

*workforce*CONNECTIONS
Budget & Finance Committee
Wednesday, April 18, 2012
10:00AM – 11:30AM
7251 W. Lake Mead Blvd., Suite 200
Las Vegas, NV 89128

This meeting has been properly noticed and posted in the following locations:

City of North Las Vegas, 2200 Civic Center Dr., North Las Vegas, NV
City of Las Vegas, City Clerk's Office, 495 S. Main Street, Las Vegas, NV
Clark County, County Clerk's Office 500 S. Grand Central Parkway, Las Vegas, NV
Esmeralda County Courthouse, 233 Crook Street, Goldfield, NV
Henderson City Hall, 240 Water Street, Henderson, NV
City Hall, Boulder City, 401 California Ave., Boulder City, NV
*workforce*CONNECTIONS, 7251 W. Lake Mead Blvd., Suite 200, Las Vegas, NV
Nevada JobConnect, 3405 S. Maryland Pkwy., Las Vegas, NV
Lincoln County 181 Main Street Courthouse, Pioche, NV
Nye County School District, 484 S. West St., Pahrump, NV
Pahrump Chamber of Commerce, 1302 S. Highway 160, Pahrump, NV

This Agenda is also available on the *workforce*CONNECTIONS internet website at www.nvworkforceCONNECTIONS.org.

COMMENTARY BY THE GENERAL PUBLIC

This Board complies with Nevada's Open Meeting Law, by taking Public Comment at the beginning of the meeting immediately after the Board approves the Agenda and before any other action is taken, and again before the adjournment of the meeting. The Board also has discretion to take Public Comment after any item on the agenda, after the item has been discussed by the Board, but before the Board takes action on the item.

Each person participating in Public Comment will be limited to three minutes of comment. If any member of the Board wishes to extend the length of a comment, then the Board member may do so through a majority vote of the Board.

The Board chair has the right to end any Public Comment which: (1) is not related to any matter within the authority of the Board; or (2) is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational, making personal attacks, or interfering with the rights of other speakers. ***Members of the public: please comply with the requests of the Board chair and do not be disruptive, otherwise you may be removed.***

Auxiliary aids and services are available upon request to individuals with disabilities by notifying Dianne Tracy, in writing at 7251 W. Lake Mead, #200, Las Vegas, NV 89128; or by calling (702) 638-8750; or by fax (702) 638-8774. The TTY/TDD access number is (800) 326-6868 / Nevada Relay 711. A sign language interpreter may also be made available with twenty-four (24) hour advance notice.

An Equal Opportunity Employer/Program.

NOTE: MATTERS IN THIS AGENDA MAY BE TAKEN OUT OF ORDER.

Budget & Finance Committee Members: Councilwoman Gerri Schroder, Chair; Hannah Brown, Vice-Chair; Bill Bruninga; Alex Garza; Dan Gouker; and Vida Chan Lin

All items listed on this Agenda are for action by the Budget & Finance Committee unless otherwise noted. Action may consist of any of the following: approve, deny, condition, hold or table. Public Hearings may be declared open by the Chairperson, as required for any of the items on this Agenda designated for discussion or possible action or to provide direction and recommendations to workforceCONNECTIONS.

AGENDA

1. Call to order, confirmation of posting and roll call.
2. **DISCUSSION and POSSIBLE ACTION:** Approve the agenda with inclusions of any emergency items and deletion of any items.
3. **FIRST PUBLIC COMMENT SESSION:** Members of the public may now comment on any matter posted on this Agenda, which is before this Board for consideration and action today. Please clearly state and spell your name and state your address for the record. Each public comment will be limited to three (3) minutes.
4. **DISCUSSION and POSSIBLE ACTION:** Approval of the Budget & Finance Committee meeting minutes of April 4, 2012..... 1
5. **DISCUSSION and POSSIBLE ACTION:** PY2011 WIA Formula Budget July 1, 2011 through July 30, 2012 (Revised April 13, 2012)..... 6
6. **REVIEW, DISCUSS and ACCEPT REPORT:** PY2011 WIA Formula Revised Budget Narrative..... 7
7. **DISCUSSION and POSSIBLE ACTION:** PY2012 WIA Formula Budget July 1, 2012 through July 30, 2013 13
8. **SECOND PUBLIC COMMENT SESSION:** Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier, however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name and state address for the record. Each comment will be limited to three (3) minutes.
9. Adjournment

*workforce*CONNECTIONS
BUDGET & FINANCE COMMITTEE
MINUTES

Wednesday, April 4, 2012
7251 W. Lake Mead Blvd., Suite 200 Conference Room
Las Vegas, NV 89128

Members Present

Councilwoman Gerri Schroder, Chair
Hannah Brown, Vice-Chair
Alex Garza
Dan Gouker
Vida Chan Lin

Members Absent

Bill Bruninga

Staff Present

Heather DeSart
Ardell Galbreth
James Kostecki
Melodye Stok
Dianne Tracy
Carol Turner

Others Present

Rhonda Dunaway, City of Henderson
Debra Sizemore, City of Henderson
Phil Stoeckinger - City of Las Vegas
Tom Wilson, Clark County

(It should be noted that not all attendees may be listed above).

Agenda Item 1 - Call to order, confirmation of posting, and roll call.

The meeting was called to order at 10:04 a.m. Staff confirmed the meeting had been properly noted and posted in accordance with the Nevada Open Meeting Law.

Agenda Item 2 - Approval of Agenda with the inclusion of any Emergency Item and deletion of any Items.

A motion to approve the agenda as presented was made by Councilwoman Gerri Schroder and seconded by Alex Garza. Motion carried.

Agenda Item 3 - FIRST PUBLIC COMMENT SESSION: Members of the public may now comment on any matter posted on this Agenda, which is before this board for consideration and action today. Please clearly state and spell your name and state your address for the record. Each public comment will be limited to three (3) minutes.

None

Agenda Item 4 - Approval of the Budget & Finance Committee meeting minutes of March 7, 2012.

A motion to approve the meeting minutes of March 7, 2012 as presented was made by Councilwoman Gerri Schroder and seconded by Alex Garza. Motion carried.

Agenda Item 5 - INFORMATION: Welcome new members to the Budget & Finance Committee: Alex Garza, Dan Gouker; and, Vida Chan Lin.

Councilwoman Gerri Schroder introduced the three new members of the Budget & Finance Committee with a hardy Welcome Aboard and thanked them for their interest and participation.

Agenda Item 6 - DISCUSSION and POSSIBLE ACTION: PY2011 Revised Budget.

Ardell Galbreth clarified the process for approval of Budgets and Revised Budgets. Budgets are presented to three committees: 1) Budget Committee with recommendations from staff; 2) Full Board with recommendations from the Budget Committee for review and approval; then, 3) Local Elected Officials for review and approval. Voting on a Budget occurs one time. Revised Budgets are presented as 'Information Only' if no change has been made to the budget; however, action is taken if there is a change to the budget.

Jim Kostecki, Finance Manager reported on the PY2011 Revised Budget on page 8 of the agenda packet. The State gave Workforce Connections 10% of their allotment of 15% of Adult & Dislocated Worker funds an additional \$141,070 related to the Congressional change in states WIA formula allocations. \$104,392 allocated to Service Providers/Contractors: \$51,554 for Adult/\$52,838 for Dislocated Worker and \$36,678 placed in line item 6850-Strategic Initiative-WIA.

A motion to approve the PY2011 Revised Budget was made by Dan Gouker and seconded by Hammah Brown. Motion carried.

Agenda Item 7 - INFORMATION: PY2011 Revised Budget Narrative.

Jim presented the PY2011 Revised Budget Narrative on pages 9 - 14 of the agenda packet noting the highlighted areas on pages 9 and 14 that reflects the Revised Budget changes.

Ardell stated that with this Revised Budget change this brings the total budgeted revenues for PY2011 to \$24,060,270.

Discussion ensued regarding:

- A request for a full list of employees with salaries and titles (fringe as a secondary if it is not at 35% across the board);
- Clarification that salaries and titles will be presented with no names attached;
- Total number of employees at Workforce Connections;
- Request for list of professional service contracts with dollar amounts attached;
- Programs (Graduate Advocate Initiative) that should be contracted out through RFP versus in-house;
- Recommendation that agenda items identified as 'Information Only' be reworded to state: "Discussion and Possible Action to Accept the Report";
- Who has the authority to place items on an agenda for Action; and,
- A request that at the next Board meeting Legal Counsel clarify the role of the Board member; and the avenue by which the Board members give direction to staff.

Agenda Item 8 - INFORMATION: Budget vs. Actual Finance Report (Workforce Connections Operations).

Jim reported on the Budget vs. Actual Finance Report (Workforce Connections Operations) through February 2012 (8 months of the YTD actual budget or 67%) on page 15 of the agenda packet. Jim addressed Line item 6100 - Audit/Accounting Services (in yellow) at 72.28%. Discussion ensued regarding the term of the contract with Piercy Bowler Taylor & Kern.

Ardell stated that the contract with Piercy Bowler Taylor & Kern terminated with the engagement letter executed and final payment made. A Request for Proposal was released for a new A-133 Audit firm with seven respondents to date. A review of the RFPs submitted for the A-133 Audit will be conducted with the assistance from the CFOs of the varying jurisdictions and Workforce

Connections staff; and, a selection with recommendations presented to the Budget & Finance Committee in May 2012.

Councilwoman Schroder asked if the review would be based on a scoring system and if there would be any preferential scoring if the respondents are a local firm as opposed to a California or Arizona company. Ardell stated this was not addressed in the criteria; however, the company used in the past by Workforce Connections was a local firm and staff will verify the procurement statutes regarding limitations to state versus local firms. Councilwoman Schroder concurred on the procurement statues verification and stated it is preferred to go with the lowest possible bidder; a different eye on the auditing process might be a consideration; and, a Committee review of the scoring on the respondents once presented by staff from the selection process.

Dan Gouker asked how many audits Piercy Bowler Taylor & Kern has conducted at Workforce Connections. Five audits were noted to date. Dan stated with the audits and reporting systems progressing, this Committee could choose the current firm with two justifications: 1) a local company; and, 2) five-years of familiarity with the book system. Ardell stated for the record that it is opposite that familiarity with the system, according to the A-133 OMB does not recommend continued use of the same auditor and encourages change.

Jim continued with line item 6130-11 NVTrac Data Tracking Systems (in yellow) at 86.72%. The capitalized expenses for NVTrac include additional equipment needed to maintain the system and continued software costs for programming and systems development and Line item 6720 - Adult/DW Program Activities (in yellow) at 91.45% that will need to be revisited for budget reallocation.

Agenda Item 9 - INFORMATION: PY2011 Awards & Expenditures - Monthly Update.

Jim presented and summarized the PY2011 Awards and Expenditures for Adult & Dislocated Workers and Youth as of March 27, 2012, which included invoices through February 2012 on page 16 - 18 of the agenda packet.

	Adult Expenditures	DW Expenditures	% Spent
WIA PY11 Adult & Dislocated Worker Green Sector	57%	43%	51.34%
WIA PY11 Adult & Dislocated Worker Health Sector	69%	37%	39.48%
WIA PY11 Adult & Dislocated Worker Rural Services	57%	43%	53.68%
WIA PY11 Internal Programs	100%	0%	47.57%
WIA PY11 Internal Programs and To Be Allocated	0%	0%	0%
Total PY11 Adult & Dislocated Worker	64%	38%	32.38%
	Youth In-School	Youth Out-Of-School	% Spent
WIA PY11 Youth General	48%	52%	17.97%
WIA PY11 Youth Tri County	49%	51%	24.15%
WIA PY11 Internal Programs	100%	0%	59.67%
WIA PY11 Internal Programs and To Be Allocated	0%	0%	0%
Total PY11 Youth	64%	36%	17.54%
Direct Grants			% Spent
WIA PY10/PY11 Governor's Reserve Youth			95.92%
WIA PY10 Internal Programs Ongoing			86.27%
Direct Adult & Dislocated Worker Grants			52.57%

Discussion ensued regarding the timing of this report that does not include the last 4 days of February 2012 invoicing which would increase the expenditures percentages.

Heather DeSart addressed the concerns regarding CCSD-Desert Rose where their contract took 4 months to execute and CCSD-Desert Rose would not spend under a Letter of Intent. On the programmatic side, Workforce Connections staff requested a cease in enrollments. CCSD-Desert Rose was training participants for High School Diplomas or GEDs with some in the healthcare field (CNAs) and not placing. Technical Assistance (TA) was provided to CCSD-Desert Rose by Workforce Connections staff and a request was made to place the current 159 enrollments into OJT activities. Those participants entered into their programs, assessed through an individual employment plan, completed job readiness skills, and received their GEDs or High School Diplomas were requested to be placed into OJT activities that would meet and maintain performance levels and the participants would receive the services that they need. Further clarification that the OJT process is a guaranteed employment based on the contract template, when the employer hires an individual through Workforce Connections programs wages subsidized depending on the size of the company from 50-90% for a certain amount of time based on a skill GAP analysis performed on an individual basis. In that contract there is a provision that the client (at the end of the contract) be hired becoming a guaranteed employment with Workforce Connections spending the dollars in a training capacity and the result is employment. Dan Gouker stated this is not to displace a regular worker and this is using these funds to supplement a paycheck from an employer so that they will agree to put them on at their cost at minimum wage and we will supplement up to a livable wage. Heather concurred. Discussion ensued regarding all service providers held to the same performance levels and standards levels.

Carol Turner presented two new reports as a result from comments at the previous Board meeting. The reports address the Adult and Dislocated Worker Funding Plan April 1, 2012 with \$1.6 Million Incentive, indicating either incentive or additional contract money rolled out and on to the street or rolled over to the next year and distributed into ongoing contracts. The report indicates that Dislocated Worker funds were expended around July of last year (PY2011) and Adult funds were carried through December (PY2011) with an average of 3 months carry forward (Reserve balances are not allowed to be kept). Carol presented the Youth Funding Plan March 30, 2012 and of the \$1.6 Million, Carol has projected that \$1.3 Million will be expended in the months prior to June 30, 2012. Carol further stated that an RFP was released for the Re-Entry Program with a July 1, 2012 start date. The Youth Graduate Advocate Initiative Program will be bid out for RFP. Heather concurred that this program will bid out for RFP and a provider identified by September/October 2012. Further discussion ensued.

Ardell stated that Workforce Connections has 2-year contracts with the State. At the State level there are 3-year contracts to expend PY2010, PY2011 and PY2012. If the State money has not been expended it reverts to the U.S. Department of Labor. On the local level, if Workforce Connections does not expend the funds it would be recaptured by the State of Nevada and then the Governor would reallocate the money to Northern Nevada or under a special project. Workforce Connections does not want to carry forward large amounts of funds from one program year to another. Two significant reasons: 1) the ability to service clients in Southern Nevada that is most in need; and, 2) the potential sanctions for numerous carry forwards from one program year to another. At the U.S. Department of Labor level, 80% of program money needs to be expended from one year to the next. Ardell further stated that based on the Expenditure Plan and Program Design presented there should be no loss of funds and the expenditure rates will be in line, but it will be an effort on staff and the service providers to stay on target.

Agenda Item 10-INFORMATION: Program Year 2012 Audit Findings Status Update.

Jim reported on the Program Year 2012 Audit Findings Status Update on pages 19 - 22 of the agenda packet. An additional column indicated as PY2010 was added to the PY12 Audit Finding Status Report for new findings. Jim stated that the Corrective action work plan for audit findings for the fiscal year ending June 30, 2011 provides the narrative.

Agenda Item 11-INFORMATION: Financial Edge (FE) System Implementation Schedule Update.

Jim reported on the FE System Implementation Schedule Update on pages 23 -24 of the agenda packet indicating that staff was able to finalize all QuickBooks transactions through December and has been entered into FE, balanced, and reconciling accounts in the coming weeks moving forward. Jim reported that the new module implementation for PaperSave software has been configured and installed. PaperSave combined with FE allows you to scan in all documentation (transaction and backup).

Agenda Item 12 - INFORMATION: Workforce Connections' Annual Single Audit Response for the Period Ending June 30, 2011.

Reported under the Program Year 2012 Audit Findings Status Update located on pages 25 - 30 of the agenda packet.

Agenda Item 13 - SECOND PUBLIC COMMENT SESSION: Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier; however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name and state address for the record. Each comment will be limited to three (3) minutes.

Philip Stoeckinger, City of Las Vegas, 495 S. Main Street, Las Vegas, NV 89101. I just wanted to thank Carol and Jim, from the comments raised in the media and by this committee and the local folks, for putting together the expenditures plan into a format with the dollars identified is very much an enhancement and I wanted to express gratitude to Carol and Jim for putting this together. Thank you.

Agenda Item 14 - Adjournment: The meeting adjourned at 11:46 a.m.

workforceCONNECTIONS
PY2011 WIA Formula Budget
July 1, 2011 - June 30, 2012
(Revised April 13, 2012)

Revenue by Funding Stream	Approved	Revised	\$ Change	Available for LWIB Operations		Service Providers	TOTAL
	Budget PY2011	Budget PY2011		10% Admin	16% Program		
PY2011 Adult	5,660,975	5,730,642	69,667	573,064	916,903	4,240,675	5,730,642
PY2011 Dislocated Worker	6,637,823	6,709,226	71,403	670,923	1,073,476	4,964,827	6,709,226
PY2011 Youth	5,760,743	5,760,743	-	576,074	921,719	4,262,950	5,760,743
PY2010 Adult Budget Carry Forward	2,433,862	2,433,862	-	243,386	389,418	1,801,058	2,433,862
PY2010 Dislocated Worker Budget Carry Forward	443,620	443,620	-	44,362	70,979	328,279	443,620
PY2010 Youth Budget Carry Forward	2,905,927	2,905,927	-	290,593	464,948	2,150,386	2,905,927
Other Revenues (Interest)	1,250	1,250	-	-	1,250	-	1,250
Governor's Reserve - Strategic Initiative	75,000	75,000	-	-	75,000	-	75,000

Total Revenue by Funding Stream	\$ 23,919,200	\$ 24,060,270	\$ 141,070	\$ 2,398,402	\$ 3,913,683	\$ 17,748,176	\$ 24,060,270
					\$ 6,312,095		

Notes:

1. PY2011 Revenues include additional DETR funding Adult \$478,408 plus \$69,667 and Dislocated Worker \$694,623 plus \$71,302.
2. Carry forward funds have been estimated for PY2010 in the amount of \$5,783,409. These fund estimates will be revised later this year when the A-133 audit is complete.
3. The Department of Labor allows local boards to expend up to 10% of their total allocation for administrative costs. WC also allocates 16% of the total allocation for program management and oversight.
4. WIA funds have a two year life at the local level and an additional year at the state level.

Service Providers/Contractors	Approved	Revised	\$ Change	Service Providers	TOTAL
	Budget PY2011	Budget PY2011			
Adult Services	5,990,179	6,041,733	51,554	5,188,896	5,188,896
Dislocated Worker Services	5,240,268	5,293,106	52,838	4,545,943	4,545,943
Strategic Initiative - Adult/Dislocated Worker				1,600,000	1,600,000
Youth Services	6,413,336	6,413,336	-	5,413,336	5,413,336
Strategic Initiative - Youth				1,000,000	1,000,000
Subtotal Service Provider/Contractors	\$ 17,643,783	\$ 17,748,176	\$ 104,392	\$ 17,748,176	\$ 17,748,176

Administrative and Program Operating Expenditures - Board Staff

Expense Category	Approved	Revised	\$ Change	Admin	Program	Total	
	Budget PY2011	Budget PY2011					
6100 Audit/Accounting Services	440,000	430,000	(10,000)	430,000	-	430,000	
6120 Bank/Payroll Services	13,250	6,000	(7,250)	6,000	-	6,000	
6130 Equipment/Furniture	200,000	150,000	(50,000)	42,000	108,000	150,000	
6130-11 NVTrac - Data Tracking System	140,000	160,000	20,000	-	160,000	160,000	
6140 Equipment Repairs	5,000	2,500	(2,500)	700	1,800	2,500	
6150 Legal Publication/Advertising	50,000	30,000	(20,000)	8,400	21,600	30,000	
6160 Dues & Subscriptions	15,000	12,500	(2,500)	3,500	9,000	12,500	
6170 Equipment Rental	20,000	24,250	4,250	6,790	17,460	24,250	
6190 Insurance	45,000	30,000	(15,000)	8,400	21,600	30,000	
6200 Janitorial & Maintenance	15,000	10,000	(5,000)	2,800	7,200	10,000	
6210 Legal Fees	60,000	50,000	(10,000)	50,000	-	50,000	
6230 License & Permits	5,000	4,000	(1,000)	1,120	2,880	4,000	
6250 Office Supplies	25,000	25,000	-	7,000	18,000	25,000	
6260 Salaries	2,912,731	2,876,500	(36,231)	949,245	1,927,255	2,876,500	
6265 Employee Fringe Benefits	1,019,456	1,006,775	(12,681)	332,236	674,539	1,006,775	
6270 Postage & Delivery	5,000	4,000	(1,000)	1,120	2,880	4,000	
6280 Printing & Reproduction	15,000	15,000	-	4,200	10,800	15,000	
6285 Board Support & Travel	25,000	10,000	(15,000)	-	10,000	10,000	
6290 Facility Rent/Lease	333,924	333,924	-	93,499	240,425	333,924	
6300 Telephone	50,000	40,000	(10,000)	11,200	28,800	40,000	
6305 Program Support Contracts	80,000	80,000	-	-	80,000	80,000	
6306 Admin Support Contracts	80,000	80,000	-	80,000	-	80,000	
6310 Travel - Staff	70,000	45,000	(25,000)	12,600	32,400	45,000	
6320 Training & Seminars - Staff	65,000	65,000	-	18,200	46,800	65,000	
6390 Utilities (included in Rent)	-	-	-	-	-	-	
6440 Systems Communications Support	75,000	70,000	(5,000)	19,600	50,400	70,000	
6500 Workforce Development Outreach	80,000	65,000	(15,000)	18,200	46,800	65,000	
6550 Employer Payroll Taxes	87,382	86,294	(1,088)	28,477	57,817	86,294	
6700 Youth Program Activities	15,000	25,000	10,000	-	25,000	25,000	
6720 Adult/DW Program Activities	15,000	25,000	10,000	-	25,000	25,000	
6850 Strategic Initiative - Governor's Reserve	75,000	75,000	-	-	75,000	75,000	
6850 Strategic Initiative - WIA	238,674	275,352	36,678	-	275,352	275,352	
6850 Strategic Initiative - WIA Budget Reductions	-	200,000	200,000	-	200,000	200,000	
Subtotal Operating Expenditures	6,275,417	6,312,095	36,678	2,136,287	4,176,808	6,312,095	
Total Expenditures	23,919,200	24,060,270		2,136,287	4,176,808	17,748,176	24,060,270
Fund Balance	\$ -	\$ -		\$ 263,115	\$ (263,115)	\$ -	\$ -

**Workforce Connections
Program Year 2011
WIA Formula Budget Narrative**

Workforce Connections is responsible for providing management and oversight of the Workforce Investment Area's employment and training programs and services. The Board's staff provides direct support to the Workforce Investment Area by carrying out the Board's operations plans. Staff responsibilities include implementing Board policies and establishing techniques and methods to achieve the Board's mission. Staff administers and oversees all internal administrative service provisions, including program administration, management analysis and administration support for the Workforce Investment Board.

Revenues:

Workforce Investment Act (WIA) Program Year PY 2011 revised allotted funds were awarded in the amount of \$18,200,611. Allocated (revised) among the three funding streams: Adult - \$5,730,642; Dislocated Worker - \$6,709,226; and Youth - \$5,760,743.

Due to Congressional change in states WIA formula allocations, an additional 10% of adult and dislocated worker funds were reallocated for distribution to Local Workforce Investment Areas. As such, Workforce Connections received an additional \$548,075 in the adult category and \$766,026 in the dislocated worker category.

Because of Workforce Connections' exceptional program services delivery, all established performance measures were met or exceeded during PY2010. As such, an incentive award of \$75,000 was allocated to Workforce Connections in recognition of outstanding workforce development services oversight and delivery.

The overall funding for the PY 2011 was increased by \$1,451,193 (8.7%), compared to the Program Year 2010 WIA allocation which was \$16,749,418.

Other anticipated funding includes operating carry forward funds from Program Year 2010 WIA allocation of approximate \$5,783,409.

Total budgeted revenues for PY 2011 are \$24,060,270.

Expenditures – Service Providers/Contractors/Vendors:

On June 28th, 2011, the board of directors approved the Adult and Dislocated Worker PY2011 contracts. The approved board funding awards were: \$2,475,000 for Green Economy Sector contracts; \$2,475,000 for Healthcare Sector contracts; and \$2,450,000 for incumbent service providers' contracts. The Board of Directors also approved the Youth PY2011 contracts in the amount of \$2,000,000 for Year-Round services and \$250,000 for Youth Tri-County Coalition contracts.

Administrative and Program Operating Expenditures – Board Staff:

The Department of Labor allows local workforce investment boards to expend up to 10% of their total formula funding allocation for administrative services. For programmatic operations and oversight, over the last four years, the board of directors have allocated 16% of the total budget allocation. Such operational and management oversight include but not limited to:

- Providing technical assistance to contracted service providers
- Tracking and monitoring of participating clients and performance outcome
- Program oversight and monitoring of service provider contracts

Note: A number of these expense categories were initially decreased in comparison to the PY2010 budget allocation. Although such budget line decreases were appropriate at the time of recommendation, the economic and job training markets have driven staff to make some adjustments in a few budget line items. This overall budget line item reductions in the initial approved budget were due to the exhaustion of the American Reinvestment and Recovery Act (ARRA) funding that was received in PY 2009 with a carry forward allocation to PY 2010.

6100 - Audit/Accounting Services: \$430,000 – a budget decrease of \$10,000 - This line item includes the cost of the A-133 audit as well as extended accounting and financial consulting and technical support which were not budgeted in the prior program year. Because of the agency's significant fiscal challenges, this additional increase is due to the anticipation of accounting and auditing consultants to assist staff throughout the program year.

6120 Bank/Payroll Services: \$6,000 – a budget decrease of \$7,250 - This was a prior year (PY2010) decrease of \$4,000; however with a noted U.S. Department of Labor (DOL) finding, an interest bearing account must be established which will be an additional cost of banking operations. This line item is for various banking services which include wire transfers and ACH payments and payroll services provided. We believe actual expenditures for PY2011 will result in more additional costs than those reflected in the previous program year.

- 6130 Equipment/Furniture: \$150,000 – a budget decrease of \$50,000** - With a classification change in this line item during the previous program year, this line item held steady with no increase in the initial budget allocation. Due to the increased operations requirement, this line item includes the costs for additional equipment/furniture, e.g., computers, servers, furniture, etc., for administrative and programmatic support staff.
- 6130-11 NVTrac: \$160,000 – a budget increase of \$20,000** - This budget line is for contractual expenditures related to the completion of the NVTrac data tracking system. This system will replace NJCOS which is the current system used to track participant data and serve as a reporting tool. **This increase will fund additional consultant time for development of the client portal in NVTrac.**
- 6140 Equipment Repairs: \$2,500 – a budget decrease of \$2,500** - This line item is for normal wear and tear or unanticipated equipment repair or breakdowns. There is a prior year decrease on this line due to the actual expenditures for PY2010 being lower than the budgeted amount. We do not anticipate expenditures increasing this program year and have reduced the budget line to reflect a more accurate expectation of expenses based on prior years' history.
- 6150 Legal Publication/Advertising: \$30,000 – a budget decrease of \$20,000** - This line item represents legal publication, i.e., job postings, Request for Proposals and controlled advertisements.
- 6160 Dues and Subscriptions: \$12,500 – a budget decrease of \$2,500** - This line item serves to establish memberships in trade and technical associations that benefit Workforce Connections' outreach and oversight initiatives, and offers valued key contacts for workforce/economic development and technical information support.
- 6170 Equipment Rental: \$24,250 – a budget increase of \$4,250** - This line item is allocated for continuing existing leases on copiers and postage meter equipment, and any rental equipment needed in daily operations. **This increase will complete funding for copiers.**
- 6190 Insurance: \$30,000 – a budget decrease of \$15,000** - Allocated costs for Board liability insurance such as workers' compensation, general business liability and Board directors and officers' omission and errors liability. This line also provides insurance for our green training vehicle.
- 6200 Janitorial and Maintenance: \$10,000 – a budget decrease of \$5,000** - This line item is allocated for any janitorial services or repairs needed to Workforce Connections' administration offices. This budget line element also provides funds for repairs to our green training vehicle.

6210 Legal Counsel Fees: \$50,000 – a budget decrease of \$10,000 - This budget allocation is for legal services in areas such as board and official open meetings preparation, i.e., review of agendas and contract agreements, and review of RFPs and policies.

6230 License and Permits: \$4,000 – a budget decrease of \$1,000 - This line item is allocated for software licenses and permits associated with new computers or purchased upgrades for current software.

6250 Office Supplies: \$25,000 - This line item is allocated for various office supplies needed for every day operations.

6260 - Salaries: \$2,876,500 – a budget decrease of \$36,231 - Even though capacity has been added in the area Workforce Connections' staffing over the last couple of program years, management anticipates adding a few more positions during this program year in various areas to include but not limited to fiscal, adult and dislocated program staff, and contract administration.

6265 - Employee Fringe Benefits: \$1,006,775 – a budget decrease of \$12,681- Employee benefits include medical, dental and life insurance, as well as other benefits like employer paid Public Employees Retirement System (PERS) contributions. A rate of 35% of the total salaries has typically been used to calculate the fringe benefits.

6270 Postage and Delivery: \$4,000 – a budget decrease of \$4,000 - Postage and mail delivery costs include such activities as routine postage, courier delivery service, and Federal Express delivery. Staff's progressive use of electronic mail has led to a reduction in postage and delivery expenditures.

6280 Printing and Reproduction: \$15,000 - This item includes local office copier costs on leased copy equipment and other ancillary copying and printing costs associated with Board administration and daily operations.

6285 Board Support and Travel: \$15,000 – a budget decrease of \$10,000- This budget allocation is primarily used for Board members' travel to grant, and support business activities tied to WIA requirements. This allocation also includes costs associated with facility costs tied to board and committee meetings

6290 Facility Rent/Lease: \$333,924 - The allocation has increased due to Workforce Connections' anticipation of acquiring additional office space for operational staff in support of the Board's capacity building in critical administrative and programmatic functions.

- 6300 Telephone: \$40,000 – a budget decrease of \$10,000** - This budget item is designated for all activities related to telephone services, i.e., local and long distance phone charges and wireless communication
- 6305 Program Support Contracts: \$80,000** - This line item represents the agency's programmatic progress in supporting awarded contracts and workforce development initiatives in the form of professional agreements and temporary staffing with focus on WIA grant performance and system data support activities.
- 6306 Admin Support Contracts: \$80,000** - This item is for administrative support contracts, including professional agreements and temporary staffing with focus on WIA grant fiscal management and personnel management. This increase will fund the contractor hired to assist in the Executive Director search.
- 6310 Travel (Staff): \$45,000 – a budget decrease of \$25,000** - Local and out-of-town staff travel for grant related matters such as WIA State and USDOL sponsored training and conferences. This line item also covers travel for staff training on an array of programmatic and fiscal activities, as well as local and rural areas site reviews and monitoring visits to ensure compliance with WIA initiatives and work plans.
- 6320 Training and Seminars (Staff): \$65,000** - This item is designated for staff training/seminars for both local and out-of-town locations. For example, financial management, program and systems management and oversight training and seminars/conferences which focus on grant support activities.
- 6390 Utilities: \$0** - This budget line has been reduced to zero because the cost of utilities is included in the monthly lease agreement.
- 6440 Systems Communications Support: \$70,000 – a budget decrease of \$5,000** - This allocation is to support systems such as data backup, T-1 lines and web hosting for internal e-mail support.
- 6500 Workforce Development Outreach Initiatives: \$65,000 – a budget decrease of \$15,000** - This line item represents business/employer outreach initiative to attract businesses and establish partnerships for workforce development and employer services initiatives.
- 6550 - Employer Payroll Taxes: \$86,294 – a budget decrease of \$1,088** - The employer payroll tax average rate is 3% of the total salaries.

6700 Youth Program Activities: \$25,000 – an increase of \$10,000 – This budget line is for youth program activities outside of daily operations such as service provider trainings and various youth conferences and summits. **The increase will fund additional program activities specific to the Youth program.**

6720 Adult/DW Program Activities: \$25,000 – an increase of \$10,000 - This budget line is for adult and dislocated worker program activities outside of daily operations such as service provider trainings and various employability conferences. **This increase will fund additional program activities specific to the Adult and Dislocated Worker program.**

6850 Strategic Initiatives – Governor’s Reserve: \$75,000 – This item was created to utilize and track strategic projects in support of workforce initiatives with detailed tactics and strategies in response to unanticipated high demand workforce needs. As such, an incentive award of \$75,000 was allocated to Workforce Connections in recognition of outstanding workforce development services oversight and delivery.

6850 Strategic Initiatives: \$475,352 – an increase of \$36,678 in new Adult and Dislocated Worker funds as well as \$200,000 in net budget reductions – This item was created to utilize and track strategic projects in support of workforce initiatives with detailed tactics and strategies in response to unanticipated high demand workforce needs. **This increase will fund future workforce initiatives approved by the Board.**

workforceCONNECTIONS
PY2012 WIA Formula Budget
July 1, 2012 - June 30, 2013
(Original Budget - April 2012)

Revenue by Funding Stream	Approved Budget PY2011	Proposed Budget PY2012	\$ Change	Available for LWFB Operations		Service Providers	TOTAL
				10% Admin	10% Program		
PY2012 Adult		6,285,941	6,285,941	628,594	628,594	5,028,753	6,285,941
PY2012 Dislocated Worker		6,743,443	6,743,443	674,344	674,344	5,394,755	6,743,443
PY2012 Youth		6,316,655	6,316,655	631,666	631,666	5,053,323	6,316,655
PY2011 Adult Carry Forward	5,730,642	1,000,000	(4,730,642)	100,000	100,000	800,000	1,000,000
PY2011 Dislocated Worker Carry Forward	6,709,226	1,000,000	(5,709,226)	100,000	100,000	800,000	1,000,000
PY2011 Youth Carry Forward	5,760,743	3,000,000	(2,760,743)	300,000	300,000	2,400,000	3,000,000
PY2010 Adult Budget Carry Forward	2,433,862		(2,433,862)	-	-	-	-
PY2010 Dislocated Worker Budget Carry Forward	443,620		(443,620)	-	-	-	-
PY2010 Youth Budget Carry Forward	2,905,927		(2,905,927)	-	-	-	-
Other Revenues (Interest)	1,250	25	(1,225)	-	25	-	25
Governor's Reserve - Strategic Initiative	75,000	75,000	-	-	75,000	-	75,000
Total Revenue by Funding Stream	\$ 24,060,270	\$ 24,421,064	\$ 360,794	\$ 2,434,604	\$ 2,509,629	\$ 19,476,831	\$ 24,421,064
					\$ 4,944,233		

Notes.

1. PY2012 Estimated Revenues include a 9.69 % increase for Adult, 0.51% for Dislocated Worker, and 9.65% for Youth.
2. Carry forward funds have been estimated for PY2011 in the amount of \$6,601,700. These fund estimates will be revised later this year when the A-133 audit is complete.
3. The Department of Labor allows local boards to expend up to 10% of their total allocation for administrative costs. WC also allocates 10% of the total allocation for program management and oversight.
4. WIA funds have a two year life at the local level and an additional year at the state level.

Service Providers/Contractors	Approved Budget PY2011	Proposed Budget PY2012	\$ Change	Service Providers	TOTAL
Adult Services	6,041,733	5,828,753	(212,980)	5,828,753	5,828,753
Dislocated Worker Services	5,293,106	6,194,755	901,649	6,194,755	6,194,755
Strategic Initiative - Adult/Dislocated Worker					
Youth Services	6,413,336	7,453,323	1,039,987	7,453,323	7,453,323
Strategic Initiative - Youth					
Subtotal Service Provider/Contractors	\$ 17,748,175	\$ 19,476,831	\$ 1,728,656	\$ 19,476,831	\$ 19,476,831

Administrative and Program Operating Expenditures - Board Staff

Expense Category	Approved Budget PY2011	Proposed Budget PY2012	\$ Change	Admin	Program	Total
6100 Audit/Accounting Services	430,000	350,000	(80,000)	350,000	-	350,000
6120 Bank/Payroll Services	6,000	6,000	-	6,000	-	6,000
6130 Equipment/Furniture	150,000	75,000	(75,000)	21,000	54,000	75,000
6130-11 NVTrac - Data Tracking System	160,000	100,000	(60,000)	-	100,000	100,000
6140 Equipment Repairs	2,500	1,500	(1,000)	420	1,080	1,500
6150 Legal Publication/Advertising	30,000	18,000	(12,000)	5,040	12,960	18,000
6160 Dues & Subscriptions	12,500	12,000	(500)	3,360	8,640	12,000
6170 Equipment Rental	24,250	15,000	(9,250)	4,200	10,800	15,000
6190 Insurance	30,000	40,000	10,000	11,200	28,800	40,000
6200 Janitorial & Maintenance	10,000	5,000	(5,000)	1,400	3,600	5,000
6210 Legal Fees	50,000	50,000	-	50,000	-	50,000
6230 License & Permits	4,000	3,000	(1,000)	840	2,160	3,000
6250 Office Supplies	25,000	15,000	(10,000)	4,200	10,800	15,000
6260 Salaries	2,876,500	2,413,763	(462,737)	796,542	1,617,221	2,413,763
6265 Employee Fringe Benefits	1,006,775	809,818	(196,957)	267,240	542,578	809,818
6270 Postage & Delivery	4,000	3,000	(1,000)	840	2,160	3,000
6280 Printing & Reproduction	15,000	12,000	(3,000)	3,360	8,640	12,000
6285 Board Support & Travel	10,000	8,000	(2,000)	-	8,000	8,000
6290 Facility Rent/Lease	333,924	365,348	31,424	102,297	263,051	365,348
6300 Telephone	40,000	30,000	(10,000)	8,400	21,600	30,000
6305 Program Support Contracts	80,000	30,000	(50,000)	-	30,000	30,000
6306 Admin Support Contracts	80,000	145,000	65,000	145,000	-	145,000
6310 Travel - Staff	45,000	40,000	(5,000)	11,200	28,800	40,000
6320 Training & Seminars - Staff	65,000	40,000	(25,000)	11,200	28,800	40,000
6390 Utilities (included in Rent)	-	-	-	-	-	-
6440 Systems Communications Support	70,000	50,000	(20,000)	14,000	36,000	50,000
6500 Workforce Development Outreach	65,000	30,000	(35,000)	8,400	21,600	30,000
6550 Employer Payroll Taxes	86,294	71,804	(14,490)	23,695	48,109	71,804
6700 Youth Program Activities	25,000	15,000	(10,000)	-	15,000	15,000
6720 Adult/DW Program Activities	25,000	15,000	(10,000)	-	15,000	15,000
6850 Strategic Initiative - Governor's Reserve	75,000	75,000	-	-	75,000	75,000
6850 Strategic Initiative - WIA	275,352	100,000	(175,352)	-	100,000	100,000
6850 Strategic Initiative - WIA Budget Reduction	200,000		(200,000)	-	-	-
Subtotal Operating Expenditures	6,312,095	4,944,233	(1,367,862)	1,849,834	3,094,399	4,944,233
Total Expenditures	24,060,270	24,421,064		1,849,834	3,094,399	19,476,831
Fund Balance	\$ -	\$ -		\$ 584,770	\$ (584,770)	\$ -