



Pinellas County

Staff Report

File #: 20-1004A, Version: 1

Subject:

Program Year 2020-2021 Planning Budget for WorkNet Pinellas, Inc. d/b/a CareerSource Pinellas.

Recommended Action:

As requested by WorkNet Pinellas, Inc. d/b/a CareerSource Pinellas (CSPIN), approve the CSPIN planning budget to have in place for July 1, 2020 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.
- The Planning Budget was developed by CareerSource staff and presented to the CSPIN Finance Committee on April 29th. The CSPIN Board of Directors approved the \$9,859,371.00 budget at their Annual Meeting on May 20th.
- Funding reductions in the coming year are primarily related to lower WIOA funding, lower SNAP funding and timing of spending for grants that overlap multiple fiscal years.
- In addition, the current health crisis is expected to drive up the local unemployment rate and require CSPIN to transition services to a digital platform earlier than planned.

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 2020 through June 2021 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 the 2019-2020 budget of \$10,433,031.00 to a projected budget of \$9,859,371.00, an overall decrease of \$573,660.00 or 5.5%.

Most of the revenue/expenditure reductions are related to lower WIOA funding, lower SNAP funding and timing of spending for grants that overlap multiple fiscal years. The reduction of WIOA funding was not completely unexpected - these resources are based on a formula that includes previous local economic conditions, such as the unemployment rate. The formula-based funding often lags behind current funding needs, especially when there is a sudden impact to local economic conditions. In February 2020, the unemployment rate was hovering around 3 percent. The current health crisis is expected to drive the local unemployment rate to exceed the highest levels recorded in recent history. Both the health crisis and reduction of funding will impact CareerSource Pinellas services

and staffing as we move forward.

To meet the demand of these new realities, CareerSource Pinellas must embrace the digital transformation; ramp up to meet the need for targeted service delivery and explore new partnership opportunities.

As customer expectations shift to a more virtual experience, CareerSource Pinellas is taking steps to ensure that they will be ready with enhanced services offered both in person and virtually. The proposed budget is based on current information available. Due to the realities of the pandemic, the need for digital transformation and the decrease in funding allocations, the current budget anticipates a potential impact to 5-10 positions. To minimize the impact, CareerSource Pinellas will put a hold on all new hiring, except for a few mission critical lead positions, and they will explore other funding opportunities.

This proposed budget was approved by the CSPIN Board of Directors on May 20, 2020.

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.

Staff Member Responsible:

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

Partners:

CareerSource Pinellas

Attachments:

Budget 20-21 Budget Presentation
Budget 20-21 Items Submittal to County
Annual Submission of Regional Workforce Board Budget Submission Form