

# PY23 Preliminary Budget Discussions

## Understanding through Q&A

April 27, 2023

### Budget Overview

#### Q: What is the budget planning schedule?

A: An annual Budget Workshop is held to give Board members opportunity to discuss upcoming budget. This year the **budget workshop is April 27<sup>th</sup>**. We will not focus on budget numbers, but on critical considerations and financial priorities for the PacMtn budget. Preparation of the budget will require the Board to weigh in on and discuss potential funding priorities and desired outcomes for the region.

Conversations about the budget will help us develop the Preliminary Final budget which will be reviewed by the **Executive-Finance Committee on June 8<sup>th</sup>**. Many of these conversations are recommendations made over the course of the prior year and in this year. The Board will review and approve the **Preliminary Budget on June 22<sup>rd</sup>**. The Elected Official Consortium will see it at their **June 29<sup>th</sup> meeting**.

The **Final PY23 budget will be adopted in December** once all revenues and final carry-in numbers are reconciled.

*Feedback/Comments/Questions:*

**There were no questions for this item.**

#### Q: How do our projected revenues compare to last year?

A-1: We do not have final **federal formula allocations** for the state of Washington, but we have numbers for planning purposes. Below are the anticipated planning numbers for the state and PacMtn's portion for planning. Year to year a 167K increase for our region:

	<b>PY23 State Allocation</b>	<b>PY23 Estimate PacMtn</b>	<b>PY22 PacMtn Amount</b>
Youth	20,928,382	1,419,977	1,290,622
Adult	19,695,933	1,431,744	1,294,894
Dislocated Worker	22,254,509	1,239,063	1,337,576

With these statewide allocations PacMtn anticipates our Youth, Adult, and DW local portions to allocated slightly higher than before

**A-2: Thurston County Jail - Funding will** continue, we will be asking for an increase in funding per section 5a to allow for up to a 3% increase.

**A-3: Pathways Home 3** – Funding activity continues in PY23 and PY24. We anticipated spending of approximately 610K in PY23 leaving a balance of 700K for PY24.

**A-4: Opioid Disaster NDWG** – Has approximately 525K that will carry into the PY23 program year.

**A-5: EcSA State and EcSA Federal** – PacMtn will receive 562,444 in State non-federal funding and has already received Federal funding in PY22 of 354,945 that was scheduled to be spent in PY23 and PY24. State funding will continue to be used to provide incentives to participants for hitting goals/training/employment. The federal funds will be used to support a position

	with our contractor to address poverty reduction efforts.
	<p><b>A-6: We have 2 America Rescue Plan Act (ARPA)</b> grants that will have limited spending for the first half of PY23 from unspent funds in PY22. City of Olympia for <b>177K</b> and Thurston County, for <b>235K</b>. City of Olympia Journey to Jobs (J2J) will conclude by December and Thurston County Job Champion Network (TCJCN) will conclude October.</p> <p><b>A-7: Ag Labor – From Thurston County ARPA funds.</b> Awarded in PY22 for <b>500K</b> PacMtn expects to have <b>460K</b> carry into PY23 for support of this program.</p> <p><b>A-8: Quest –</b> Received PY22 <b>1.1M</b> of which we expect <b>925K</b> to carry into PY23. Approximately \$250k will be awarded for community projects in the region, and will fund expanding capacity for the Business Services team to engage the Hospitality, Food Production and Specialty Manufacturing Sectors.</p> <p><b>A-9:</b> PacMtn is in the process of applying or has applied and awaits next steps on several grants for this next program year:</p> <p><b>Senator Patty Murry –</b> \$1.3M to support WorkEx Military Transition work.</p> <p><b>State funded Business Navigators –</b> the state budget will include LWDB support to expand their ability to service employers. PacMtn will likely secure approximately \$200K.</p> <p><b>Expanding EcSA –</b> also included in the state’s budget is an expansion to the governor’s Economic Security for All program that services individuals in poverty. The current threshold is 200% of poverty. The expansion allows local boards to increase that percentage to focus on the ALICE populations – aka the “working poor”. PacMtn will likely secure approximately \$400K.</p> <p><b>Infrastructure Jobs Gant –</b> PacMtn will participate in a state funding application that will focus securing resources to support “Assessable Clean Energy”. The application is still forming, however it looks to focus on Broadband, Hydro Fuel, Battery Manufacturing, and Construction. The application will focus on largely rural areas.</p>
	<p><i>Feedback/Comments/Questions:</i></p> <p><b>M. Cade –</b> Encouraged the Board to think about how these relate to emerging sectors and how do the funds filter down to employers strategies.</p> <p><b>C. Heywood –</b> Mentioned that at the last One-Stop Committee meeting that there was a discussion on a sector pathway project being worked on that may include what Michael was discussing. Further discussion to come.</p>
<p><b>Q: How does the State allocate formula funds to each Workforce Development Area (WDA)?</b></p>	

<p><b>A:</b> The State, like the Feds, prepares <b>allotments of formula funds</b> based on unemployment and economic data provided by the Department of Labor. Three factors are used in the calculation:  Adult &amp; Youth calculations:</p> <ul style="list-style-type: none"> <li>• Relative share of total unemployed in Areas of Substantial Unemployment (Youth &amp; Adult)</li> <li>• Relative share of excess unemployed (unemployment in excess of 4.5%)</li> <li>• Relative share of economically disadvantaged (Youth and Adult only)</li> </ul> <p style="padding-left: 40px;"><i>Criteria weighted evenly for each factor.</i></p> <p>Dislocated Worker calculations:</p> <ul style="list-style-type: none"> <li>• Relative share of total unemployed</li> <li>• Relative share of excess unemployed (unemployment in excess of 4.5%)</li> <li>• Relative share of long term unemployed-unemployed 15 weeks or more</li> </ul> <p style="padding-left: 40px;"><i>Excess unemployed weighted more heavily than the other factors, 1.5 versus 1</i></p> <p>Hold Harmless-A local area may not receive less than 90% of the average allocation percentage for the 2 preceding fiscal years. Stop Gain-A local area may not receive more than 130% of the allotment given in the preceding 2 years as well.</p> <p>PacMtn is accountable for regional service delivery. WIOA legislation strongly encourages and emphasizes regional planning, braiding, and leveraging partnership resources and a sector-based allocation of resources most likely to yield economic benefits for both individuals and the businesses that drive the local economy. Most grants PacMtn submits reflects activities and commitment to our 5-county <i>regional</i> economy vs. other geographic boundaries.</p>
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*Feedback/Comments/Questions:*  
**There were no questions for this item.**

**Staff Recommended New or Special Initiatives**

**Q: Are there specific actions, activities, or projects that are necessary to more strongly carry out PacMtn’s Strategic Plan and or respond to current activities and conditions?**

**A- Local Plan Development:** continued work related to the spring retreat launch of the project to develop our local plan.

<ul style="list-style-type: none"> <li>• Contracting PointNorth (\$20K) to continue to lead the project</li> <li>• Customer Feedback gathering (\$20K)</li> </ul>
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*Feedback/Comments/Questions:*  
**There were no questions for this item.**

**A-2: System wide Professional Development:** Continuing to make available funding to support the development capacity of the system to serve.

- Driving the work through the OSO
- Seek input from all committees in terms of defining the need
- Funding available to all system partners

*Feedback/Comments/Questions:*  
**There were no questions for this item.**


**Regional Workforce System Development**

**Q: How can we support the One-Stop system activities required by WIOA?**

	<p><b>A-1. PacMtn One-Stop Operations</b></p> <p>The PY2023 Infrastructure Funding Agreement included \$60k to reduce PacMtn’s financial support for the OSO. These resources will be redirected to support the regions affiliate sites. The OSO and the One-Stop Committee will focus on the following items in the upcoming program year:</p> <ul style="list-style-type: none"> <li>• Developing the 2024-2027 local plan – the budget includes resources to continue the work started at the Winter retreat. PointNorth will lead the community input sessions and help surface the key goals for the plan.</li> <li>• Planning for the Comprehensive site lease renewal and consideration of downsizing/relocating to reduce operational expenses to better align to need.</li> <li>• Dashboard development and communications strategy to support reporting on local plan.</li> <li>• Professional development - \$20k will remain available for system-wide professional development.</li> <li>• Customer Satisfaction - \$20K will be available to develop and implement a customer satisfaction process for input in the impact of the service strategy.</li> </ul>
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	<p><b>A-3 Launchpad Renew and Expanded Function – \$50k</b></p> <p>PacMtn will continue its investment in the CRM Launchpad. The system will allow job ready candidates to connect to the Business Services team for placement into opportunities under the job order model. It will also service as PacMtn’s CRM for communications and partner engagement.</p>
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	<p><i>Feedback/Comments/Questions:</i></p> <p><b>J. Earley</b> – Response to A1; To be proactive, suggested a campaign for community understanding if affiliate sites will close.</p>
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**Unique Programming and Partnerships**

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<b>Q:</b>	
	<p><b>A1: Localized Sector Based training – \$180K +</b>          With the continued success of the Cohort Training Model, PacMtn seeks to expand the impact of this training model to other Sectors and counties in our region.</p> <ul style="list-style-type: none"> <li>• Quest brings PacMtn \$180K in funding for cohort based training in hospitality, food production and specialty manufacturing</li> <li>• The Talent Recruitment model will create additional opportunities across all 6 sectors, plus construction and admin/frontline supervisor occupations, for cohort focused training.</li> </ul>

	<p><i>Feedback/Comments/Questions:</i>  <b>There were no questions for this item.</b></p>
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**General Operations**

**Q: What changes are being proposed in the Administrative Operations budget?**

	<p><b>A-1: Accounting/HR –</b> Last year we reorganized our operation and reassigned HR responsibilities to or Chief of Staff and eliminated a full time HR staff position, saving initially <b>90K</b>, after full restructuring and investment in staff the final savings is <b>60K</b>. This move provided promotional and growth opportunities for the remaining staff. Our Chief of Staff has become Sherm Certified and our Accounting Fiscal Specialist has been promoted to a manager position and taken on Monitoring responsibilities for all our subrecipient contracts.</p>
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	<p><i>Feedback/Comments/Questions:</i>  <b>There were no questions for this item.</b></p>
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	<p><b>A-2: Staff Compensation:</b>          PY22 brought significant changes to PacMtn’s compensation approach. The process splits the annual compensation evaluations into wage increases and performance bonuses. PY22 included budget for bonuses and PY23 includes both (bonuses paid in current program year, raises would be in effect in the upcoming program year).</p> <ul style="list-style-type: none"> <li>• We’re on track for a PY22 bonus</li> <li>• PY23 includes a raise, and room for yearend bonuses as well</li> </ul>
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	<p><i>Feedback/Comments/Questions:</i>  <b>There were no questions for this item.</b></p>
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	<p><b>A-3:</b> Continued focus on <b>employee safety, morale</b>, Recommending funding additions to:</p> <ul style="list-style-type: none"> <li>• Continue with the Performance Excellence and Achievement Awards that could result in an additional <b>NTE \$2500</b> impact.</li> <li>• Provide appropriate job-related <b>trainings NTE \$15000.</b></li> </ul>
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	<p><i>Feedback/Comments/Questions:</i>  <b>There were no questions for this item.</b></p>
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	<p><b>A-4: Cafeteria plan for PacMtn staff:</b> Looking to keep competitive, PacMtn has been researching cafeteria plans that will give the organization more flexibility in attracting and keeping talent. The plans under review offer some exciting options for staff:</p> <ul style="list-style-type: none"> <li>• Tuition and/or student loan reimbursement</li> <li>• Daycare/eldercare assistance</li> <li>• Nutrition, health savings accounts, etc. for health and wellbeing</li> </ul>
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	<p><i>Feedback/Comments/Questions:</i>  <b>There were no questions for this item.</b></p>
<p><b>Q: Are there any changes to the Unrestricted Funds budget?</b></p>	
	<p>PacMtn requests <b>\$2,500</b> to continue the special Employee Team Productivity Fund for activities that promote a healthy, productive team environment, essential to achievement of outcomes.</p>
	<p><i>Feedback/Comments/Questions:</i>  <b>There were no questions for this item.</b></p>

**Specific Board Query and Strategic Directions**

*Other Feedback/Comments/Questions:*