

Finance Committee Meeting Minutes
May 6, 2021
9:00am

Conference Call: Nina Self, Tawana Gilbert

Absent: Josh DeSha

Staff/Guests Present: Matt Salera

Recording: Patricia McCray

I. Welcome and Call to Order: Chair Self welcomed everyone and called the meeting to order at 9:00am. She thanked everyone for taking time out to participate in the board conference call. She explained that the public can participate with comments held to 3 minutes and 12 minutes overall.

II. **Action Item I: Meeting Minutes Approval – February 26, 2021**, Chair Self asked if anyone had any questions or comments about the February 26, 2021 Finance Committee meeting minutes. There were none.

Motion: Chair Self entertained a motion to approve the February 26, 2021 minutes. Tawana Gilbert made the motion, and Chair Self seconded. All in favor.

Action Item I approved unanimously.

III. **Revenue & Expense Statement 20-21 (Unrestricted) – Information Item I**

Matt stated that Information Item I is in reference to approving next year's budget and is the last two action items. The information Item number 1 is a Revenue and Expense statement for the current year unrestricted or non-federal funds through March, which is 75% through the year or nine of the 12 months, and 65% of the total budget has been expended. The largest line item expended at 89% and is tied to the Talent Innovation Summit that has already been held and expenses accrued. For the most part, that line item is done for the year, which will probably be under budget for unrestricted funds by year-end. Matt asked if there were questions. There were none.

IV. **Revenue & Expense Statement 20-21 – Information Item II**

Matt discussed Information Item II, the Revenue and Expense statement through March 31, 75% through the year – for federal funds. Page 5 is the consolidated version. The direct program cost is underspent in total at 52% due to low enrollments in training and work experience due to COVID and a low overall expenditure rate because of the last line item, WakullaCares. CSCR received \$280,000 from the WakullaCares grant with three months to spend that money. CSCR spent over \$30,000 in work experience – that was

definitely a job well done by the Wakulla Career center to have that level of expenditures with such short notice in such a time frame as that grant expired at the end of December.

In allocated costs and expenses, we are at 71% in allocated cost, and expenses typically come close to the expenditure rate through March at 75%. Insurances is \$300 over budget for the year. CSCR purchased cellphones because the DEO mandated that two veteran positions must have cell phones, and then maintenance contracts are at 89% because our xerox lease expired. CSCR no longer has any more payments tied to those leases, so that will be under budget by year-end. It's just over through March. When looking at direct and allocated, they are at 59%, 75% through the year. There will be a budgeted surplus. CSCR is at \$965,000 because we are under budget and can expect that number to be over \$1,000,000 that we plan to carry over into the budget that we will discuss later on in the packet. Matt asked for any questions. There were none.

V. Action Item II: Budget 20-21 (unrestricted)

Matt directed the Committee to the third column to the right, listing the proposed change column. The second line from the bottom lists total program funds available and is up \$3,650. \$1,750 was received from Talent Innovation Summit sponsorships, \$1,000 for Florida's Great Northwest Program. The Tri-State Workforce Alliance and LEAD, another program, received \$4,900 in registration fees. CSCR is proposing a change in the direct cost section, and it is tied to indirect cost. The year started with \$3,000, and there are looking to increase this line item by \$6,800 per Office of Management and Budgets super circular that must allocate indirect costs to all programs even if they are unrestricted costs.

Motion: Chair Self entertained a motion to approve the Action Item II the Budget 20-21 (Unrestricted). Tawana Gilbert made the motion, and Chair Self seconded. All in favor.
Action Item II approved unanimously.

VI. Action Item III: Budget 20-21

Matt continued with the Current Funds Consolidated budget. There is only one change. A small increase to the existing workforce or Workforce Investment and Opportunity and Dislocated Worker Grant. During the year, they will reallocate funds and sometimes they will take away funds, but this is a small increase of \$4436 to our existing grant, and we are not looking to budget out any of these funds, which goes straight to the surplus bringing it up to almost \$965,000. He asked if there were questions. There were none.

Motion: Chair Self entertained a motion to approve the WIOA reallocated funds. Tawana Gilbert made the motion, and Chair Self seconded. All in favor.
Action Item III approved unanimously.

VII. Action Item IV: Budget 21-22 (unrestricted)

Matt advised that the format is a little different. The left is the current year approved budget, the middle is the budget for the next year that is being proposed, and the variance

is to the right. Basically, it is the same budget with a slight reduction to the first line item, making it \$29,000. Indirect costs remain the same. The revenue from sponsorships, registration fees for the Talent Innovation Summit, Power Hour and LEAD cannot be budgeted until it has been received. Then it will be reflected in the program funds available. The proposed for now is \$202,000, which is the amount available without any additional funds received, and we're looking to budget out under \$40,000.

Tawana Butler clarified that this is the budget for upcoming July 2021. Matt answered yes, this is for the upcoming fiscal year beginning July 2021.

Chair Self asked if there were any questions. There were none.

Motion: Chair Self entertained a motion to approve the next year's unrestricted funds. Tawana Gilbert made the motion, and Chair Self seconded. All in favor.

Action Item IV approved unanimously.

VIII. Action Item V: Federal Funds Budget 21-22 Fiscal Year

Matt directed the Committee to the second line from the bottom to view the total program funds available. \$5.77 million. That is \$1.6 million less than what is available in the current budget. We receive decreases in planning allocations for the majority of our programs. WIOA makes up approximately 2/3 of funding. The State of Florida received a 4% increase in WIOA funds; however, our region's planning allocation came in at a decrease of almost 10%. The majority of the regions have significantly decreased WIOA funds due to Tampa, Orlando and Broward receiving very large increases because these funds are allocated on a formula with a big portion of that formula in unemployment. The Orlando region received a 50% increase in funds. The State of Florida was up 4%, Orlando and Tampa having a 13% increase, and Broward with a 17% increase. Most boards took 7 to 12 percent decreases. CSCR is in good standing with a having a surplus. Our Welfare Transition Program planning allocation came in at a decrease of 6%, and Wagner Peyser came in at a decrease of 8%, which accounts for the majority of the funding or three-quarters of the funding.

The other programs are state programs Veterans, SNAP – no planning allocations have been received for those yet, but it will be immaterial to the budget. CSCR can plan and approve a budget without those planning allocations. Looking at the direct program cost section and the allocated cost and expenses sections, you see variances. Most of the variances are not because CSCR does not have enough funding. A lot of the variances are either (a) we have a requirement to meet (work experience expenditure requirement or training), so we are adjusting that line item to stay in compliance and then also the current year budget is operating under now were adjusted due to COVID. Some were brought down, and some were brought up.

Items showing a variance to the current year budget are just getting it back to pre-COVID. So even with 1.6 million less in funding, the budget doesn't really have proposed cuts due to lack of funding and not proposing cuts to line items that would eliminate any positions

to a service provider or the board staff. Matt informed that going through some of these line items proves this budget with a far less surplus than what we are used to having.

Direct program cost up top shows participant tuition fees down \$85,000 in the past, and what we plan on presenting to DEO again is having a 25% requirement, and we are setting the budget at 30% of expenditures. There is room to meet the 25% requirement this way and go over a little if needed. The same thing with the primary services contract work experience. The largest line item is the same, which is the One-stop operation of \$2.18 million. There're no reductions planned for the service provider and actually a \$45,000 increase to the work experience portion of their contract because WIOA youth has a 20% work experience federal requirement that must meet, and are budgeting out 30% of our funds because they came up a short this year due to COVID, and are making up that missed amount.

Of the five last line items, three of those programs are just expiring. Apprenticeship Expansions, Sector Strategy and WakullaCares. – WakullaCares has already expired, and the first two will expire June 30 and NEG and Emerging Initiative for Florida/Georgia Workforce Alliance will carry over into next fiscal year 21-22. So really, no cuts if the grant expires; they're eliminating the line item and looking to meet their training and work experience requirements.

The first line item is salaries and benefits in allocated cost and expenses, which has a slight reduction. There is one position tied to the grants that will expire on June 30. And happy to report the premiums for next year at a 2% increase. That is the first time there has been a small increase. Typically it is 7 to 12% a year.

Conferences and seminars, repairs and maintenance, systems and telephones and travel are adjusting to where they were pre COVID. The Xerox leases no longer have monthly payments because the machines were purchased outright. In facility rent, there is a large decrease of \$113,000 due to the new space at a much lower rental rate. Two of the four leases were renewed with no cost increase. The new Administrative office space is a very big decrease, two spaces with no increases and then the Leon Career Center, which is a 10-year lease that does have a typical 3% annual increase. They are decreasing systems because we needed to increase systems to buy more computer equipment due to COVID. CSCR is getting the line items back to where they are. Total cost and expenses between direct program cost and the allocated cost are down \$712,000, which is commendable when you can say you decreased the budget by almost three-quarters of a million dollars and you're not laying anybody off.

The proposed budget has a surplus of \$71,000. The revenue is down 1.6 million. CSCR can offset a lot of that with almost \$1.3 million of carryover. The Finance Committee set precedence to have a minimum of a \$300,000 surplus in the past. And through many discussions with Jim and all management staff, we feel strongly that they will receive additional funds. CareerSource Florida has already made statements, and Sector Strategy and Apprenticeship Expansion is funded through State set aside. CareerSource Florida

will provide some sort of allocation to offset these losses. At the Federal level, they expect as much as \$1 million and up to \$2 million in either of the different funding streams such as COVID Relief and Infrastructure Funding. There is money in the \$1.9 trillion that will go to the Department of Labor. It will be reallocated to each State and then reallocated to the regions. Incentive Funds and grants are expected throughout the year.

Tawana raised a question regarding the one position tied to the grant regarding whether that was a field position or a vacant position?

Matt stated that it is currently filled and that the position was to serve to work under those grants, which expire June 30 and is not a recurring Board position.

Motion: Chair Self entertained a motion to approve the next year's Federal fund for the upcoming year. Tawana Gilbert made the motion, and Chair Self seconded. All in favor.
Action Item V approved unanimously.

IX. Adjourn

Next Meeting

TBD