

Riverside County Economic Development Agency Workforce Development Division

WIB Financial Outlook Report FY12/13 & FY13/14 *(As of 06/30/2013)*



WIB Financial Outlook Report

FY11/12 & FY12/13

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WIB Financial Outlook Report

FY12/13 & FY13/14

Executive Summary

The County of Riverside Economic Development Agency Workforce Development Centers (WDC) provides various employment related services to the residents and businesses of the County of Riverside, utilizing various funding sources awarded by several funding streams including United States Department of Labor, Workforce Investment Act funds (WIA). The federally funded award, WIA, is provided to WDC through a Subgrant Agreement entered with the State of California, Employment Development Department (EDD) on an annual basis. Periodically, WDC may receive additional funding awards from EDD or other organizations.

WDC incorporates anticipated funding awards and plans for utilization of funds into the annual county budget. Governmental Code §29120 limits expenditures to only those amounts approved by the Board of Supervisors in the annual budget (as originally adopted, or through amendments to the budget as approved by Board action).

All cost incurred within the WDC budget unit comply with the Office of Management and Budget (OMB) Circular A-87 (2 CFR Part 225), Cost Principle for State, Local, and Indian Tribal Governments which establishes the principles and standards for determining both direct and indirect costs applicable to Federal awards to government units. WDC has an approved annual Cost Allocation Plan in accordance with OMB A-87 that summarizes the methods and procedures that WDC will use to distribute various cost objectives (Programs, Grants, Partners, etc.).

The WIB Financial Outlook Report is a managerial report and it is intended to provide a financial illustration of planned funds utilization for current and future operations. The report provides the funds utilization plans for all income streams received or awarded to WDC. For Fiscal Year 2012/2013, the report was prepared using reconciled actual expenditures from July 1, 2012 through June 30, 2013. The Fiscal Year 2013/2014 portion of the report was prepared using budgeted expenditures for the fiscal year. The report covers six main elements discussed in Section I of the executive summary. Section II of this executive summary provides brief descriptions of the core functions of the main funding sources awarded to WDC. Section III covers definitions of terms used throughout the report.

I. FY 12-13 & FY 13-14 Summary Budget Overview

a. Adult/Dislocated Worker At-a-Glance Funds Utilization Plan

Funds utilization for FY12/13 was \$15,908,123 and for FY13/14 is anticipated at \$15,178,778.

WDC is required to utilize 25% of the annual allocation on client training in compliance with Senate Bill (SB) 734. Leverage resources at a maximum of 10% can be utilized to meet this requirement. For FY12-13, WDC obligated \$3,509,549 (26%) and FY13-14, WDC has planned to also meet the 25%.

b. Youth At-a-Glance Funds Utilization Plan

Funds utilization for FY12/13 was \$5,502,084 and for FY13/14 is anticipated at \$7,833,525. Over 70% of the WIA youth funds is sub-awarded to the Youth Opportunity Center operators for both program years.

c. Business Services Funds Utilization Plan

Funds utilization for FY12/13 was \$2,308,691 and for FY13/14 is anticipated at \$1,966,059. These amounts cover the staffing and associated operating costs which are typically funded with a combination of WIA Rapid Response, Adult, Dislocated Worker funds, and other available funding sources. The Business Services Unit provides numerous services to employers to help them maximize their success (Recruitment, Outplacement Services, etc.).

d. Historical WIA Allocations

WIA Allocations received through the sub-grant agreement with EDD for Program Year 2012 and 2013 is anticipated at \$20,381,889 and \$20,734,258, respectively. For Program Year 2013, WDC is expecting an overall slight increase of nearly 1.7%, \$352,369 from program year 2012. At this time, other WIA funding has not been awarded for both PY2012 and PY2013 through the sub-grant agreement with EDD.

e. Summary of Available Funding and Funds Utilization Plan

Total available funding for FY12/13 was \$25,145,980 and for FY13/14 is anticipated at \$28,256,006.

Carry-in funds to FY12/13 was \$9,015,876. Expected carry-in for FY13/14 and FY14/15 are estimated at \$12,325,856 and \$6,721,036, respectively. WDC is anticipating \$134,450 from other funds (not awarded through the sub-grant agreement) from Employment Training Panel (ETP) and Re-entry programs for FY13/14. Reimbursements from partners, tenants, and other county departments to cover for usage of space and other resources is anticipated at \$1,782,478 for FY13/14.

f. WDC Funds Utilization by Account

Total planned funds utilization for FY12/13 was \$25,145,980 and for FY13/14 is anticipated at \$28,256,006.

Personnel costs are estimated at \$10,073,200 for FY13/14. This is an overall decrease of \$1,176,798 due to decrease in personnel. WDC is expecting to have total of 126 direct positions.

II. Core Functions and Description of Main Funding Sources

WIA Adult: This is a formula grant allocation by the Secretary of Labor to the States for subsequent allocation to the Workforce Investment Boards (WIB) for the purpose of providing programs to prepare adults for participation in the labor force by increasing occupational and educational skills, resulting in improved long-term employability, increased employment and earnings, and reduced welfare dependency.

WIA Dislocated Worker: The purpose of this grant is to provide to eligible individuals training, re-training, need related payments, job research assistance, outreach, placement, recruitment, testing and assessment, occupational or entrepreneurial training, relocation, and other aid to individuals who are affected by mass layoffs or reside in areas of high unemployment. Based on Workforce Investment Act Title B, an individual registered as dislocated workers must be eligible in accordance with the basic eligibility requirements (age, selective service registration and citizenship, or eligible non-citizen), as well

as, the basic eligibility criteria for dislocated criteria for dislocated workers (terminated or laid-off, displaced homemaker, etc.) as defined in WIA Section 101(9).

WIA Youth: The intention of this program is to improve the long term employability of youth, enhance their educational, occupational, and citizenship skills, encourage school completion or enrollment in alternative school programs, increase employment and earnings, reduce welfare dependency, and address the problems that impair youth's ability to successfully transition from school to work, apprenticeship, the military, or post-secondary education and training.

WIA Rapid Response: This program is to assist local dislocated workers upon notifications of projected permanent closure or substantial layoff. These funds will allow information and access to available public programs and services, and emergency assistance adapted to the specific closure or layoff.

DOL Workforce Innovation Fund: The intention of this program is to develop and expand innovative strategies to help Americans return to work by delivering services more efficiently, facilitating cooperation across programs and funding streams, and focusing on partnerships with specific employers or industry sectors to develop programs that reflect current and future skill needs. It was created to cultivate and test innovative approaches to workforce training and encourage the replication of evidence-based practices in the workforce development field. WDC is collaborating with the County of San Bernardino, Department of Workforce Development and the Imperial County Workforce Development Board on this project which will serve 675 disconnected young adults, age 18 to 24, who are low-income, gang-involved, ex-offenders, on aid, recently separated veterans, unemployed and not attending school.

III. Definition of Terms used in the Report

Admin Cost: Administrative costs are the portion of necessary and allowable costs that are associated with the overall management and administration of the Program and are not directly related to the provision of the Program (20 CFR §667.210 and §667.220). Costs associated with the Workforce Investment Board are also captured in the administration cost pool. In the case of Adult, Youth and Dislocated Worker Programs, WIA Title 20 CFR 667 regards the administration limitation up to 10% of the aggregate amount received from all three funding sources.

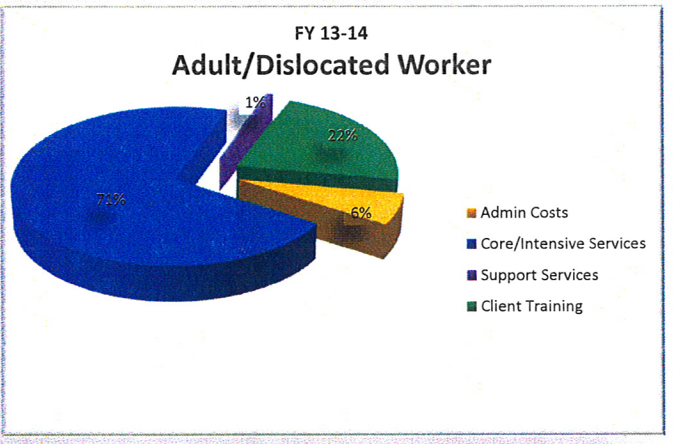
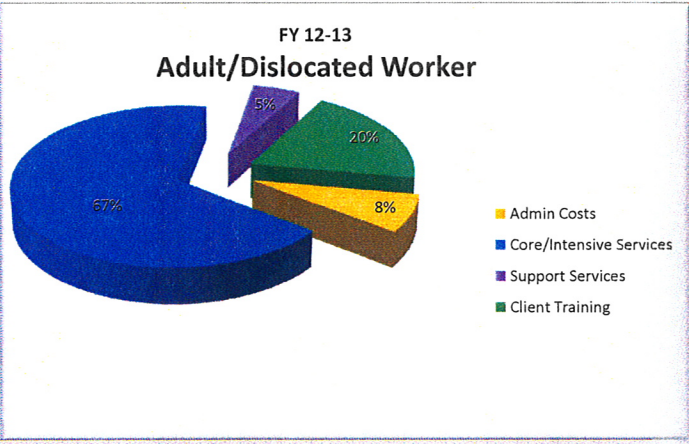
Program Cost: Program expenditures are directly related to the provision of the program and not related to the overall management and administration of the program.

Available Funding Sources: Available funding sources include Carry-in, Current Year Allocations and Carry-Over funds. Estimated Carry-in represents the unexpended balances from previous year's allocation. Current Year Allocations represents the amounts awarded or received during the fiscal year. Estimated Carry-over represents the unexpended balances from a current fiscal year to be utilized in a future fiscal year.

Funds Utilization: Funds Utilization may include actual expenditures for a certain accounting period plus plans for expenditures and obligations. Actual expenditures include cash expenditures that have been paid during the current fiscal year. Planned expenditures and obligations represent planned and/or estimated expenditures for future periods.

Adult/ Dislocated Worker At-a-Glance Funds Utilization Plan

| | FY 12/13 | % | FY 13/14 | % |
|--|----------------------|-------------|----------------------|-------------|
| | <i>Budget</i> | | | |
| Status of 25% Training Requirement: | | | | |
| Annual AD/DW Allocation | 13,453,613 | | 13,447,887 | |
| Training Requirement (25% of AD/DW) | 3,363,403 | | 3,361,972 | |
| Total Client Training Obligated (AD/DW) | 3,117,932 | | 2,017,183 | |
| Total Client Training (Other Resources) | 391,616 | | 1,344,789 | |
| Total Obligated for Training | \$ 3,509,549 | 26% | \$ 3,361,972 | 25% |
| Admin Costs | \$ 1,220,801 | 8% | \$ 967,871 | 6% |
| Program Costs: | | | | |
| Core/Intensive Services | 10,728,279 | 67% | 10,805,210 | 71% |
| Support Services | 823,928 | 5% | 124,128 | 1% |
| Client Training | 3,135,115 | 20% | 3,281,569 | 22% |
| Total Program Costs | \$ 14,687,322 | | \$ 14,210,907 | |
| Total Admin and Program Costs | \$ 15,908,123 | 100% | \$ 15,178,778 | 100% |

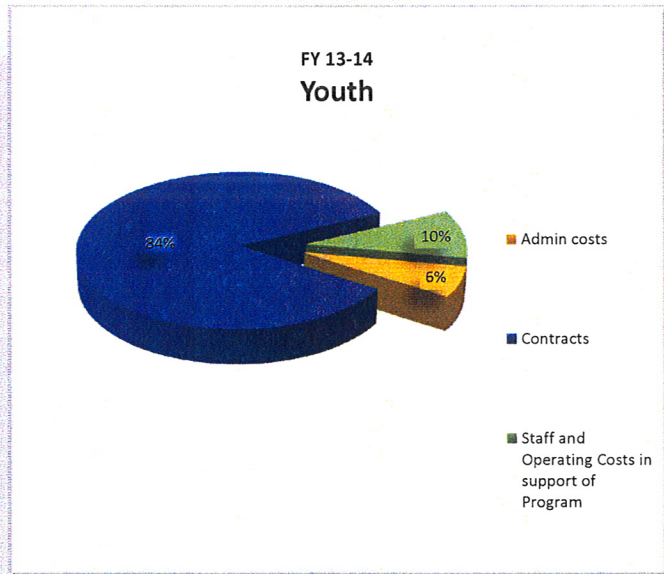
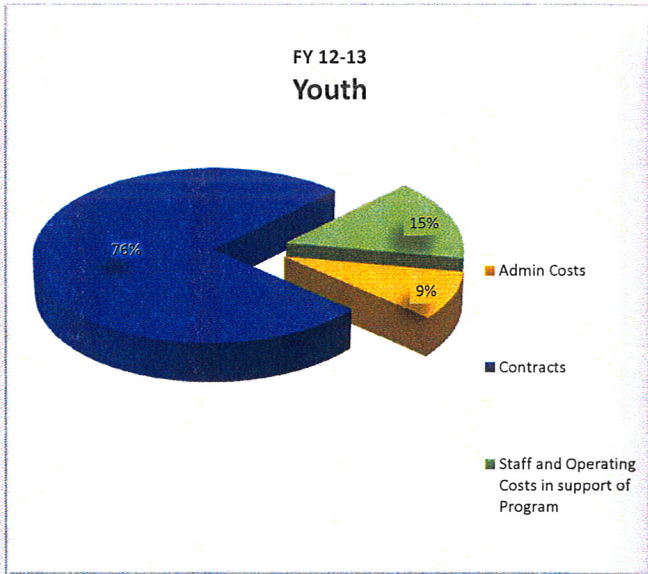


Remarks: Training requirement was met for FY12-13 (\$3,509,549 at 26%) and is on track for FY13-14 (\$3,361,972 at 25%)

Youth

At-a-Glance Funds Utilization Plan

| | FY 12/13 | % | FY 13/14 | % |
|---|----------------------------|------|---------------------|------|
| | <i>Year-End Projection</i> | | <i>Budget</i> | |
| Admin Costs | \$ 481,164 | 9% | \$ 492,353 | 6% |
| Program Costs: | | | | |
| Contracts | 4,179,829 | 76% | 6,570,740 | 84% |
| Staff and Operating Costs in Support of Program | 841,091 | 15% | 770,432 | 10% |
| Total Program Costs | <u>\$ 5,020,920</u> | | <u>\$ 7,341,172</u> | |
| Total Admin and Program Costs | <u>\$ 5,502,084</u> | 100% | <u>\$ 7,833,525</u> | 100% |



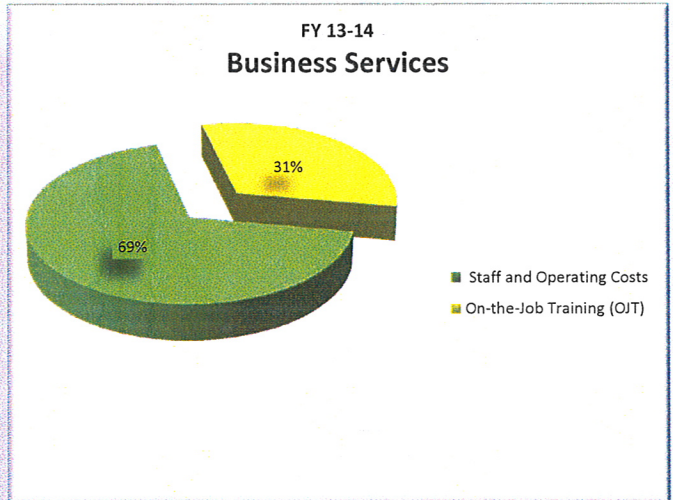
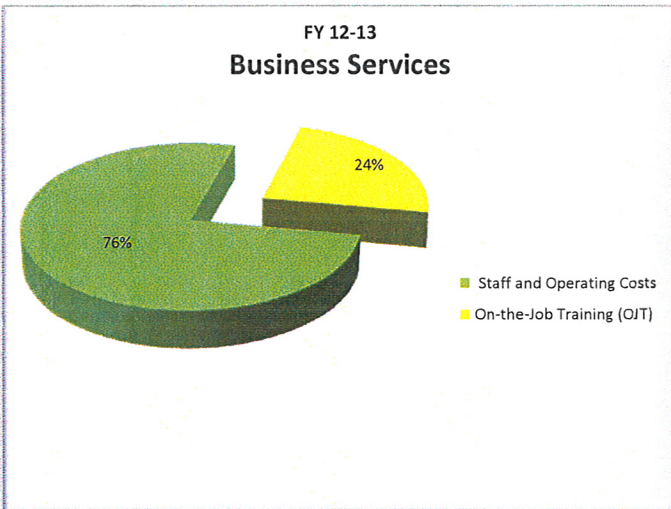
Business Services
 At-a-Glance Funds Utilization Plan

| | FY 12/13 | % | FY 13/14 | % |
|--|---------------|---|----------|---|
| | <i>Budget</i> | | | |

Business Services Cost:

| | | | | |
|---------------------------|-----------|-----|-----------|-----|
| Staff and Operating Costs | 1,765,509 | 76% | 1,349,512 | 69% |
| On-the-Job Training (OJT) | 543,182 | 24% | 616,547 | 31% |

| | | | | |
|--------------------------------------|---------------------|-------------|---------------------|-------------|
| Total Business Services Costs | \$ 2,308,691 | 100% | \$ 1,966,059 | 100% |
|--------------------------------------|---------------------|-------------|---------------------|-------------|



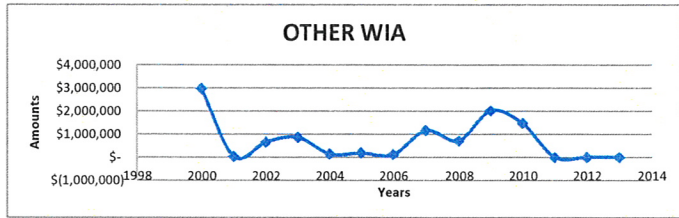
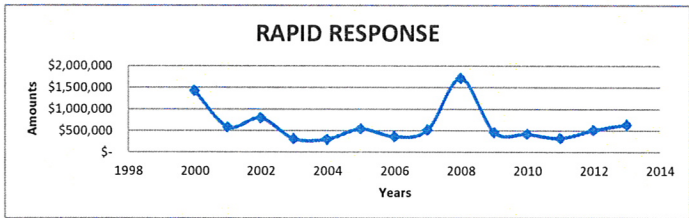
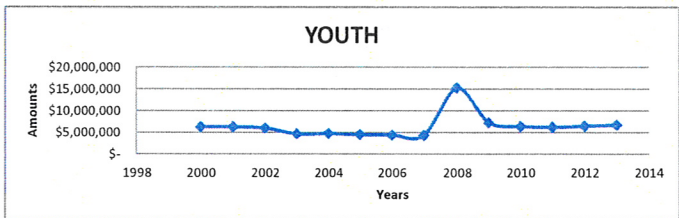
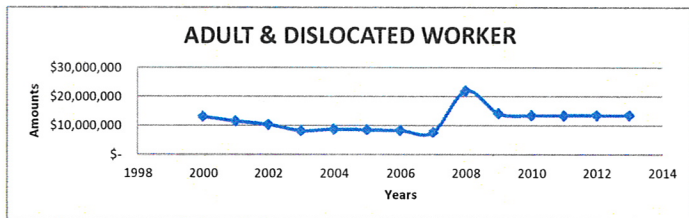
Remarks:

These amounts cover the staffing and associated operating costs which are typically funded with a combination of WIA Rapid Response, Adult, Dislocated Worker Funds, and other available funding sources.



Riverside County Economic Development Agency - WDC
 Historical WIA Allocations Received through EDD

| Year | Grant Award | ADULT & DISLOCATED WORKER | YOUTH | RAPID RESPONSE | OTHER WIA |
|------|----------------|---------------------------|---------------|----------------|---------------|
| 2000 | \$ 23,625,960 | \$ 13,015,429 | \$ 6,214,722 | \$ 1,416,828 | \$ 2,978,981 |
| 2001 | \$ 18,237,287 | \$ 11,398,057 | \$ 6,231,095 | \$ 579,265 | \$ 28,870 |
| 2002 | \$ 17,688,192 | \$ 10,263,884 | \$ 5,978,734 | \$ 791,487 | \$ 654,087 |
| 2003 | \$ 13,878,664 | \$ 8,093,762 | \$ 4,613,324 | \$ 309,841 | \$ 861,737 |
| 2004 | \$ 13,827,913 | \$ 8,648,555 | \$ 4,739,855 | \$ 297,408 | \$ 142,095 |
| 2005 | \$ 13,587,158 | \$ 8,401,927 | \$ 4,463,363 | \$ 535,014 | \$ 186,854 |
| 2006 | \$ 13,001,340 | \$ 8,175,254 | \$ 4,348,440 | \$ 360,620 | \$ 117,026 |
| 2007 | \$ 13,525,612 | \$ 7,567,274 | \$ 4,278,881 | \$ 513,576 | \$ 1,165,881 |
| 2008 | \$ 39,523,922 | \$ 21,918,626 | \$ 15,186,631 | \$ 1,708,888 | \$ 709,777 |
| 2009 | \$ 23,769,177 | \$ 14,067,265 | \$ 7,223,008 | \$ 461,207 | \$ 2,017,697 |
| 2010 | \$ 21,659,469 | \$ 13,422,344 | \$ 6,351,359 | \$ 418,376 | \$ 1,467,390 |
| 2011 | \$ 19,807,246 | \$ 13,352,106 | \$ 6,132,830 | \$ 322,310 | \$ - |
| 2012 | \$ 20,381,889 | \$ 13,453,613 | \$ 6,416,984 | \$ 511,292 | \$ - |
| 2013 | \$ 20,734,258 | \$ 13,447,887 | \$ 6,650,355 | \$ 636,016 | \$ - |
| | \$ 273,248,088 | \$ 165,225,983 | \$ 88,829,581 | \$ 8,862,128 | \$ 10,330,396 |



2013-2014 Funding for Rapid Response is estimated based on FY12-13 Allocated amount



Riverside County Economic Development Agency -WDC
Summary of Available Funding and Funds Utilization Plan

| | FY 2012-2013 | | | | | | | FY 2013-2014 | | | | | | |
|--------------------------------------|--------------------------------|---------------------|-------------------|-------------------|---------------------------------|-------------------------|----------------------|--------------------------------|---------------------|-------------------|---------------------|---------------------------------|-------------------------|----------------------|
| | Adult/ Dislocated Worker | Youth | Rapid Rsp | WIF | Other WIA and Other Funds | Other Reimbursements | ALL Funds | Adult/ Dislocated Worker | Youth | Rapid Rsp | WIF | Other WIA and Other Funds | Other Reimbursements | ALL Funds |
| Available Funding | | | | | | | | | | | | | | |
| Current FY Allocation | 13,453,613 | 6,416,984 | 511,292 | 6,000,000 | 207,021 | 1,867,051 | 28,455,961 | 13,447,887 | 6,650,355 | 636,016 | - | 134,450 | 1,782,478 | 22,651,186 |
| Estimated Carry In | 6,065,756 | 2,222,013 | 0 | - | 688,017 | 40,089 | 9,015,876 | 3,611,247 | 3,136,913 | 144,189 | 5,340,591 | 92,917 | (0) | 12,325,856 |
| Carry Over | (3,611,247) | (3,136,913) | (144,189) | (5,340,591) | (92,917) | 0 | (12,325,856) | (1,880,355) | (1,953,743) | (269,325) | (2,438,283) | (29,243) | (150,087) | (6,721,036) |
| Total Available Funding | \$ 15,908,123 | \$ 5,502,084 | \$ 367,103 | \$ 659,409 | \$ 802,121 | \$ 1,907,140 | \$ 25,145,980 | \$ 15,178,778 | \$ 7,833,525 | \$ 510,880 | \$ 2,902,308 | \$ 198,124 | \$ 1,632,391 | \$ 28,256,006 |
| Utilization Plan | | | | | | | | | | | | | | |
| Personnel | 8,996,726 | 1,015,193 | 264,408 | 203,421 | 274,925 | 495,325 | 11,249,998 | 8,148,819 | 836,147 | 235,133 | 283,738 | 127,730 | 441,632 | 10,073,200 |
| Operating Exp (Direct & Indirect) | 2,639,332 | 190,619 | 74,690 | 61,147 | 81,786 | 1,405,267 | 4,452,841 | 3,167,117 | 357,698 | 66,442 | 125,140 | 11,156 | 1,183,358 | 4,910,910 |
| Training & Travel | 94,648 | 43,435 | 6,434 | 26,741 | 2,525 | 6,548 | 180,331 | 143,984 | 12,660 | 1,544 | 4,315 | 127 | 7,402 | 170,031 |
| Equipment | 182,090 | 72,793 | 5,238 | 189 | 19,426 | 0 | 279,734 | 291,571 | 56,280 | 5,060 | 15,427 | 0 | 0 | 368,339 |
| Contracts | 36,285 | 4,180,045 | 629 | 367,911 | 221,329 | 0 | 4,806,200 | 21,591 | 6,570,740 | 0 | 2,473,688 | 59,110 | 0 | 9,125,129 |
| Support Services | 823,928 | 0 | 0 | 0 | 26,844 | 0 | 850,772 | 124,128 | 0 | 0 | 0 | 0 | 0 | 124,128 |
| Client Training (ITA,OJT and Others) | 3,135,115 | 0 | 15,704 | 0 | 175,285 | 0 | 3,326,105 | 3,281,568 | 0 | 202,701 | 0 | 0 | 0 | 3,484,269 |
| Total Utilization Plan | \$ 15,908,123 | \$ 5,502,084 | \$ 367,103 | \$ 659,409 | \$ 802,121 | \$ 1,907,140 | \$ 25,145,980 | \$ 15,178,778 | \$ 7,833,525 | \$ 510,880 | \$ 2,902,308 | \$ 198,124 | \$ 1,632,391 | \$ 28,256,006 |

WDC Funds Utilization Plan

By Account

| Accounts | GL # | By Account | |
|--|--|------------------------------|---------------------|
| | | FY12-13 Year-End Estimate | FY13-14 Budgeted |
| Personnel | | | |
| Projected Salaries & Benefits Expense - Direct | 510040; 518100 | 9,724,669 | 9,421,841 |
| Payoff Permanent/Seasonal | 510200 | 22,641 | 29,782 |
| Temporary Salaries (TAP) | 510320 | 119,823 | 155,031 |
| Workers Compensation | 517000 | 185,587 | 140,920 |
| Retiree Health Insurance | 515200 | 14,830 | 15,341 |
| Auditing And Accounting | 524561 | 53 | - |
| Interfund-Salary Reimbursement | 537180 | 1,140,412 | 264,696 |
| Temp Assistance Pool (TAP Admin) | 525080 | 11,899 | 15,503 |
| Temporary Help Services | 525340 | 1,024 | 1,024 |
| Salary/Benefit Reimbursement | 525500 | 29,061 | 29,061 |
| | Total Personnel: | 11,249,998 | 10,073,200 |
| Operating, Staff Training, Travel and Equipment | | | |
| Cellular Phone | 520230 | 29,847 | 29,847 |
| Communications Equipment - Install | 520250 | 7,718 | 7,718 |
| Telephone Service | 520320 | 96,652 | 96,652 |
| Communication Services | 520330 | 91,890 | 91,890 |
| Insurance-Liability | 520930 | 56,317 | 29,390 |
| Insurance-Property | 520945 | 41,921 | 27,220 |
| Maint-Office Equipment | 521540 | 35,061 | 35,061 |
| Maint-Telephone | 521660 | 760 | - |
| Maint-Bldg & Improvements | 522310 | 27,512 | 27,512 |
| Memberships | 523100 | 34,135 | 23,748 |
| Bank Charges | 523290 | 402 | 402 |
| Office Supplies | 523700 | 43,054 | 43,054 |
| Postage/Mailing | 523760 | 7,312 | 7,312 |
| Printing/Binding | 523800 | 16,039 | 16,039 |
| Subscriptions | 523820 | 293 | 293 |
| OASIS Processing-Financials | 525300 | 14,099 | 6,643 |
| OASIS Processing-HRMS | 525310 | 27,512 | 29,120 |
| RMAPS Servs | 525330 | 3,699 | 3,699 |
| Security | 525600 | 91,618 | 91,618 |
| Legally Required Notices | 526410 | 5,644 | 5,644 |
| Advertising | 526420 | 4,010 | 5,000 |
| Rent/lease Equipment | 526530 | (1,427) | - |
| Rent - Lease Bldgs | 526700 | 2,831,634 | 2,853,856 |
| Special Program Expense | 527780 | 110,615 | 110,615 |
| Interfund Exp-Payroll Service Fee | 536761 | 16,526 | 16,848 |
| COWCAP | 536840 | 64,255 | 86,444 |
| Interfund-General Ofc Expense | 536920 | 652,158 | 1,099,908 |
| Interfund-Legal Services | 537020 | 14,043 | 14,043 |
| Interfund-Personnel Services | 537090 | 80,088 | 98,523 |
| Interfund-Utilities | 537240 | 35,598 | 35,598 |
| Interfund-Misc Project | 537280 | 22,897 | 14,378 |
| Program Income | 595223 | (11,876) | - |
| Training Education/Tuition | 527840 | 25,147 | 15,000 |
| Registration/Conf Fees | 528140 | 17,571 | 17,571 |
| Air Transportation | 528900 | 15,182 | 15,182 |
| Car Pool Expense | 528920 | 91,750 | 91,750 |
| Lodging | 528960 | 19,419 | 19,419 |
| Meals | 528980 | 2,974 | 2,974 |
| Misc. Travel Expense | 529000 | 5,800 | 5,800 |
| Private Mileage/Vehicle | 529040 | 697 | 544 |
| Interfund-Miscellaneous (CGE) | 537080 | 1,792 | 1,792 |
| Maint-Field Equipment | 521420 | 2,835 | 2,835 |
| Ofc Equipment Non Fixed Asset | 523680 | 34,795 | 30,439 |
| Computer Software - Equipment | 523840 | 244,939 | 322,900 |
| Equipment - Office | 546140 | - | 15,000 |
| | Operating, Staff Training, Travel and Equipment | 4,912,906 | 5,449,280 |
| Other | | | |
| Client Training (ITA,OJT and Others) | 530440 | 3,326,105 | 3,484,270 |
| Professional Services | 525440 | 52,659 | 67,591 |
| Support Services | 530460 | 850,772 | 124,128 |
| Training Provider (VOC, etc) | 530300 | 4,753,541 | 9,057,537 |
| | Total Other: | 8,983,076 | 12,733,526 |
| Total Utilization Plan by Accounts | | Actual | Projection |
| | | 25,145,980 | 28,256,006 |