

MEMORANDUM

TO: Partner4Work Board of Directors
FROM: Kristin Kramer, CFO
DATE: June 26, 2020
RE: FY20-21 Budget

The following includes the proposed FY20-21 Partner4Work budget. The following represents a more detailed narrative surrounding the FY20-21 Budget Analysis.

Income:

- **Public Funds/Government Grants**

- The proposed FY20-21 budget shows a \$3M increase, which is caused by the following:
 - Midwest Urban Strategies – This program is set to end this year (meaning FY 20-21) and has a reduction of \$2M in revenue from prior year.
 - P4W WIOA Allocations decreased for Program Year 2020 under Allegheny County WIOA by \$500K, however in our budget, we are increasing \$700K (this is due to having left over money from PY19)
 - P4W WIOA Allocations decreased for Program Year 2020 under City of Pittsburgh by \$222K, however in our budget we are increasing \$500K (this is due to having left over money from PY 19)
 - TANF – Adult TANF have increased \$2.5M (Increased Work Ready and Earn grant this year and in addition to the increase of the overall grant, they increased our % of Earn reimbursement from 65% to 75%).
 - DOL Ex-Offenders – remains consistent with a slight increase of \$288K. The original re-entry grant ended December 2019; however, we received a new State Ex-Offender grant that is offsetting the loss.
 - Sector Strategies (which is combining Sec. Strategies, Pgh Works and Place Based into one category) is about \$400K above prior year due to Hillman Foundation award and other smaller awards.
 - Learn & Earn – increased by \$900K due to including the County CDBG direct funding of program in P4W budget (\$650K). In past, these funds were directly managed by other providers, however this year we are bringing them in house. We also have SLIP funding that was not included in the L&E numbers last budget (\$180K).

Expense:

- **Direct Program Expense**

- The \$3 million increase relates to the increase/decrease of funding sources identified above:
 - Midwest Urban Strategies – Decreased by \$2M
 - Allegheny County WIOA – Increased by \$500K
 - City of Pittsburgh WIOA – Increased \$600K
 - DOL Ex-Offenders – Increased by \$250K
 - Adult TANF – Increased \$2.5M
 - Sector Strategies – Increased \$300K

- Learn and Earn – Increased by \$900K due to running the County CDBG funds through our budget. \$744K is being passed to providers
- **Salaries, Wages and Benefits**
 - We are budgeting a \$160K increase in this area for two reasons
 - 3% Cost of Living increase built into the Salary
 - In FY2020, we will continue to build the infrastructure to right-size the organization by adding three additional positions primarily in the following areas:
 - Three new positions, some starting mid year (Communications Manager, IP Developer, IT Public Sector Developer)
- **Contracted Services**
 - The increase of \$140K is primarily related to Midwest Urban Strategies. During this fiscal year, a budget mod was proposed for MUS, which shifted some direct program expense to contracted services.
- **Information Technology Services**
 - The decrease of \$60K relates to Management & General. We currently have budgeted BlackBaud - \$12,000; Parley Pro Contract Database of \$22,000, Program Outcomes System \$50,000, CRM System \$40,000; Performance Evaluation System \$5,000; Cloud based solutions \$10,000 and other \$15,000.
- **Meeting Expense**
 - Has decreased \$27,500 due to reduction in Midwest Urban Strategies Meeting expense. The core meetings for MUS have already happened in the PY 19-20 fiscal year.
- **Rent**
 - The increase of \$25,000 relates to increase in square footage from \$18.54 to \$19.10 starting in September, plus the additional Operating Expenses and Real Estate Taxes (\$14,979.60 and \$614.76 respectively). **See breakdown below
- **Travel & Conference**
 - P4W budgeted an increase of \$31K. A portion of this is to focus on staff development and another portion is to support M&G travel for our Chief Strategy & Innovation Officer.

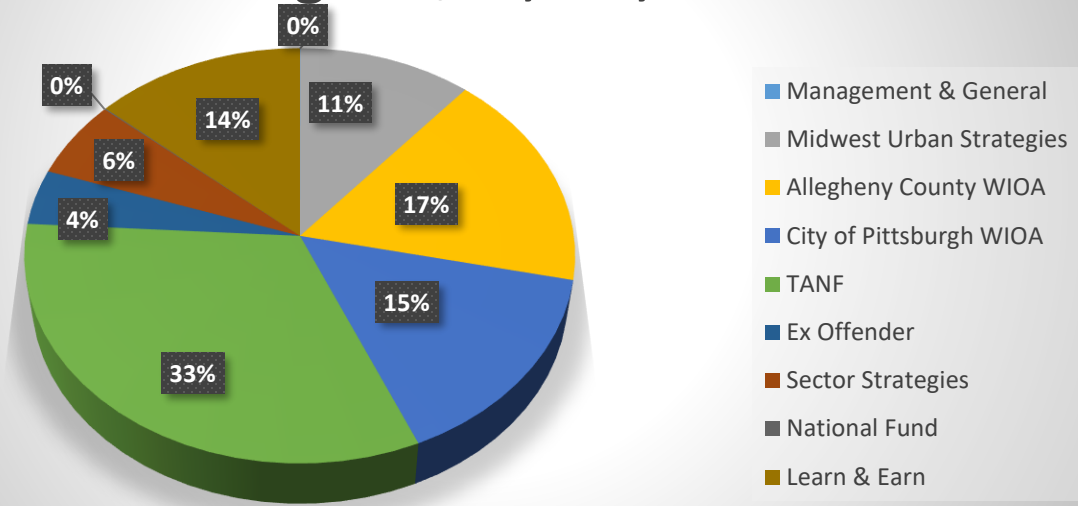
Learn & Earn is showing \$140,000 loss due to raising money to cover indirect for the CDBG Money. We anticipate raising the funds but choose to show the loss so it is at the forefront and not forgotten.

****Rent Breakdown**

Base Rent – July – August -	\$35,003.52
Base Rent – Sept – June	\$180,304.00
Additional Storage	\$2,100.00
Add'l Operating Expense	\$14,979.60
Add'l Real Estate Taxes	\$614.76
 Total Budgeted Rent	 \$233,001.88

Charts & Graphs

Partner4Work Revenue for FY20-21 Budget - \$29,045,722



Budget Comparison FY 19-20 vs. FY 20-21

