Workforce Innovation & Opportunity Act
PY21 Operating Budget
(July 1, 2021 - June 30, 2022)

Joy Emory, Workforce Snohomish
PY21 Budget Summary

• Increase in WIOA formula funding ~+30% for 2021 due to high unemployment and long-term unemployed in County.
  
  • PY21: $5,031,127; PY20: $3,854,655. Increase of $1.18M (31%).

• Focus is on diversified funding strategies that align with and advance FWA and WFS strategic priorities around job seeker, employer and strategic partnerships.

• $300,000 of budget allocated to support research and analysis, workforce system development, and FWA Strategic plan implementation.
  
  • 1 FTE to be hired by Workforce Snohomish to support data compliance and analytics.

• Ensure programs receive increased funding to address demand for services of job seekers, youth and businesses and support/enhance compliance.

• Be a good steward of our financial resources, given continued uncertainty pertaining to the pandemic and economic conditions.
Workforce Snohomish Funding Streams

Workforce Snohomish Funding Classifications

- WIOA Cluster
  - WA State allocation of WIOA funds from DOL for Youth, Adult, DW and Admin. Also includes WIOA fund set-aside (25% of DW) for Rapid Response and Governor’s Discretionary Projects.

- Local Workforce Development Board (LWDB)
  - Funding in which grant (direct or subaward) is predicated on LWDB.

- 501c3 – Non-profit status
  - Funding obtained from various sources (federal, state and private) with the only requirement being that the organization is a non-profit.

- Unrestricted Funding
  - Funding obtained from various sources for which the donor has not placed any restrictions on its usage.

FWA Approval Required
WIOA and Federal Grant Funding for PY21
(Does not include PY20 carry-in or PY22 carry-forward)

Workforce Innovation and Opportunity Act (WIOA) Cluster
$5,031,127

WIOA Formula Allocations
Youth: $1,479,809
Adult: $1,483,234
Dislocated Worker: $1,564,972 (includes Rapid Response distribution for PY21)
Admin: $503,112

Local Workforce Development Board – Grants
$3,002,390

Dislocated Worker Grants (DWG) – ending March 2022
- Employment Recovery
- Disaster Recovery $643,167

Economic Security for All (EcSA) (poverty reduction) $288,511

Community Development Block Grant (CDBG) Hunger Relief $745,794

NHE Opioid (ending July 2021) 211,166
Historic WIOA Allocation for Snohomish County

- WIOA funds are at their highest since PY’06 but still below peak funding levels of PY’02 to PY’05.
Workforce Snohomish Budget Comparison

- WIOA alone cannot meet the workforce needs in Snohomish County.
- Grants are a vital source to advance Board strategy and augment existing WIOA funding.
- Anticipate FWA Board engagement and support for future grant opportunities to meet workforce needs.
### Workforce Snohomish PY21 Proposed Operating Budget

**FWA Board Approval**

<table>
<thead>
<tr>
<th></th>
<th>WIOA Cluster</th>
<th>LWDB Grants</th>
<th>501c3 Grants</th>
<th>Unrestricted</th>
<th>FY22 / PY 21 Proposed Budget</th>
<th>FY21 / PY 20 Approved Budget</th>
<th>Change ($)</th>
<th>Change (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Grant Revenue</td>
<td>$6,449,152</td>
<td>$3,002,390</td>
<td>$8,231,305</td>
<td>$95,000</td>
<td>$17,777,847</td>
<td>$6,688,080</td>
<td>$11,098,767</td>
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<td>Contributions Revenue</td>
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<td>$ -</td>
<td>$16,875</td>
<td>$185</td>
<td>$17,060</td>
<td>$ -</td>
<td>$17,060</td>
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<tr>
<td>Program Income</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>N/A</td>
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<tr>
<td>Other Income</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$93</td>
<td>$93</td>
<td>$ -</td>
<td>$1,700</td>
<td>(1,607)-95%</td>
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<tr>
<td>Interest Income</td>
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<td>$ -</td>
<td>$ -</td>
<td>$144</td>
<td>$144</td>
<td>$ -</td>
<td>$1,100</td>
<td>(956)-87%</td>
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<tr>
<td><strong>Total Revenue</strong></td>
<td>$6,449,152</td>
<td>$3,002,390</td>
<td>$8,248,180</td>
<td>$95,422</td>
<td>$17,795,144</td>
<td>$6,690,880</td>
<td>$11,104,264</td>
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<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Expenses</td>
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<td>$807,171</td>
<td>$93,855</td>
<td>$2,760,047</td>
<td>$1,977,234</td>
<td>$782,813</td>
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<tr>
<td>Subrecipient</td>
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<td>$2,679,168</td>
<td>$6,530,814</td>
<td>$5,000</td>
<td>$13,277,878</td>
<td>$3,800,384</td>
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<td>Travel and Training</td>
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<td>$9,435</td>
<td>$18,590</td>
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<td>$29,237</td>
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<td>$58,260</td>
<td>$267,355</td>
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<td>Office &amp; Furniture</td>
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<td>$4,566</td>
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<td>$17,969</td>
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<td>$6,006</td>
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<tr>
<td>Communication</td>
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<td>$7,705</td>
<td>$316</td>
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<td>Facilities</td>
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<td>$16,651</td>
<td>$57,109</td>
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<td>Membership &amp; Dues</td>
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<td>$5,183</td>
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<td>$87,864</td>
<td>$35,652</td>
<td>$52,212</td>
<td>146%</td>
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<tr>
<td>Other</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Indirect</td>
<td>$171,814</td>
<td>$25,056</td>
<td>$85,479</td>
<td>$9,939</td>
<td>$292,289</td>
<td>$208,651</td>
<td>$83,638</td>
<td>40%</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>$6,449,152</td>
<td>$3,002,390</td>
<td>$7,690,364</td>
<td>$201,548</td>
<td>$17,343,454</td>
<td>$6,689,085</td>
<td>$10,654,369</td>
<td>159%</td>
</tr>
</tbody>
</table>

**Net Operating Income**

- **WIOA Cluster**: $0
- **LWDB Grants**: $(0)
- **501c3 Grants**: $557,816
- **Unrestricted**: $(106,126)
- **Total**: $(451,690)

- **WIOA Cluster**: $1,795
- **LWDB Grants**: $449,895
- **Total**: $25064%

### Workforce Snohomish Budget:
- **Revenue**: $17.8M
- **Expenses**: $17.3M
- **Net Income**: +$450K

### FWA Approval
- **WIOA Cluster**: $6.45M
- **LWDB Grants**: $3M
Snapshot of Changes from PY20 Budget

**Total Revenue**—Overall 166% Increase from FY21 / PY20

**Total Expenses**—Overall 159% Increase from PY19

- Salaries and Benefits: Increase of $782,813 – 40%
- Subrecipient Contracts: Increase of $9,477,494 – 249%
  - Includes FWA staff funding of $434,325
  - $300,000 reserve for strategic planning implementation
- Travel & Training: Increase of $37,133 – 71%
- Professional Fees: Increase of $267,355 – 459%
- Communications and Outreach: Increase of $20,750 – 143%
- Membership and Dues: Increase of $52,212 – 146%
Conclusion

• WIOA funds in PY21 increased but are anticipated to decrease in PY22 as unemployment drops.

• Economic recovery and pace is still unclear especially for most impacted industries (leisure, hospitality, and aerospace).

• Demand for workforce services is anticipated to increase for job seekers and businesses.
  • Job search requirement to be reinstated on July 6.

• Anticipate a high-demand by employers for training to upskill workers to meet current workforce needs.

• FWA strategic plan to define the “future of work”, strategies, and funding and board support needed to meet goals.