



Pasco-Hernando Workforce Board, Inc.

June 8, 2011
3185 Premier Drive
Brooksville, FL 34604
8:30 a.m.

Audit/Finance Committee Meeting Agenda

Welcome and Introductions Randy Woodruff, Chairperson

Audit/Finance Committee

Action Items

- Approval of Preliminary Budget, Program Year 2011 Page 1-1
- Financial Report Summary, YTD as of April 30, 2011 Page 2-1
- Employee Benefits Analysis Page 3-1

(Note: Minutes from March 18, 2011, combined Audit/Finance and Executive Committee meeting are provided for information at end of pack)

Public Comments

Adjournment

Next Committee Meeting: To be announced



**PASCO-HERNANDO WORKFORCE BOARD
PLANNING BUDGET FY 2011-2012**

BACKGROUND

Workforce Florida, Inc. (WFI), at its May 26, 2011 meeting, approved Fiscal Year 2011-2012 allocations to the Regional Workforce Boards. The Pasco and Hernando Boards of County Commissioners are the “chief elected officials” for Workforce Development Region 16 and are responsible for budget approval along with the PHWB.

PHWB staff has produced estimates of funds that will be carried forward into Fiscal Year 2012 in order to provide a planning budget for FY2012. The budget will be revised after final carryforward funds are determined.

INFORMATION

Revenue Budget:

- The total anticipated revenue for Fiscal Year 2011-2012 is \$10,040,629. This is a 13% reduction from our base allocation and carry forward at the end of Fiscal Year 2011.
- The PHWB leases space to various partners in the One Stop Centers and will generate \$160,552 in revenue which will be used to offset some of the cost of operating the one stops. This amount is \$17,210 less than last year due to certain partners withdrawing from the One Stops due to budget cuts.
- Estimated carryforward of funds for projects that cross fiscal years is \$2,026,248. This is \$95,324 less carry forward than last fiscal year.
- Since the fiscal year beginning June 1, 2008, the recurring revenue has decreased 14%.
- The largest allocation decrease is in the Welfare Transition program at 8%. This program budget net decrease, however, is estimated at 27%, due to the anticipated lack of carry forward authority.
- The largest anticipated increase is in the WIA Dislocated Worker program at 25%, due to an allocation increase, a supplemental allocation and carry forward.

Planned Expenditures:

The attached Planning Budget details the amounts of revenue and planned expenditures from each funding source.

The two major categories of the expenditure budget are Board and One-Stop Operating Costs and Contracts.

The PHWB operates three One-Stop Career Centers in New Port Richey, Zephyrhills and Spring Hill. We also operate a Mobile One Stop which visits various locations around the region to take services to those who may not be able to access a One Stop Center.

The major expenditure of the Board is Salaries and Benefits. The Board employs individuals involved in various functions from administration to direct service delivery. In order to provide the maximum amount of funding to direct client services, we have budgeted for a net reduction of five positions. The numbers of full-time equivalent staff and functional areas are as follows:

- One Stop Resource Rooms - 14
- Business Services - 5
- Call Center - 8.5
- Specific Grant-funded Positions - 3
- Board office Program Operations - 10
- Board office Administrative - 5

In addition to Board employees, the budget includes salaries for individuals employed by the Agency for Workforce Innovation who work in the One-Stop Centers and are under the functional supervision of the Board. The numbers of employees by funding source are:

- Veterans Programs - 6
- Wagner Peyser - 6

The next largest expenditure is contracted services. The PHWB is contracting with Goodwill-Industries Suncoast to provide WIA, Welfare Transition, Trade Act Assistance and Wagner Peyser services in the One Stops. They will employ 40 individuals providing those services. The total of this contract is \$4.5 million.

The Board also plans to spend \$550,000 to operate Employed Worker and On-The-Job Training programs assisting local employers to upgrade the skills of their employees and supplementing wages during initial training periods.

An additional \$400,000 will be contracted out to provide business and economic development services. An RFP for those services has been issued and providers will be selected prior to July 1.

The Board contracts with ARC of the Nature Coast for \$30,000 to assist in stabilization of individuals with disabilities.

There is a reserve of \$200,000 for Youth programs to be determined by the Youth Committee and procured through a Request for Proposals.

RECOMMENDATION:

Staff recommends the Audit/Finance Committee approve the budget as presented and recommend approval to the Executive Committee.

PASCO-HERNANDO WORKFORCE BOARD, INC.
 PLANNING BUDGET FY2011-2012

	TOTAL	ADULT (INCL NER)	DW	YOUTH	ARRA NEG/OJT	TAA	Welfare Transition	FSET	REA	WP	Disability Navigator	UC	VETS
Funding:													
PY10-11 Allocations	\$ 8,014,381	\$ 1,257,649	\$ 1,984,299	\$ 1,117,311	\$ -	\$ -	\$ 2,029,114	\$ 200,000	\$ -	\$ 943,252	\$ -	\$ 122,699	\$ 360,057
Intertitle Transfer	\$ -			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserve for Second Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Carryforward	\$ 2,026,248	\$ 801,911	\$ 700,000	\$ -	\$ 275,396	\$ 140,000	\$ -	\$ -	\$ 25,000	\$ 56,441	\$ 27,500	\$ -	\$ -
Total Available Funding	\$10,040,629	\$2,059,560	\$2,684,299	\$1,117,311	\$275,396	\$140,000	\$2,029,114	\$200,000	\$25,000	\$999,693	\$27,500	\$122,699	\$360,057
Budgeted Expenditures:													
Payroll & Benefits	\$ 2,537,207	\$ 505,345	\$ 697,667	\$ 225,921	\$ 76,940	\$ 9,350	\$ 547,949	\$ 21,148	\$ 21,390	\$ 248,934	\$ 2,243	\$ 97,897	\$ 82,421
AWI Payroll	\$ 463,235					\$ 44,628				\$ 191,802	\$ -		\$ 226,804
Facilities	\$ 692,776	\$ 171,384	\$ 197,939	\$ 59,752	\$ 7,989	\$ -	\$ 147,698	\$ 6,179	\$ 1,656	\$ 63,693	\$ 1,031	\$ 11,376	\$ 24,081
Less rent receipts from partners	\$ (160,552)	\$ (34,217)	\$ (42,965)	\$ (15,297)	\$ -	\$ -	\$ (42,536)	\$ (1,432)	\$ (384)	\$ (15,504)	\$ -	\$ (2,636)	\$ (5,581)
Equipment	\$ 50,000	\$ 10,083	\$ 14,117	\$ 4,764	\$ -	\$ -	\$ 13,084	\$ 446	\$ 119	\$ 4,828	\$ -	\$ 821	\$ 1,738
Operational Support	\$ 705,000	\$ 150,251	\$ 199,052	\$ 67,172	\$ 9,467	\$ 2,780	\$ 162,919	\$ 6,288	\$ 1,685	\$ 68,078	\$ 1,226	\$ 11,576	\$ 24,506
Board & One-Stop Operating Costs	\$ 4,287,667	\$ 802,847	\$ 1,065,811	\$ 342,311	\$ 94,396	\$ 56,759	\$ 829,114	\$ 32,629	\$ 24,466	\$561,832	\$ 4,500	\$119,033	\$353,969
Goodwill Industries-Suncoast	\$ 2,704,321	\$ 475,000	\$ 900,000	\$ 375,000	\$ 31,000	\$ 7,460	\$ 700,000	\$ 165,000	\$ -	\$ 27,861	\$ 23,000	\$ -	\$ -
Direct Participant Costs	\$ 1,810,000	\$ 325,000	\$ 700,000	\$ 200,000	\$ -	\$ 75,000	\$ 500,000	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ -
Youth Program	\$ 200,000			\$ 200,000									
ARC of the Nature Coast	\$ 30,000	\$ 30,000	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employed Worker and OJT	\$ 550,000	\$ 400,000	\$ -	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Business and Economic Dev. Svc	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ -
Contracts	\$ 5,694,321	\$ 1,230,000	\$ 1,600,000	\$ 775,000	\$ 181,000	\$ 82,460	\$ 1,200,000	\$ 165,000	\$ -	\$ 437,861	\$ 23,000	\$ -	\$ -
	\$ -												
Total Planned Expenditures	\$ 9,981,988	\$ 2,032,847	\$ 2,665,811	\$ 1,117,311	\$ 275,396	\$ 139,219	\$ 2,029,114	\$ 197,629	\$ 24,466	\$ 999,693	\$ 27,500	\$ 119,033	\$ 353,969
Unobligated Funding	\$ 58,641	\$ 26,713	\$ 18,488	\$ (0)	\$ (0)	\$ 781	\$ 0	\$ 2,371	\$ 534	\$ (0)	\$ 0	\$ 3,666	\$ 6,088

Pasco-Hernando Workforce Board, Inc.
 Funding Comparison - PY10 vs. PY11 With Carry Forward

Funding Source	PY10	PY09 Carry-forward	Total PY 10 Funding	PY11	PY10 Estimated Carryforward	Total PY11 Estimated Funding	Difference	% of Change
WIA Adult	\$ 1,990,146	\$ 381,312	\$ 2,371,458	\$ 1,257,649	\$ 404,000	\$ 1,661,649	\$ (709,809)	-29.9%
WIA DW	\$ 1,425,776	\$ 712,349	\$ 2,138,125	\$ 1,984,299	\$ 700,000	\$ 2,684,299	\$ 546,174	25.5%
WIA Youth	\$ 879,250	\$ 290,856	\$ 1,170,106	\$ 1,117,311	\$ -	\$ 1,117,311	\$ (52,795)	-4.5%
Welfare Transition	\$ 2,226,528	\$ 565,348	\$ 2,791,876	\$ 2,029,114	\$ -	\$ 2,029,114	\$ (762,762)	-27.3%
Food Stamp Employment Training	\$ 200,000	\$ -	\$ 200,000	\$ 200,000	\$ -	\$ 200,000	\$ -	0.0%
Wagner Peyser	\$ 957,126	\$ -	\$ 957,126	\$ 943,252	\$ -	\$ 943,252	\$ (13,874)	-1.4%
Unemployment Compensation	\$ 140,608	\$ -	\$ 140,608	\$ 122,699	\$ -	\$ 122,699	\$ (17,909)	-12.7%
Veterans Programs	\$ 323,208	\$ -	\$ 323,208	\$ 360,057	\$ -	\$ 360,057	\$ 36,849	11.4%
WP 09-10 Performance Incentives	\$ 56,441	\$ 20,833	\$ 77,274	\$ -	\$ 56,441	\$ 56,441	\$ (20,833)	-27.0%
WIA 09-10 Performance Incentives	\$ 174,034	\$ 31,250	\$ 205,284	\$ -	\$ 205,284	\$ 205,284	\$ -	0.0%
WIA Nat'l Emergency Reserve	\$ 192,627		\$ 192,627	\$ -	\$ 192,627	\$ 192,627	\$ -	0.0%
Reemployment and Eligibility Assessment	\$ 41,141	\$ 166,266	\$ 207,407	\$ -	\$ 25,000	\$ 25,000	\$ (182,407)	-87.9%
Trade Adjustment Assistance	\$ 269,500		\$ 269,500	\$ -	\$ 140,000	\$ 140,000	\$ (129,500)	-48.1%
ARRA NEG/OJT	\$ 375,396		\$ 375,396	\$ -	\$ 275,396	\$ 275,396	\$ (100,000)	-26.6%
WP 7-B Disability Navigator	\$ 61,188		\$ 61,188	\$ -	\$ 27,500	\$ 27,500	\$ (33,688)	-55.1%
ARRA WIA UI Reemp	\$ 151,061		\$ 151,061	\$ -	\$ -	\$ -	\$ (151,061)	-100.0%
Special Projects/Grants Included	\$ 9,464,030	\$ 2,168,214	\$ 11,632,244	\$ 8,014,381	\$ 2,026,248	\$ 10,040,629	\$ (1,591,615)	-13.7%

Program:	Budget	Budget Mod Request	Modified Budget	FY11 Actual Accrued Expenditures	ITA and Other Obligations	Budget Balance Remaining	Percent Expended or Obligated	Year End Expenditure Benchmark
WIA Adult	1,994,191		1,994,191	1,041,618	58,397	894,176	55%	50%
ARRA - WIA Adult	184,640		184,640	184,640		-	100%	100%
WIA Nat'l Emergency Reserve	192,627		192,627	-		192,627	0%	0%
ARRA NEG OJT	375,396		375,396	49,679		325,717	13%	0%
ARRA WIA UI Reemployment	151,061		151,061	72,824	7,502	70,735	53%	100%
WIA Youth	1,170,106		1,170,106	1,082,480	65,548	22,078	98%	50%
WIA Dislocated Wkr	1,809,066		1,809,066	993,629	87,002	728,435	60%	50%
ARRA - WIA Dislocated Wkr	159,992		159,992	159,992		-	100%	100%
WIA Incentives	59,471		59,471	-		59,471	0%	0%
TAA	279,305		279,305	95,686	41,393	142,226	49%	75%
Subtotal WIA	6,375,855		6,375,855	3,680,548	259,842	2,435,464	62%	
Wagner Peyser **	957,126		957,126	710,274	50	246,802	74%	75%
Wagner Peyser Incentives	107,850		107,850	5,000		102,850	5%	0%
Veterans Programs **	323,208	(45,552)	277,656	192,324		85,332	69%	100%
Disability Navigator	30,594		30,594	28,034		2,560	92%	100%
FSET	200,000		200,000	139,748		60,252	70%	100%
Unemployment Svcs.	140,608	10,000	150,608	140,608		10,000	93%	100%
Re-Employment & Elig (REA)	166,266	41,142	207,408	176,840		30,568	85%	100%
Subtotal AWI	1,925,652	5,590	1,931,242	1,392,828	50	538,365	72%	
Welfare Transition Program	2,791,876		2,791,876	1,908,943	69,704	813,229	71%	100%
Project Access	77,500		77,500	-		77,500	0%	0%
Subtotal WTP	2,869,376		2,869,376	1,908,943	69,704	890,729	69%	
Total FY 2010 Budget	11,170,883	5,590	11,176,473	6,982,319	329,596	3,864,558	65%	

NOTES:

** Includes AWI Staff Salaries

Unbudgeted Funds:	Allocation					Total Program Expenditures		Balance	% Expended
ARRA TANF Subsidized Employment	856,853					660,586		196,267	77%
	Cash in Bank @ July 1, 2010					YTD Revenue		YTD Expens	Balance
Corporate (Unrestricted Funds)	8,624					22,893		5,837	25,679

ACTION ITEM

Employee Benefits Analysis

BACKGROUND

On August 16, 2010 the Audit/Finance and Executive Committees approved a request by staff to analyze the employee benefits package and issue a Request for Qualifications for a broker for benefits.

On November 15, 2010, the Audit/Finance and Executive Committees approved a staff request to postpone the issuance of a Request for Qualifications and analysis of the employee benefits package until the spring of 2011 in time for a July 1, 2011 implementation.

Pasco-Hernando Workforce Board currently provides each full-time permanent employee a benefit amount of 33% of their gross salary. This benefit amount is added to the employee's gross salary and reported to the IRS as gross income.

The Board provides a selection of benefit options from which each employee may select, utilizing their 33% benefit amount. These options include:

- Medical insurance – two options
- Dental insurance – two options
- Flexible Spending Account
- 401(k) Plan
- Indemnity policies for life insurance, disability, accident, hospitalization and cancer

If an employee opts to purchase their own benefits outside those offered by the company, they are free to do so. Because there is no guaranteed number of employees participating in any plan, it has been difficult to obtain good rates for medical insurance.

JUSTIFICATION/REASON

The Board is obviously interested in hiring and retaining employees who will further the success of the company. In that interest, staff has conducted an analysis of the cost for the Board to provide a benefit package comparable to those provided by other Workforce Boards throughout the State. Staff worked with Florida Insurance Brokers to solicit medical insurance rates as if we were to pay a significant portion of the insurance and, thus, be able to require participation.

We considered the following options to be a very minimal benefits package to provide:

- Medical insurance – basic catastrophic policy at a cost of \$235 per month per employee
- Dental insurance – standard policy for employee
- Life insurance at one times the annual salary
- Standard short-term and long-term disability policies
- 401(k) matching contribution – calculated at a minimal 2% match

The analysis indicates that the current 33% plan actually costs the Board \$66,710 less than if we were to provide the minimal benefit plan. The following is the monetary result of the comparison:

Annual cost of 33% plan based on current full time permanent employees = \$519,721
Average annual benefit per employee = \$12,993

Annual cost of minimal plan detailed above = \$586,431
Average annual benefit per employee = \$12,217
Part-time employees exceeding 1000 hours per year would receive 401(k) match

Besides the monetary savings of the current plan, there are other factors to consider:

- The 33% benefit package was used as a negotiation tool in the hiring of current employees and was included in their offer letters.
- Although all employees are affected, an example of the net effect would be that employees in the lower pay ranges would experience a 25% or \$330 pay cut per pay period. Many of those employees do not purchase any benefits.

RECOMMENDATION

Staff recommends leaving the current 33% of gross salary as a benefit amount offered employees.



Pasco-Hernando Workforce Board, Inc.

Executive Committee Summary Minutes March 18, 2011

Executive Committee Members: Lex Smith, Chairman; Michael Duncan, Vice Chairman, Francine Ward; Linda Campo; Mark Barry; Don Burgher; Randy Woodruff; Kathy Johnson; Emile Laurino

Staff: Jerome Salatino and Dianne Weiss

Business Meeting

Meeting was called to order at 3.05p.m. by Lex Smith.

Action / Discussion Items:

- Approval of Audit Finance Committee Minutes
Mark Barry made a motion to approve the minutes of the January 13, 2011 Audit Finance Committee meeting. Francine Ward seconded the motion. The motion passed unanimously.
- Budget Modification #6
Mike McHugh made a motion to approve Budget Modification #6. Mark Barry seconded the motion. The motion passed unanimously.
- Amendment to PTO Policy
Ms. Weiss presented a change to the PTO policy for Executive staff with regard to the Paid Time Off (PTO). **Dr. Kathy Johnson made a motion to approve the proposed changes to the PTO policy. Francine Ward seconded the motion. The motion passed unanimously.**
- Financial Report Summary, YTD as of Jan. 31, 2011
Ms. Weiss reviewed the Financial Report Summary as of Jan. 31, 2011.
- Approval of Executive Committee Minutes
Mike McHugh made a motion to approve the minutes of the January 13, 2011 Executive Committee Meeting. Francine Ward seconded the motion. The motion passed unanimously.
- Business Competitiveness Committee Update
Mike McHugh gave the Executive Committee an update on the Business Competitiveness Committee. He reviewed the ROI handouts which were subject to further editing.
- Annual Report Draft
Jerome Salatino stated that the draft presented was the near final draft and discussed plans to post the report on line as well as to print a small quantity for distribution.





Pasco-Hernando Workforce Board, Inc.

Executive Committee Summary Minutes

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- Performance Evaluation Results

The Committee reviewed the results of Jerome's performance evaluation.

- Executive Compensation

The Committee discussed the need to assess the current compensation for the CEO, following the recent performance evaluation. It was decided that the Committee would hold a separate meeting dedicated to reviewing Jerome's compensation, and goals going forward.

- Board Goals

The Committee reviewed the Board Goals as presented in the pack.

With no further business on the agenda, and no public comments, the meeting adjourned.

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For Information