



# Pinellas County

## Staff Report

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File #: 19-839A, Version: 1

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### **Subject:**

Program Year 2019-2020 Planning Budget for WorkNet Pinellas, Inc. dba CareerSource Pinellas.

### **Recommended Action:**

As requested by WorkNet Pinellas, Inc. dba CareerSource Pinellas (CSPIN), approve the CSPIN planning budget to have in place for July 1, 2019 for submission to the State Workforce Board.

- State budget allocations to local workforce boards must be made by the legislature and approved by the Governor. This year's legislative session did not end until May 4.
- The Planning Budget was developed by CareerSource staff and presented to the CSPIN Finance Committee on May 28. The CSPIN Board of Directors approved the budget at their Annual Meeting on June 5.
- Funding reductions in the coming year are primarily due to reductions in formula allocations as a result of the drop in Pinellas' unemployment and poverty rates, and due to the end of previous multi-year grant awards.

### **Strategic Plan:**

Deliver First Class Services to the Public and Our Customers

5.1 Maximize Partner Relationships and Public Outreach

### **Summary:**

The CareerSource Pinellas (CSPIN) budget for the period July 2019 through June 2020 is presented for Board consideration and approval. Board approval is required prior to CSPIN submitting the budget to the State Workforce Board.

### **Background Information:**

CareerSource Pinellas has received planning allocations from the State of Florida and is anticipating a decrease in overall funding as compared to the prior year. The budgeted revenue has decreased from 2018-2019 budget of \$11,564,332.00 to a projected budget of \$10,433,031.00\*, an overall decrease of \$1,131,301 or 9.8%.

Most of the revenue/expenditure reductions are related to federal and state awards that have ended or will be ending during 2018-2019 such as the Community Based Sector Strategy Training Initiatives, Able Trust and AmeriCorps grants, Governor's Challenge and Hurricane Maria initiatives. These grants totaled \$831,334.00 in budgeted revenues in 2018-2019. In addition, overall DEO WIOA allocations are down approximately 12.4%. However, variances from year-to-year are a result of allocations, current year spending and reserves to be carried forward to 2019-2020. Carry-forward amounts are estimated and will be adjusted after Fiscal Year close in July.

Another significant item impacting the budget is the pending sale of the St. Petersburg Science

Center as no items have been budgeted for STEMe for 2019-2020. The STEMe budgeted revenue in 2018-2019 was \$415,000.00. The sale of the Science Center is not reflected in the Planning Budget.

Moreover, there are a few new funding sources for 2019-2020: WIOA Soft Skills grant (\$70,000.00), WIOA Apprenticeship Expansion grant (\$90,000.00) and a new 3-year Youthbuild grant with the DOL (\$1.1M total). Lastly, CareerSource Pinellas is budgeting for general items that haven't been budgeted in the past, such as Ticket to Work (\$96,000.00), Tobacco Free Florida (\$24,000.00) and Career Fair sponsorships (\$12,000.00).

\*This budget may be negatively impacted by the USDOL report of May 15, 2019, which addresses questioned costs of approximately \$6.3 million for CareerSource Pinellas.

This proposed budget was approved by the CSPIN Board of Directors on June 5, 2019.

**Fiscal Impact:**

Pinellas County is the Chief Elected Official under the WIOA and is designated to serve as the local grant recipient for, and is liable for any misuse of, any grant funds allocated to the local area. As such, there is no financial impact to the County provided CSPIN does not misuse grant funds or default on any financial obligations.

CSPIN Proposed Budget for 2019-2020 includes \$200,000.00 in unrestricted reserves. In addition, CSPIN anticipates the planned sale of the Science Center to yield approximately \$2.2M in unrestricted net proceeds. As noted above, the USDOL report addresses questioned costs of approximately \$6.3M from CSPIN that may be determined disallowed costs and require repayment. CSPIN is investigating whether its errors and omissions insurance policy would potentially provide coverage for repayment of questioned costs.

**Staff Member Responsible:**

Jennifer Brackney, Chief Executive Officer, CareerSource Pinellas  
Steven Meier, Chief Financial Officer, CareerSource Pinellas

**Partners:**

CareerSource Pinellas

**Attachments:**

Budget 19-20 Items Submittal to County  
Annual Submission of Regional Workforce Board Budget Submission Form