenter Employment (HIRE) Reentry Works – \$5.0M
- Opportunity Young Adult (OYA) Career Pathway – \$1.8M

### Looking Ahead:

SDWP looks forward to another strong fiscal year with a growing and diversified portfolio. The Partnership is more diversified than most, if not all, Workforce Boards in the country. Most Workforce Boards are dependent upon federal funding and have few, if any, other sources. The SDWP has a sound operational infrastructure and is always working to ensure we have the right tools and talent to meet current and future needs. By focusing on these revenue strategies, we expect to continue to expand our impact.

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**Item #4: Grant Associates Contract Renewal Authorization**

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**ACTION ITEM – VOTE REQUIRED****RECOMMENDATION:**

Request for the Policy Board to authorize SDWP management to renew our contract with our one stop operator, Grant Associates for a budget not to exceed \$320,000 for FY25. The current contract is for \$300,000 per year.

**Term:** July 1, 2024-June 30, 2025

**Amount:** up to \$320,000

**Contract Type:** Renewal

**BACKGROUND:**

SDWP first contracted with Grant Associates following Workforce Development Board approval on February 22, 2022 and Policy Board on February 25, 2022. The initial term ran from April 1, 2022 through June 30, 2023 at a total cost of \$375,000. The contract included three one-year options, each at a total cost of \$300,000. SWDP seeks to exercise the second year option with modifications.

The proposed \$320,000 budget estimate covers 2.3 FTE and a revised scope of work that will include: facility management of 4 career centers based on need, WIOA certification of our centers, capacity building and technical assistance for our staff, and enhancements of our standard operating procedures. The revised scope of work reflects the current needs of our organization. We had a shift in our operating model and in an effort to rebalance our working relationship with our One Stop Operator, we decided to modify the scope of work moving forward. We are mandated by EDD to use an external party operator for our centers unless we submit a waiver and it gets approved.

**Budget:**

Personnel Costs: \$256,454

ICT & Communications: \$1,545

Staff Training & Travel Costs: \$10,647

Insurance & Payroll Services: \$1,924

Indirect Costs (10%): \$27,057

Markup (5%): \$14,881

**TOTAL BUDGET: \$312,508**

**Scope of work:**

Metro	South	East	North
Facilities Management and Related Career Center Communication	Facilities Management and Related Career Center Communication	Partner in the implementation of process and infrastructure changes	Partner in the implementation of process and infrastructure changes
Partner in the Implementation of Process and Infrastructure Changes	Partner in the Implementation of Process and Infrastructure Changes	Communication to colocated partners	Communication to colocated partners
Schedule, Support, and Follow-up on Repairs and Enhancements & Building safety management	Schedule, Support, and Follow-up on Repairs and Enhancements & building safety management	Requirements for WIOA career center certification	Requirements for WIOA career center certification
Requirements for WIOA career center certification	Requirements for WIOA career center certification		

**Facility management:**

Facilities Management and Related Career Center Communication: Manage Contractors, schedule maintenance work, communicate plans to co-located partners, secure and manage new quality contractors as needed, including janitorial and security contractors.

Schedule, Support, and Follow-up on Repairs and Enhancements: This includes but is not limited to HVAC, plumbing, electrical, roof maintenance, fire/life/safety, and security systems, and miscellaneous building repairs.

**Building Safety Management:**

This includes but is not limited to ensuring the building is compliant with regulations, manage the after-hours security, maintain safety materials and systems, manage security contractors, safety trainings for staff, recommendations of expanding safety materials and systems, water intrusion mitigation, and other situations caused by natural disasters.

**Partner Relationships, Engagement, and Innovation**

Partner Relationships, Engagement, and Innovation: Establish strong relationships with and between colocated partners at the career centers and fostering an environment where partners have knowledge of each other's program offerings and goals so that they can seamlessly refer clients to their respective programs and provide mutual support toward each of their goals.

**WIOA Certification**

Requirements for WIOA Career Center Certification: We ensure the career centers meet the baseline requirements and Indicators of Excellence as established by the California Workforce Development Board (CWDB).

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**Item #5: SDWP CEO Updates**

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**INFORMATION ITEM – NO VOTE REQUIRED:**

CEO Tony Young and staff to provide update on upcoming Strategic Plan exercise and other key operational highlights. These updates aim to keep board members informed about the organization's progress and future plan, fostering transparency and collaboration within the team.