MEMORANDUM

TO:

Partner4Work Board

FROM:

Ed Hartman/Ray Herron

DATE:

June 28, 2017

RE:

FY2018 Budget

We have enclosed the proposed FY2018 Partner4Work budget. The following represents a more detailed narrative surrounding the FY2018 Budget Analysis.

Income:

Public Funds/Government Grants

- The proposed FY2018 budget shows a \$3.6 million increase, which is directly connected to new Adult TANF "EARN" program.
- Our government grants are primarily connected to federal funds provided by various agencies, which include PA DOL, Federal DOL, and PA DHS.

Expense:

Direct Program Expense

- The \$2.2 million increase in budget year over year related to 2 areas:
 - New Adult TANF funding \$2.8 million
 - Youth WIOA reduction \$600,000 reduction

Salaries, Wages and Benefits

- We are budgeting a \$530,000 increase in this area, which is directly connected to the organizational restructuring and the addition of 8 new positions. These new positions were previously reviewed in the Executive Meeting.
- o Staff level for 2017-18 will be 31 FTE, 1 PT and 3 Seasonal

Communication

Partner4Work budgeted the Rebranding Project in FY2017, which causes the decrease of \$52,000 in the FY2018 budget.

Contracted Services

o For Adult TANF, we are subcontracting services to Great Lakes rather than hiring the current Adult TANF employees. This is to reduce distractions to services and provides us time to analyze the program and see what makes sense.

• Equipment Expenses

New Fiscal System, CRM and Contract Database (see Capital Budget sheet)

Rent

 The \$40,000 increase pertains to the leasing of additional office space due to organizational growth, as well as a slight increase in the existing leases.

PARTNER4WORK BUDGET ANALYSIS FY2017 VERSUS FY2018

| | Forecast FY 2017 | Budget FY 2018 | Inc (Dec) |
|--|---------------------|-------------------|-----------|
| Ordinary Income/Expense | | | |
| Income | | | |
| 4000 · Public Funds/Government Grants | 15,624,704 | 19,713,770 | 4,089,066 |
| 4200 Foundation & Private Contrib | 1,250 | 0 | (1,250) |
| 4300 · Interest | 2,976 | 2,500 | (476) |
| 4400 Inter-Fund Transfer | 0 | 0 | 0 |
| 4700 · Other Income | 0 | 0 | 0 |
| 4800 · Assets Released frm Restriction | 1,282,508 | 1,853,121 | 570,613 |
| Total Income | 16,911,438 | 21,569,391 | 4,657,953 |
| Gross Profit | 0 | 0 | 0 |
| Expense | | | |
| 5000 · Direct Program Expenses | 14,444,421 | 17,632,338 | 3,187,917 |
| 5200 · Salary, Wages, and Benefits | 1,863,053 | 2,525,153 | 662,100 |
| 5350 · Communication | 87,924 | 36,000 | (51,924) |
| 5370 · Contracted Service | 37,000 | 613,336 | 576,336 |
| 5400 · Depreciation Expense | 37,835 | 65,340 | 27,505 |
| 5450 · Equipment Expense | 32,208 | 66,500 | 34,292 |
| 5500 · Fiscal | 43,857 | 49,000 | 5,143 |
| 5650 · Insurance | 19,960 | 8,250 | (11,710) |
| 5660 · Information Technical Service | 92,176 | 85,000 | (7,176) |
| 5700 · Legal Expense | 29,620 | 35,000 | 5,380 |
| 5750 · Materials / Supplies | 49,564 | 65,600 | 16,036 |
| 5760 · Meeting Expense | 25,784 | 38,600 | 12,816 |
| 5770 · Memberships | 19,325 | 24,000 | 4,675 |
| 5850 · Other Miscellaneous | 2,104 | 0 | (2,104) |
| 5900 · Postage / Messenger | 1,763 | 2,400 | 637 |
| 5940 · Publications | 1,499 | 2,000 | 501 |
| 5950 · Rent | 88,463 | 127,560 | 39,097 |
| 6000 · Staff Administration | 10,002 | 17,535 | 7,533 |
| 6050 · Telephone | 12,846 | 15,000 | 2,154 |
| 6060 · Temporary Service | 18,549 | 0 | (18,549) |
| 6070 · Training | 0 | 2,000 | 2,000 |
| 6080 · Travel & Conference | 34,788 | 61,619 | 26,831 |
| 6900 · Distributed Costs | 0 | (0) | (0) |
| Total Expense | 16,952,741 | 21,472,230 | 4,519,489 |
| Net Income | (41,303) | 97,160 | 138,463 |

Partner4Work
Statement of Activities
FY2018 BUDGET

| | Г | | Vehilogi sehiebt Collinacia | DI CODUACIS | | | | stesurcted Grants | | | | | | |
|--|--|---------------------|-----------------------------|--------------|------------------|------------------------------------|------------------|---------------------------|--------------------|-------------|---|--------------------|---------------------------|------------|
| | Management & General Allegheny County WIOA | legheny County WIOA | City of Pittsburgh WIOA | TANF | DOL Ex-Offenders | Sector Strategies Pittsburgh Works | Pittsburgh Works | Place Based Strategies | Regional Workforce | Leam & Earn | Total Program | | | |
| | (Unrestricted) | (Program) | (Program) | (Program) | (Program) | (Program) | (Program) | (Program) | (Program) | (Program) | (Unrestricted) | Total Unrestricted | Temporarily Restricted | TOTAL |
| Ordinary Income/Expense | | | | Ī | | | | | | | | | | |
| Income | | | | | | | | | | | | | | |
| 4000 - Public Funds/Government Grants | 0 | 4,616,452 | 3,626,290 | 7,139,368 | 602,286 | 1.072.374 | P | 150,000 | 0 | 2 507 000 | 19713770 | 19 713 770 | 787 113 | E88 005 0C |
| 4200 - Foundation & Private Contrib | 0 | 0 | | ф. | 0 | 0 | 0 | 0 | 0 • | 0 | 0 | 0 | | 0 |
| 4300 Interest | 2,500 | Q | 0 | 0 | 0 | ۵, | D (| 0 (| 0 • | 0 (| . | 2500 | | 2500 |
| 4400 - Inter-Fund Transfer | 0 | ~ | 0 | (1.258.500) | 0 | ٥ | D | 0 | 0 | 1 258 500 | | ,,,,,, | | 1,000 |
| 4700 - Other Income | Q | o o | 0 | 0 | 0 | 0 | 0 | 0 | 0 (| 0 | 0 0 | 0 (| | 0 0 |
| 4800 - Assets Released frm Restriction | Q | 0 | 0 | 0 | 0 | 176,903 | 526,864 | 22.000 | 150,000 | 977.354 | 1853 121 | 1.853.121 | (1 853 121) | 0 0 |
| Total income | 2,500 | 4,616,452 | 3,626,290 | 5,880,868 | 502,286 | 1,249,277 | 526,864 | 172,000 | 150,000 | 4.742.854 | 21.556.891 | 21 569 391 | (1,066,008) | 20.503.383 |
| Expense | | | | | | | | | | | 0.0000000000000000000000000000000000000 | | foresteers | 00,000,000 |
| 5000 Direct Program Expenses | 0 | 3,723,173 | 2,949,469 | 4,777,108 | 549,055 | 1,024,673 | 250,000 | 159,904 | 0 | 4.198.956 | 17.632.338 | 17.632.338 | 0 | 17 632 338 |
| 5200 Salary Wages and Benefits | 678,530 | 490,194 | 354,903 | 302,992 | 35,652 | 153,429 | 183,467 | 6,101 | 101.718 | 218.257 | 1.846.623 | 2 525 153 | 0 | 2 525 153 |
| 5350 - Communication | 20,000 | 0 | 0 | 0 | 0 | 0 | 5,000 | 0 | 5,000 | 6,000 | 16,000 | 36,000 | 0 | 36,000 |
| 5370 · Contracted Service | 0 | 0 | 0 | 453,190 | 0 | 3,500 | 5,000 | 0 | 19,646 | 132,000 | 613,336 | 613,336 | 0 | 613,336 |
| 5400 Depreciation Expense | 27 500 | 0 | 27 100 | 10,740 | 0 | 0 | 0 | 0 | Ó | Ö | 37,840 | 65.340 | 0 | 65.340 |
| 5450 - Equipment Expense | 32,500 | 0 | 0 | 5,000 | 0 | 0 | 0 | 0 | 0 | 29,000 | 34,000 | 66,500 | 0 | 66.500 |
| 5500 Fiscal | 49,000 | 0 | o | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 49,000 | 0 | 49,000 |
| 5650 Insurance | 8,250 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,250 | 0 | 8,250 |
| 5660 Information Technical Service | 65,000 | 0 | o | 0 | 0 | 0 | 10,000 | 0 | 10,000 | 0 | 20,000 | 85,000 | 0 | 85,000 |
| 5700 - Legal Expense | 17,500 | 5,000 | 5,000 | 0 | 0 | 0 | 2,500 | 0 | 0 | 5,000 | 17,500 | 35,000 | 0 | 35,000 |
| 5750 - Waterials / Supplies | 30,000 | 7,000 | 7,500 | 3,000 | 2,200 | 10,900 | 3,000 | 0 | 0 | 2,000 | 35,600 | 65,600 | 0 | 65,600 |
| 5760 - Meeting Expense | 22,500 | 0 | 0 | 0 | 2,000 | 2,000 | 12,000 | 100 | 0 | 0 | 16,100 | 38,600 | 0 | 38 600 |
| 5770 - Memberships | 24,000 | 0 | 0 | _Q | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 24,000 | 0 | 24,000 |
| 5850 - Other Miscellaneous | 0 | 0 | 0 | ø | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5900 - Postage / Messenger | 2,400 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,400 | Ó | 2,400 |
| 5940 - Publications | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 0 | 2,000 |
| 5950 Rent | 118,560 | o | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,000 | 9,000 | 127,560 | 0 | 127,560 |
| 6000 Staff Administration | 17,535 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 17,535 | 0 | 17,535 |
| 6050 Telephone | 15,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 15,000 | 0 | 15,000 |
| 6060 · Temporary Service | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6070 · Training | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,000 | 2,000 | 2,000 | 0 | 2,000 |
| 6080 - Travel & Conference | 15,000 | 10,000 | 10,000 | 7,500 | 1,969 | 6,400 | 8,000 | 250 | 0 | 2,500 | 45,619 | 61.619 | 0 | 61.619 |
| 6900 - Distributed Costs | (1,277,775) | 381,175 | 299,418 | 332,077 | 11,410 | 48,375 | 47,897 | 5,645 | 13,636 | 138,141 | 1,277,775 | 9 | 0 | 0 |
| Total Expense | (132,500) | 4,616,452 | 3,653,390 | 5,891,608 | 602,286 | 1,249,277 | 526,864 | 172,000 | 150,000 | 4,742,854 | 21,604,730 | 21,472,230 | 0 | 21,472,230 |
| Net Ordinary Income | 135,000 | 0 | (27,100) | (10,740) | 0 | 0 | (0) | 0 | (0) | (0) | (37,840) | 97,160 | (1,066,008) | (968,848) |
| Net Income | 135,000 | 0 | (27,100) | (10.740) | 0 | 0 | (0) | 9 | (0) | , (0) | 77 970 | 07 160 | /1 066 008) | (876 BSb) |

Partner4Work Capital Budget FY 2018

| Financial Management System | \$ 100,000 |
|-----------------------------|------------|
| Contract Database | \$ 25,000 |
| CRM System | \$ 40,000 |
| | \$ 165,000 |