



FINANCE COMMITTEE MEETING

CareerSource Central Florida | 6/5/24

CareerSourceCentralFlorida.com



6/5/24 FINANCE COMMITTEE MEETING DETAILS**Meeting Details**

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information/

Discussion/

Action Items

Other Business

Adjournment

What: Finance Committee Meeting

When: Wednesday, June 5, 2024
2:30 p.m. – 4:00 p.m.

Where: CSCF Administration Office
390 N. Orange Ave., Suite 700 (7th Floor)
Orlando, FL 32801

or

Virtual Option via Zoom:

Link: <https://careersourcecf.zoom.us/j/89010261701?pwd=NGKLgBaKzrgJRgziA7nUzcQy6XrR6k.1>

Dial In: 1 (929) 205-6099 / Meeting ID: 890 1026 1701 / Passcode: 510750

6/5/24 FINANCE COMMITTEE MEETING DETAILS

Agenda Item #"	Topic	Presenter	Action Item
1.	Welcome	Eric Ushkowitz	
2.	Roll Call / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Approval of Minutes A. 4/10/24 Finance Committee Meeting	Eric Ushkowitz	X
5.	Information / Discussion / Action Items A. FY 2023-2024 Activities: 1) Financial Results – Through April 2024 B. FY 2024-2025 Activities: 1) Approval of Fiscal Year 2024-2025 Draft Budget 2) Retirement Plan Review / Follow-Up	Committee Review/Discussion	X
6.	Other Business		
7.	Adjournment		

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Meeting Agenda

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WELCOME



Meeting Details

Meeting Agenda

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ROLL CALL



Meeting Details

Meeting Agenda

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PUBLIC COMMENT



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► Approval of Minutes

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APPROVAL OF MINUTES



Finance Committee Meeting
Wednesday, April 10, 2024, 2:30 p.m.

Agenda Item 4A

MINUTES

- MEMBERS PRESENT:** Eric Ushkowitz, Keira des Anges, Shawn Hindle, and Matt Walton
- MEMBERS ABSENT:** Wendy Brandon and Michelle Sperzel
- STAFF PRESENT:** Leo Alvarez, Pam Nabors, Tadar Muhammad, Sean Masherella and Kaz Kasal
- GUESTS PRESENT:** Jason Chepenik, Kevin Wallace / OneDigital

Agenda Item	Topic	Action Item / Follow Up Item
1	Welcome Mr. Ushkowitz, Finance Committee Chair, called the meeting to order at 2:32 pm.	
2	Roll Call / Establishment of Quorum Ms. Kasal, CSCF Executive Coordinator, reported a quorum present.	
3	Public Comment None Offered.	
4	Approval of Minutes Finance Committee reviewed the minutes from the 1/10/24 Audit & Finance Committee's joint meeting.	Mr. Walton made a motion to approve the minutes from the 1/10/24 Audit & Finance Committee's joint meeting. Ms. des Anges seconded; motion passed unanimously.
5	Information/Discussion/Action Items	
	<p><u>FY 2023-2024 Activities:</u></p> <ul style="list-style-type: none"> • Retirement Plan Update/Strategies <ul style="list-style-type: none"> - Reviewed "Retirement Plan Review" presented by Mr. Chepenik and Mr. Wallace of OneDigital (attachment). - Reviewed "Top Hat" plan that allows key employees to save and invest tax advantaged dollars for retirement. (attachment) - Discussed some additional benefit offering recommendations: <ul style="list-style-type: none"> o Emergency Savings Account o Increased Auto-Escalation Maximum <p>Committee concurred for staff to bring back a proposal on above two recommendations.</p>	<p>Mr. Walton made a motion to approve adding "Top Hat Plan" as presented, as an option for key employees. Ms. des Anges seconded; motion passed unanimously.</p> <p><i>At next meeting, staff to provide a proposal on "Emergency Savings Account" and "Increased Auto-Escalation Maximum" and how this would be structured.</i></p>



<ul style="list-style-type: none"> • 403b Retirement Plan Audit Results <ul style="list-style-type: none"> - Reviewed financial highlights and summary on FY 2023 403b Retirement Audit, which resulted in a clean report, no issues. Plan has had 20% growth year over year. (attachment) • Financial Results thru 2/29/24 <ul style="list-style-type: none"> - Reviewed financials through 2/29/24. (attachment) • Current Year Budget Adjustment <ul style="list-style-type: none"> - Reviewed staff's recommendation to take \$3M in training expenditure (LUO) and carry-in to FY 2024-2025, reducing current budget from \$39.4M to \$36.4M. (attachment) • Transfer Authority of WIOA/DW Funding <ul style="list-style-type: none"> - Reviewed action memo on transfer of WIOA Adult/DW funding (attachment). • Procurement Policy – Increase Small Purchase Threshold <ul style="list-style-type: none"> - Reviewed action memo of staff's recommendation to increase the simplified acquisition threshold from \$150,000 to \$250,000 to align with the Office of Management and budget (OMB) 2 CFR 200 federal guidance procurement caps (attachment). <p><u>FY 2024-2025 Activities:</u></p> <ul style="list-style-type: none"> • Budget Planning <ul style="list-style-type: none"> - FY 2024-2025 Budget Timeline <ul style="list-style-type: none"> o Reviewed proposed budget timeline for FY 2024-2025 (attachment). - New Fiscal Year Budget Projections <ul style="list-style-type: none"> o Reviewed FY 2024-2025 preliminary revenue projections vs. prior year (attachment). 	<p>Ms. des Agnes made a motion to approve for Board's final approval the audit results from FY 2023 403b Retirement Plan audit. Mr. Walton seconded; motion passed unanimously.</p> <p>Ms. des Agnes made a motion to approve for Board's final approval to move \$3M in training investments from FY 2023-2024 to FY 2024-2025. Mr. Walton seconded; motion passed unanimously.</p> <p>Ms. des Anges made a motion to approve for Board's final approval to add transfer of funds flexibility between WIOA Adult and Dislocated Worker (DW) funding, as presented. Mr. Hindle seconded; motion passed unanimously.</p> <p>Mr. Hindle made a motion to approve for Board's final approval to increase the simplified acquisition threshold to \$250,000 (from \$150,000), as presented. Ms. des Anges seconded; motion passed unanimously.</p>
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	<ul style="list-style-type: none"> • FY 2024-2025 Health Insurance Plan Renewal Discussion <ul style="list-style-type: none"> - Staff reviewed status on the Healthcare renewal benefits for FY 2024-2025 and results for RFP bid and ongoing negotiations with current provider. Action Memo will be presented to 4/11/24 Executive Committee meeting, and 4/26/24 Board Meeting for final approval 	
6	<p>Other Business None offered.</p>	
7	<p>Adjournment Meeting adjourned at 3:43 p.m.</p>	

Respectfully submitted,

Kaz Kasal
Executive Board Coordinator

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Meeting Details

Meeting Agenda

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Discussion/
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Other Business

Adjournment

INFORMATION/ DISCUSSION/ ACTION ITEMS



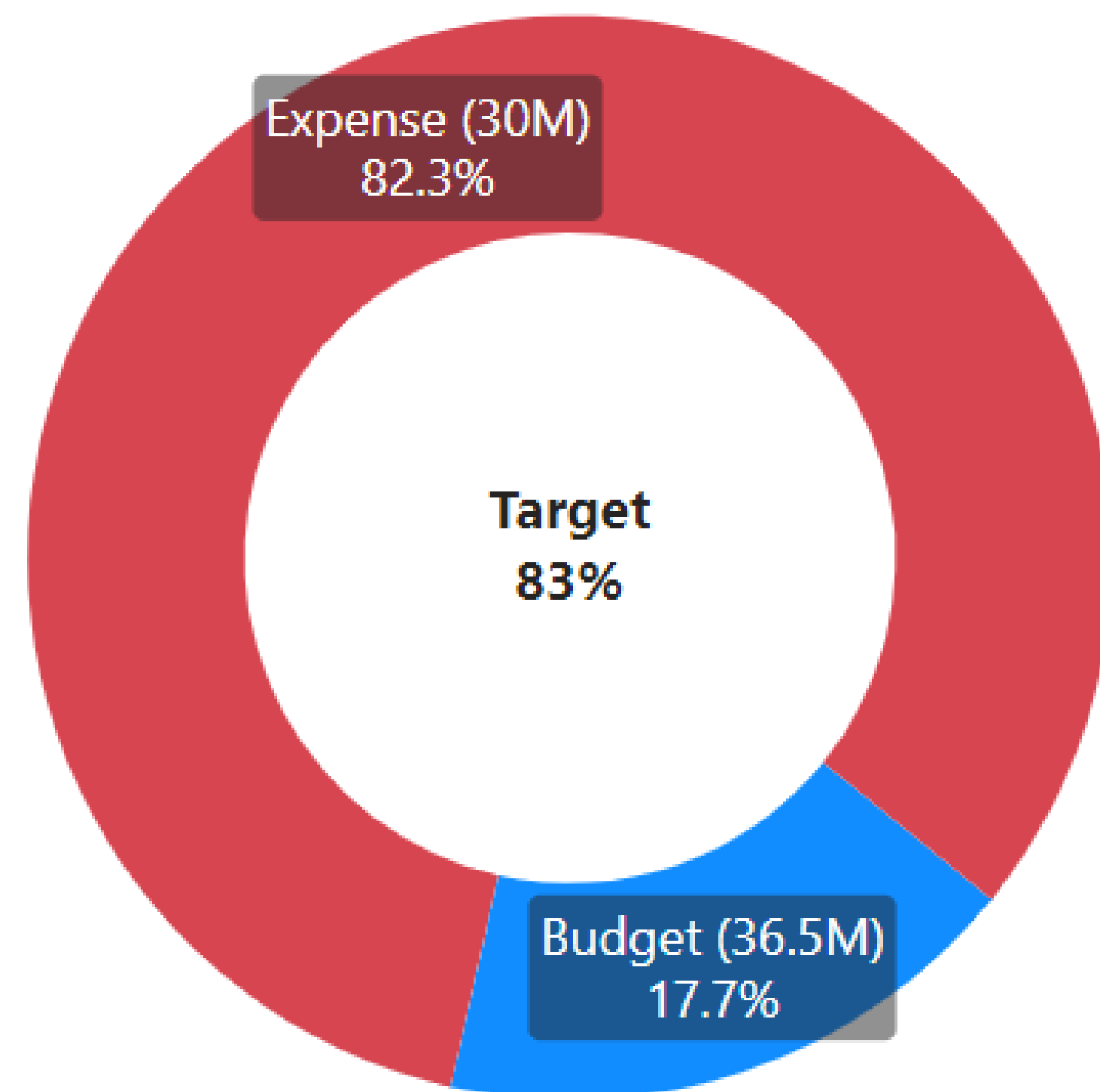
FY 2023-2024 ACTIVITIES



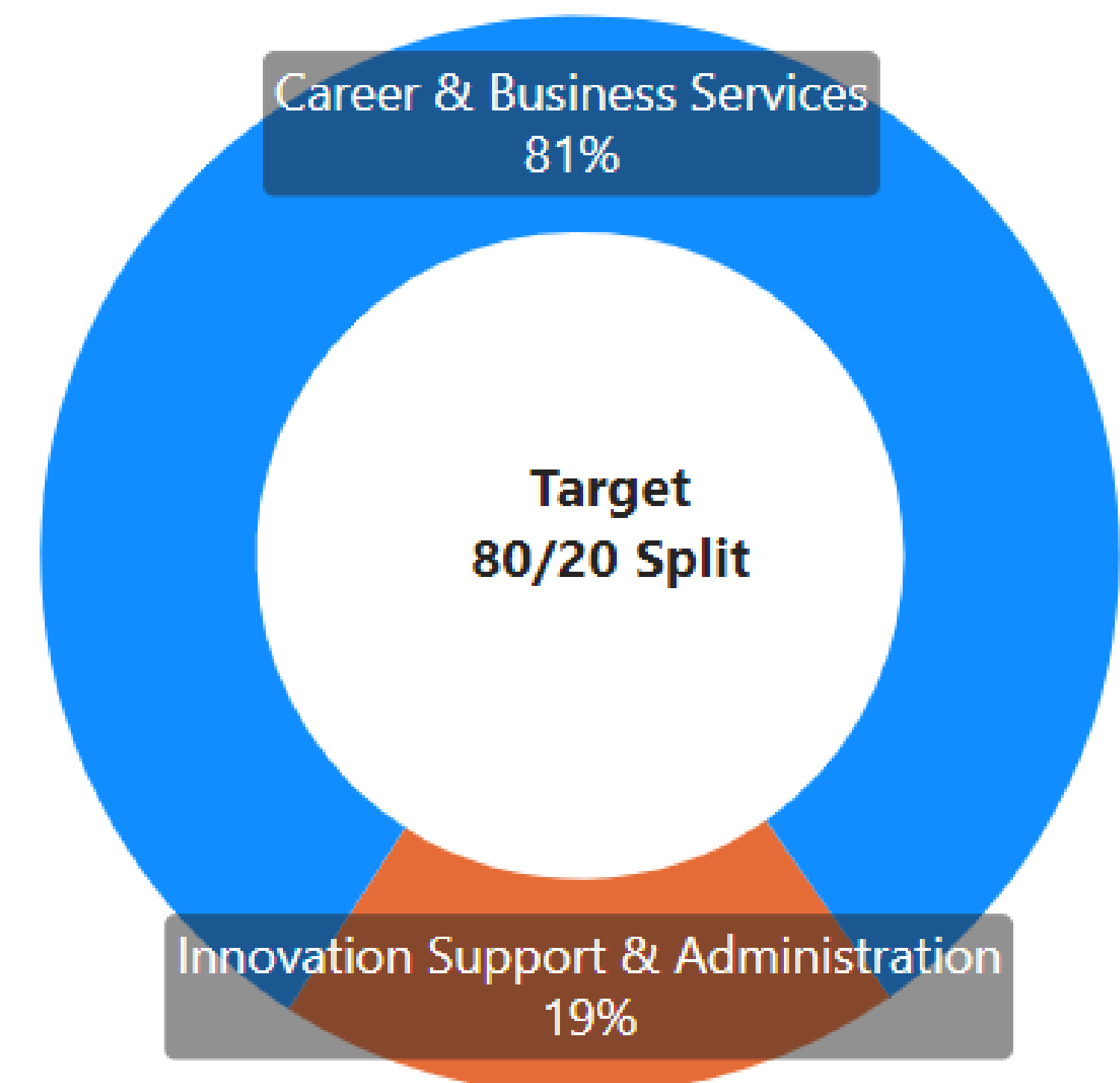
FY 2023 – 2024 THRU 04/30/24 RESULTS

BUDGET VS ACTUAL

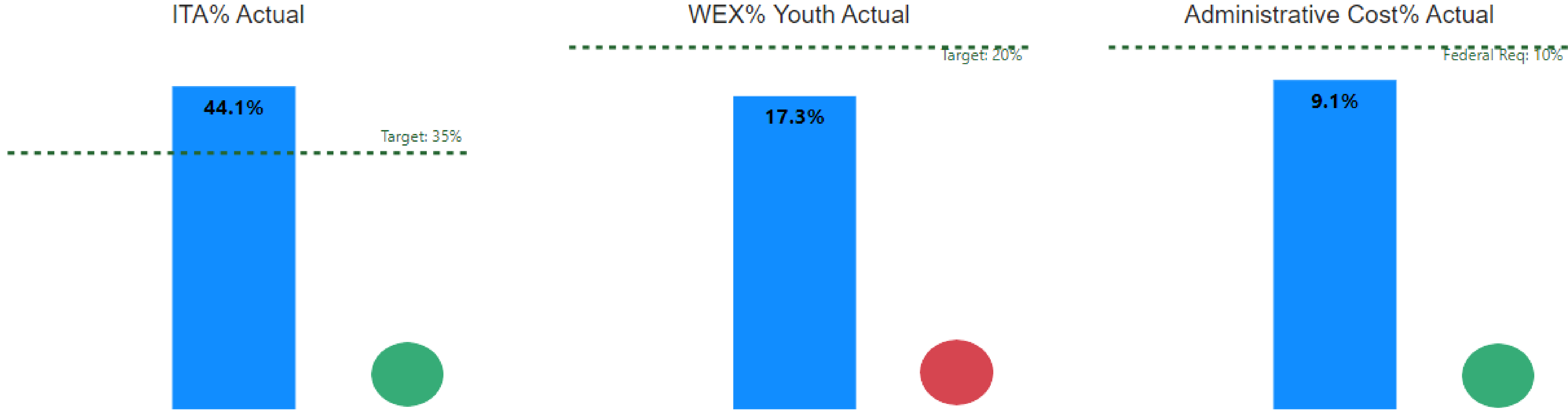
BUDGET VS ACTUAL EXPENSES



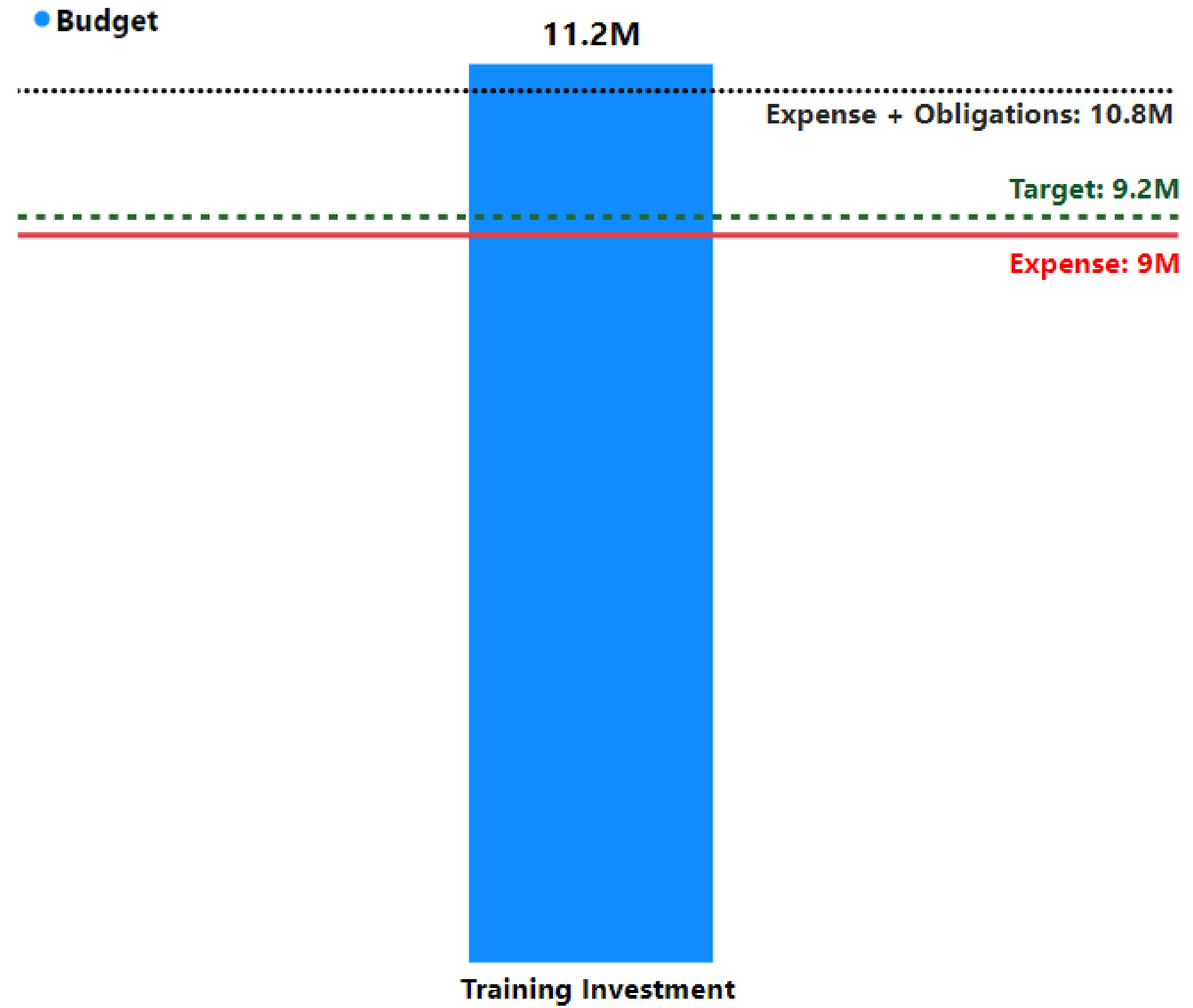
BUDGET OPERATIONS/SUPPORT



BUDGET FEDERAL/STATE REQUIREMENTS

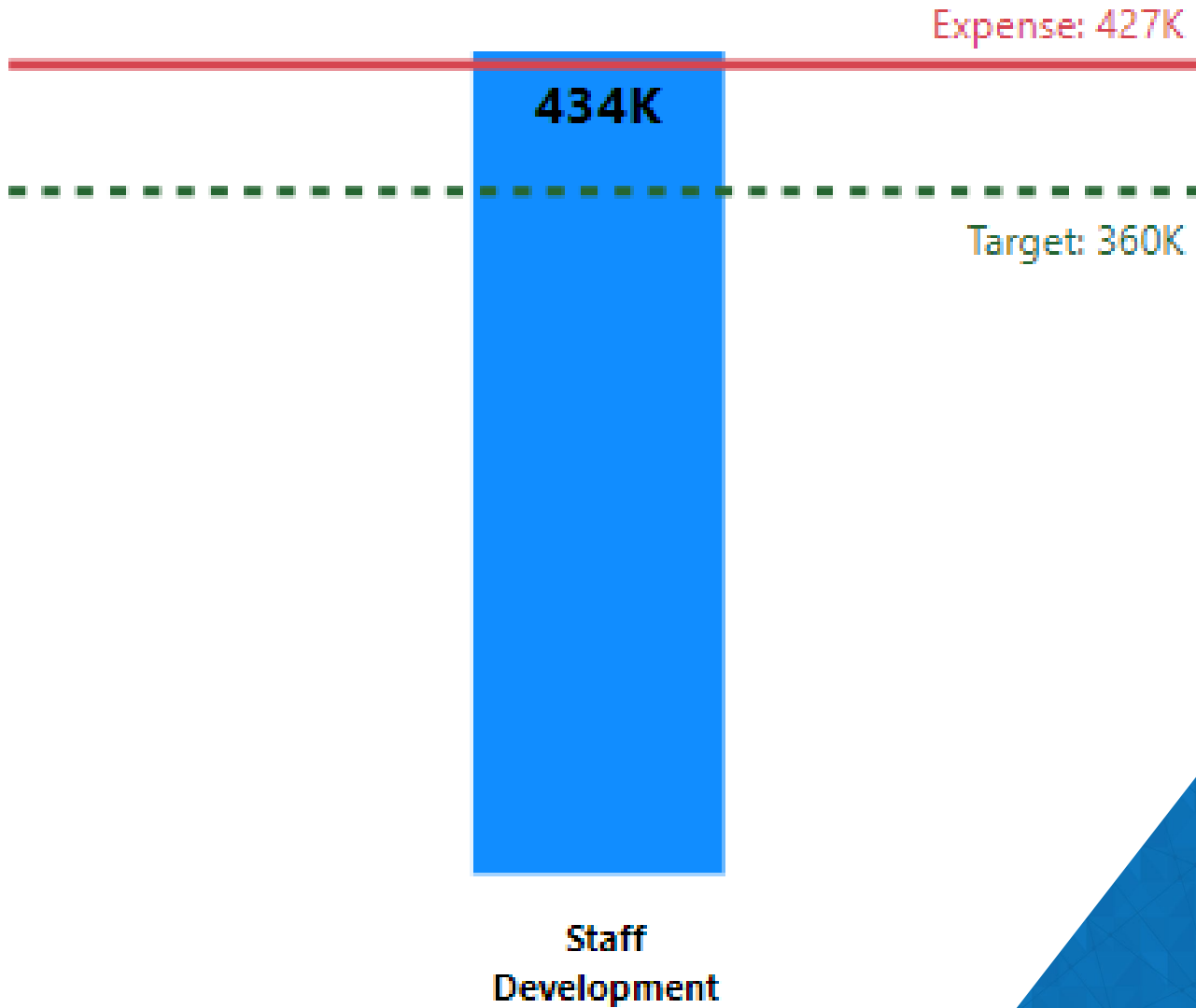
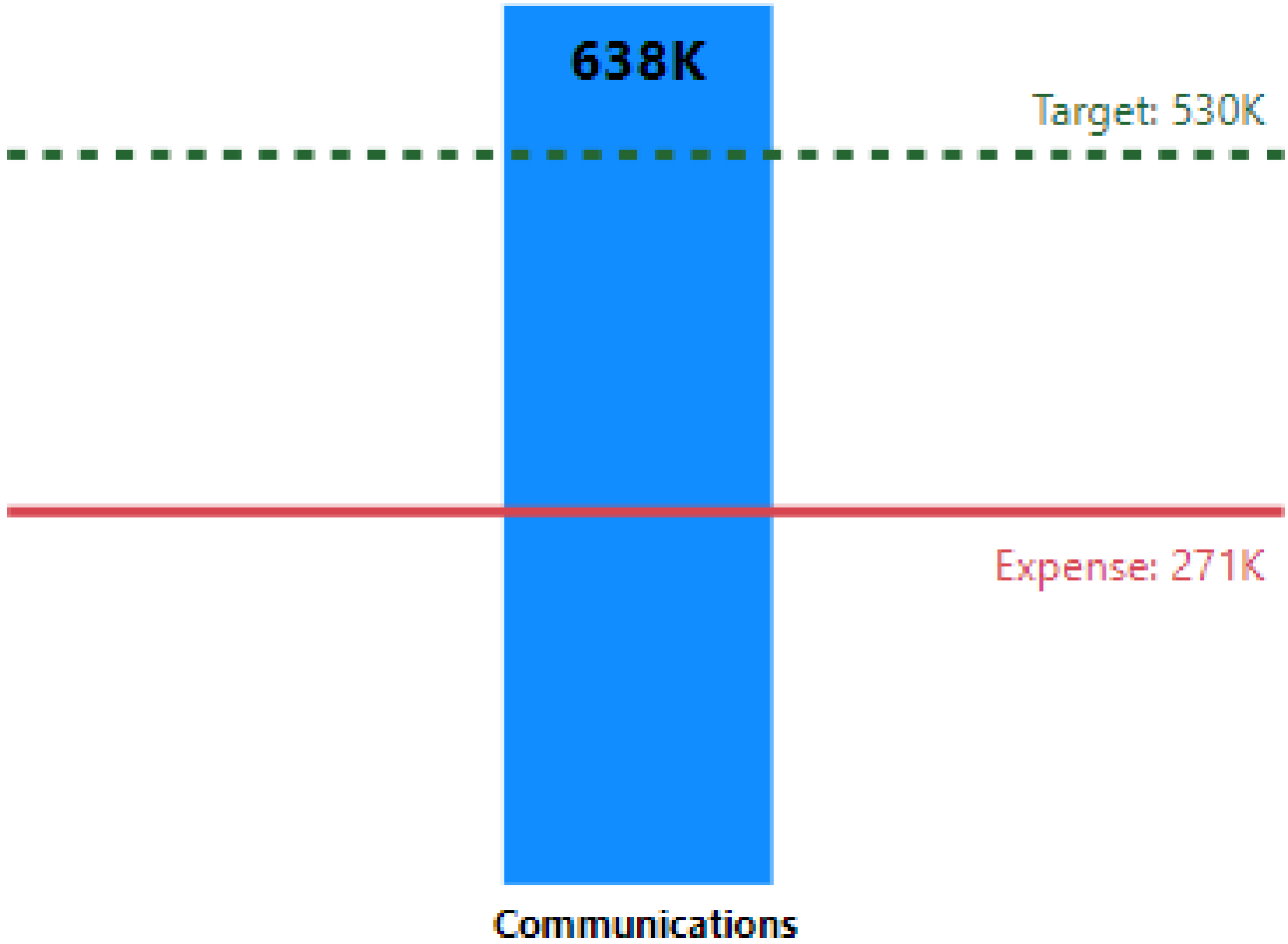
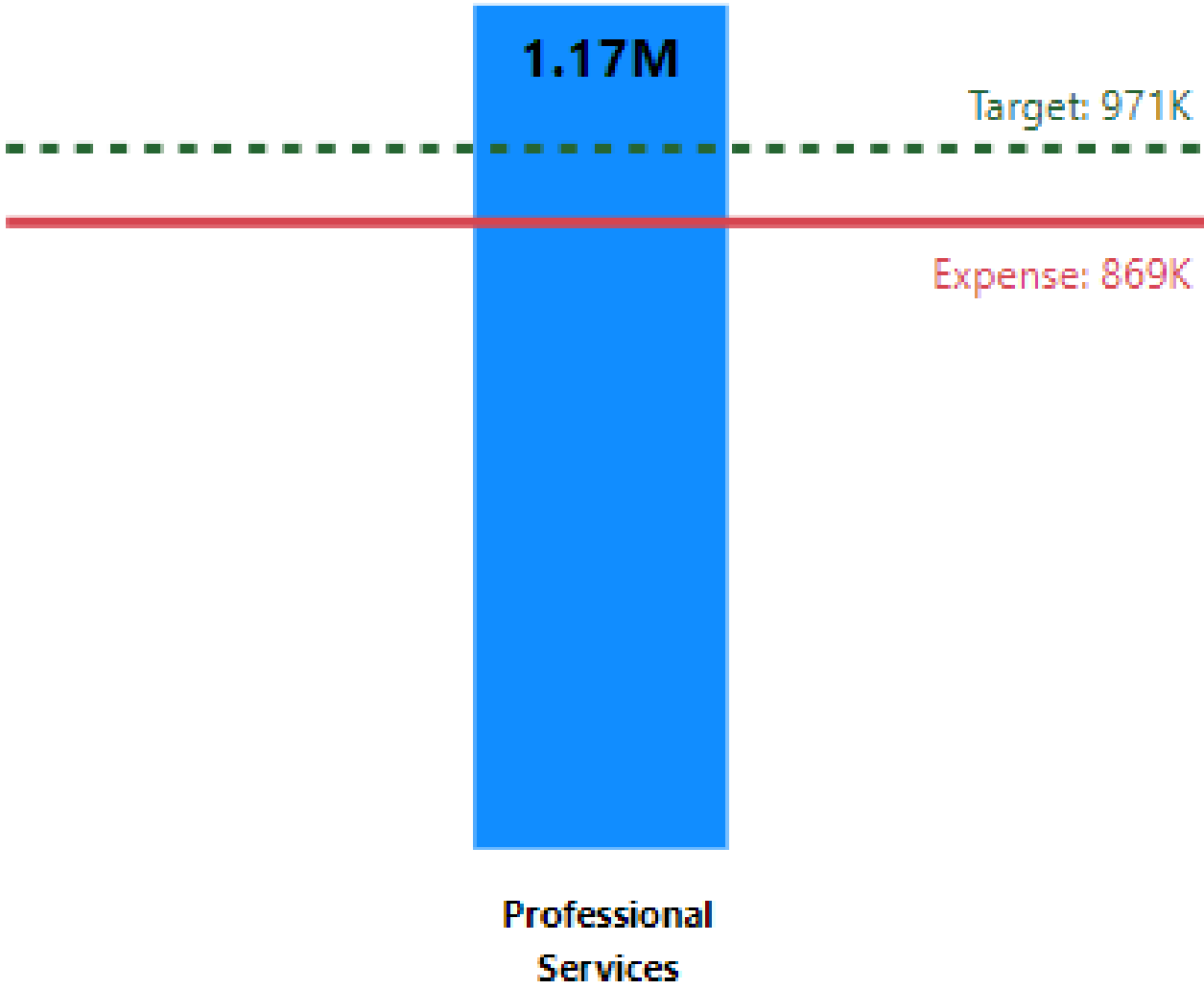
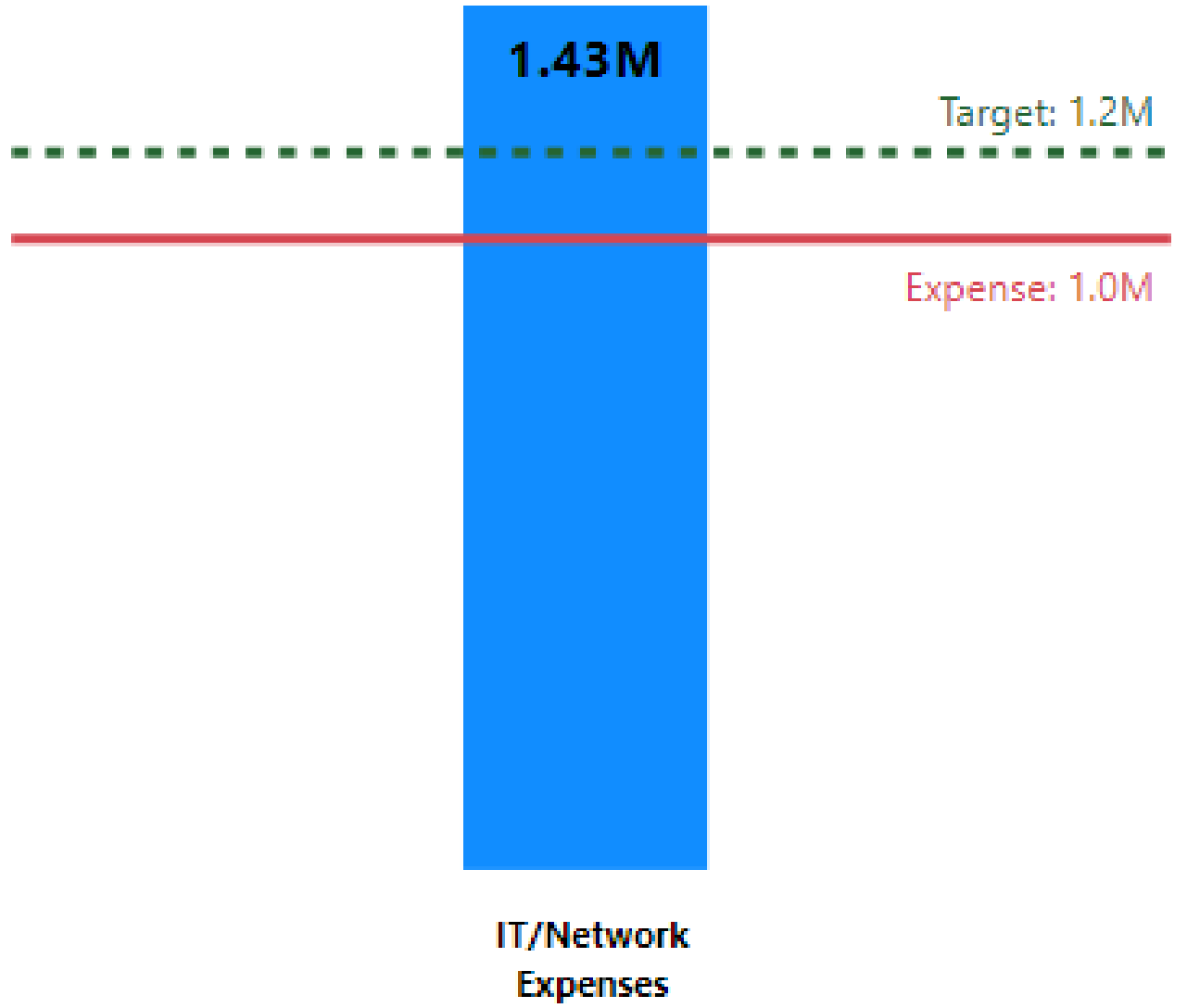
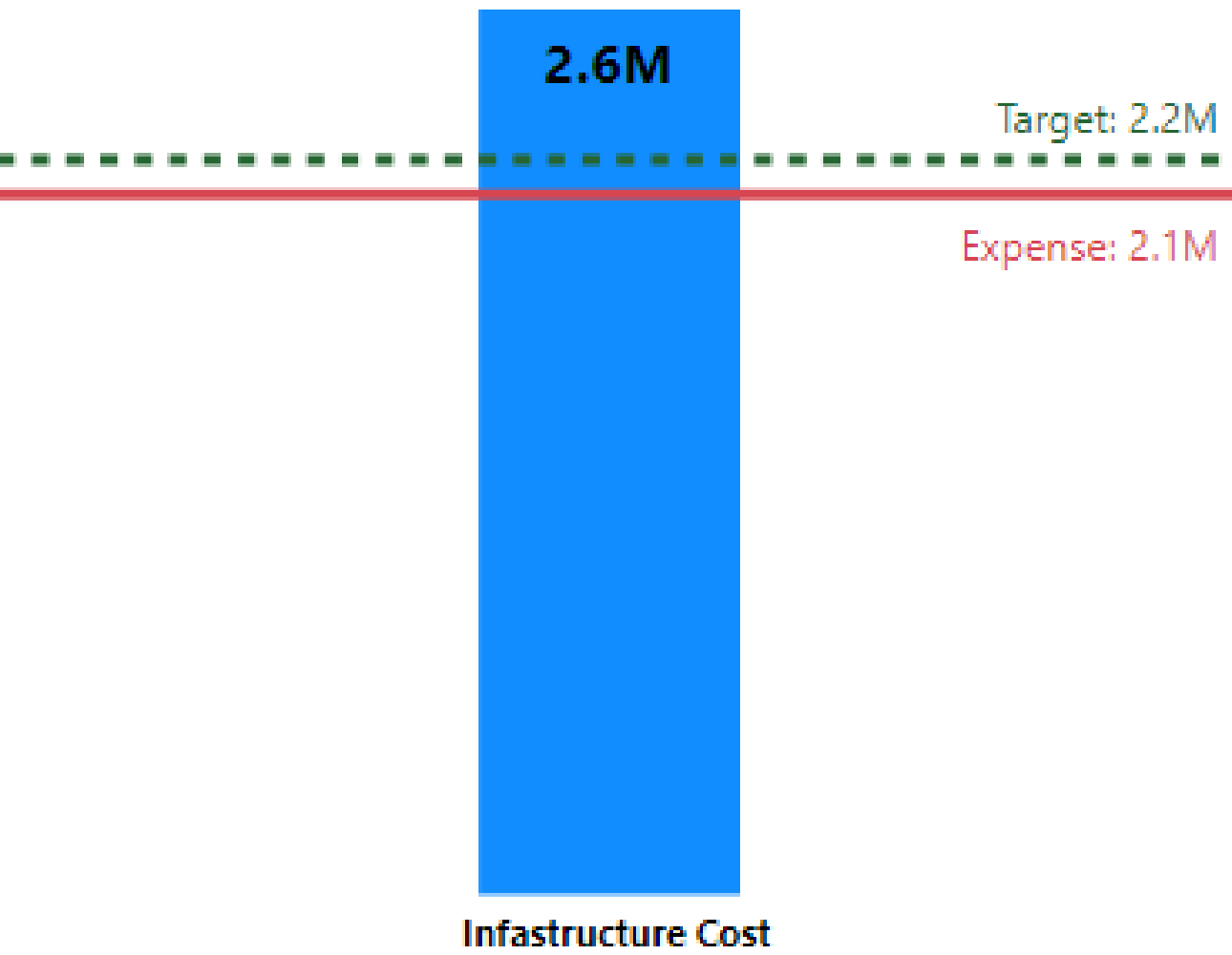
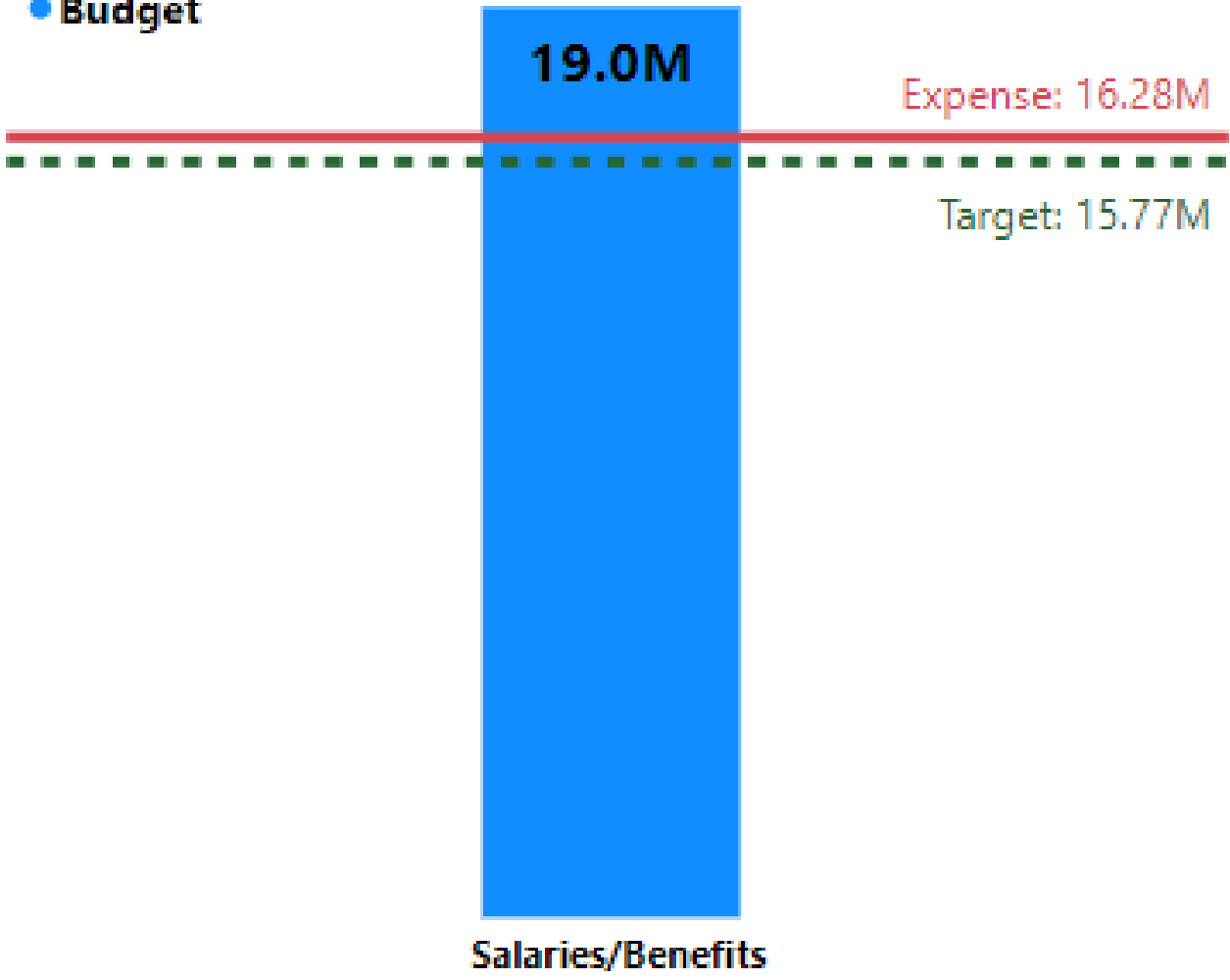


BUDGET VS ACTUAL BY EXPENDITURE CATEGORY



BUDGET VS ACTUAL BY EXPENDITURE CATEGORY

• Budget





**CareerSource Central Florida
Budget vs. Actual Report (Summary)
As of 04/30/24**

CSCF Budget FY 2022 - 2023			
Funding Sources	Total Revenue		
Carry In Funds From FY 22 - 23	16,960,163		
FY 23 - 24 Award	30,039,920		
Award Total - Available Funds	47,000,083		
LESS planned Carryover For FY 24 - 25	(10,525,083)		
Total Available Funds Budgeted	36,475,000	Actual Expenditures	% of Expenditures

EXPENDITURE BY CATEGORY

Salaries/Benefits	19,001,000	16,283,801	85.7%
Training Investment	11,180,000	9,049,922	80.9%
Professional Services	1,170,000	869,217	74.3%
Outreach	638,000	270,766	42.4%
Infrastructure/Maintenance & Related Cost	2,620,000	2,072,731	79.1%
IT Cost/Network Expenses	1,432,000	1,045,662	73.0%
Staff Development & Capacity Building	434,000	427,047	98.4%
EXPENDITURES	36,475,000	30,019,146	82.3%



CareerSource Central Florida Current Year Budget and 2 yr Expenditure Comparison As of 04/30/24

Funding Sources	CY	PY	\$	%
	Revenue	Revenue	Difference	Difference
Carry In Funds From FY 22 - 23	16,960,163	27,390,961	(10,430,798)	
FY 23 - 24 Award	30,039,920	35,362,526	(5,322,606)	
Award Total - Available Funds	47,000,083	62,753,487	(15,753,404)	
LESS planned Carryover For FY 24 - 25	(10,525,083)	(16,253,487)	5,728,404	
Total Available Funds Budgeted	36,475,000	46,500,000	(10,025,000)	-21.6%

	Budget	CY Expenditures	PY Expenditures	\$ Difference	% Difference
	Salaries/Benefits	19,001,000	16,283,801	15,542,747	741,053
Career & Youth Services	11,180,000	9,049,922	17,001,721	(7,951,799)	-46.8%
Professional Fees	1,170,000	869,217	1,325,605	(456,388)	-34.4%
Outreach	638,000	270,766	506,143	(235,377)	-46.5%
Infrastructure/Maintenance & Related Cost	2,620,000	2,072,731	2,135,680	(62,949)	-2.9%
IT Cost/Network Expenses	1,432,000	1,045,662	1,268,848	(223,186)	-17.6%
Staff Development & Capacity Building	434,000	427,047	442,664	(15,617)	-3.5%
TOTAL EXPENDITURES	36,475,000	30,019,146	38,223,408	(8,204,262)	-21.5%

	BUDGET	CY ACTUAL	PY ACTUAL
ITA %	35.0%	44.1%	53.0%
ADIMINISTRATIVE COST %	10.0%	9.1%	8.2%

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FY 2024-2025 ACTIVITIES



CSCF ANNUAL BUDGET

July 1, 2024 – June 30, 2025

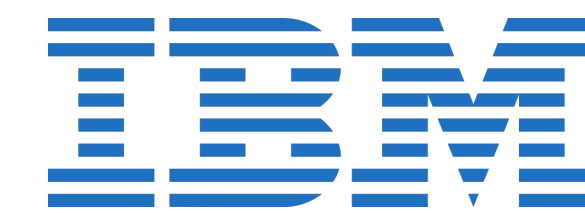


FY 2024 – 2025 BUDGET WORKSHOP

**EMPOWERING CAREERS
TRANSFORMING LIVES**



What is happening in your industry or company?

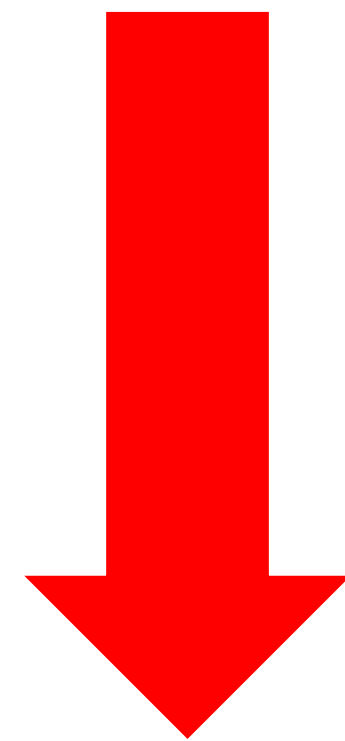


1.	REVENUE & FTE HISTORY
2.	BUDGET PROJECTIONS
3.	BUDGET REDUCTIONS, MODIFICATIONS & EFFICIENCIES
4.	STRATEGIC PRIORITIES & INVESTMENT STRATEGIES
5.	BUDGET ALLOCATIONS & COMPARISONS
6.	FINANCIAL MEASURES OF SUCCESS & SUMMARY

2023



\$12M



2024



\$6M

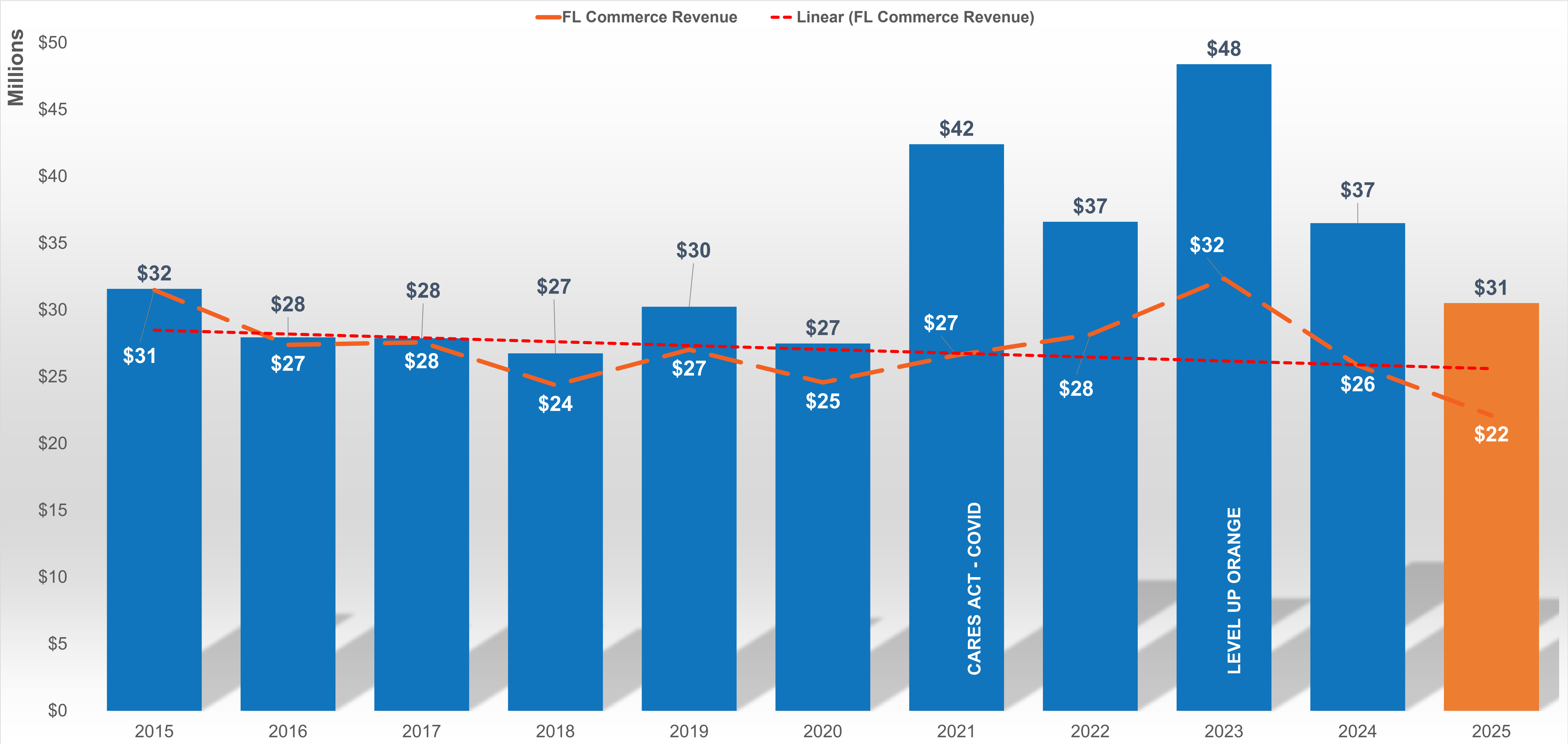


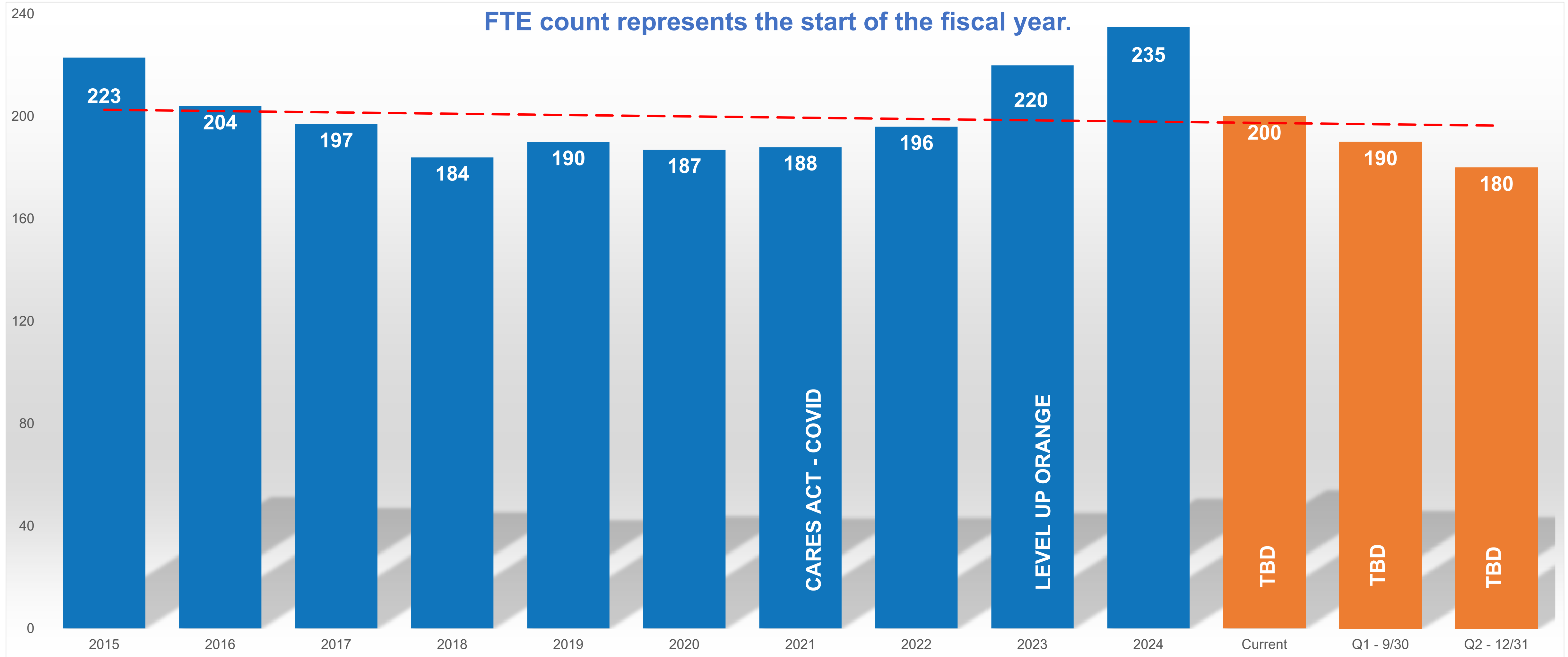
2025

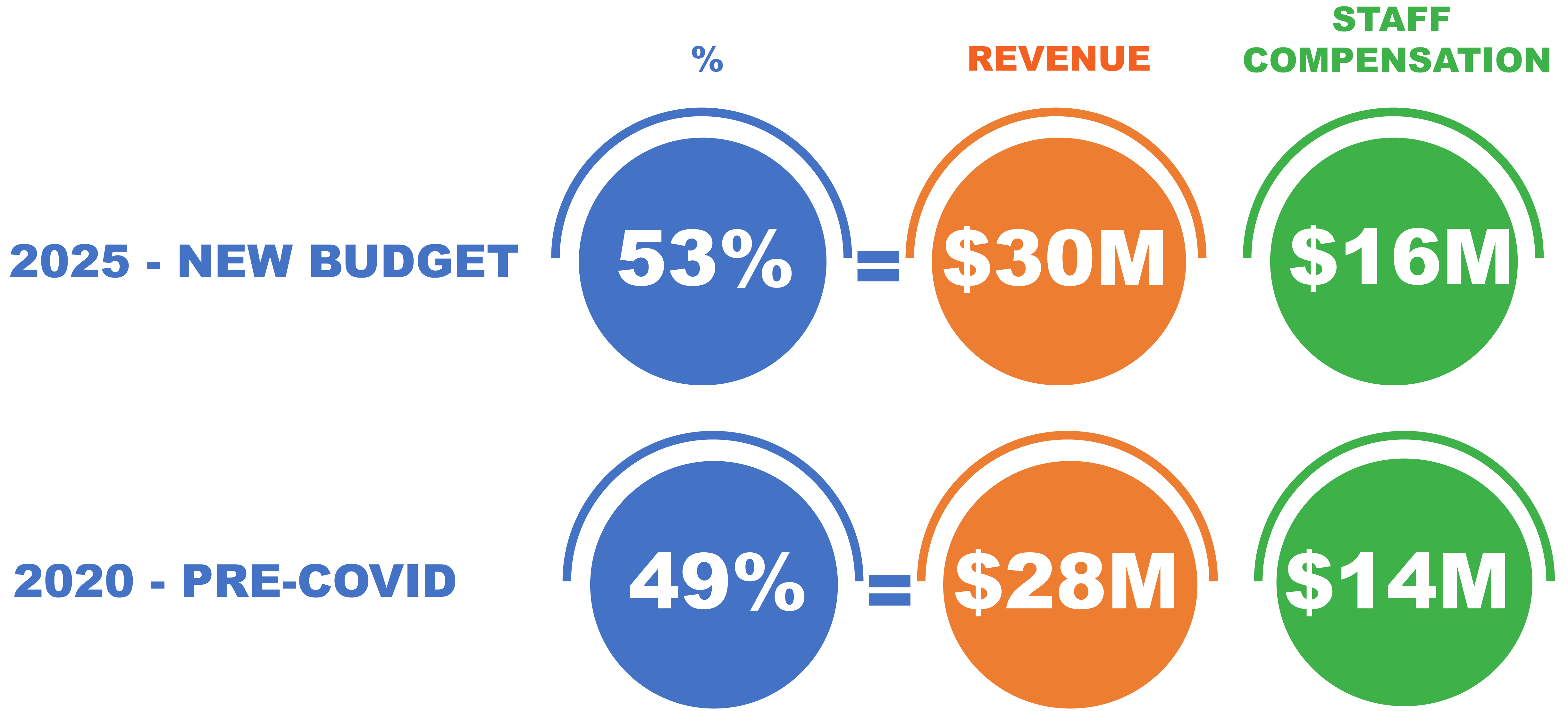


Allocation Reduction: \$2 Million
Sunset Projects: \$10 Million

Allocation Reduction: \$4 Million
Sunset Projects: \$2 Million







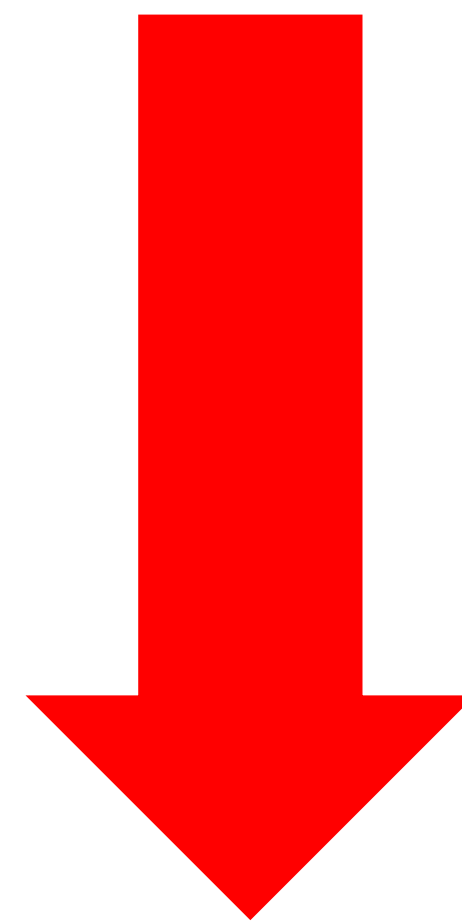
2024



2025

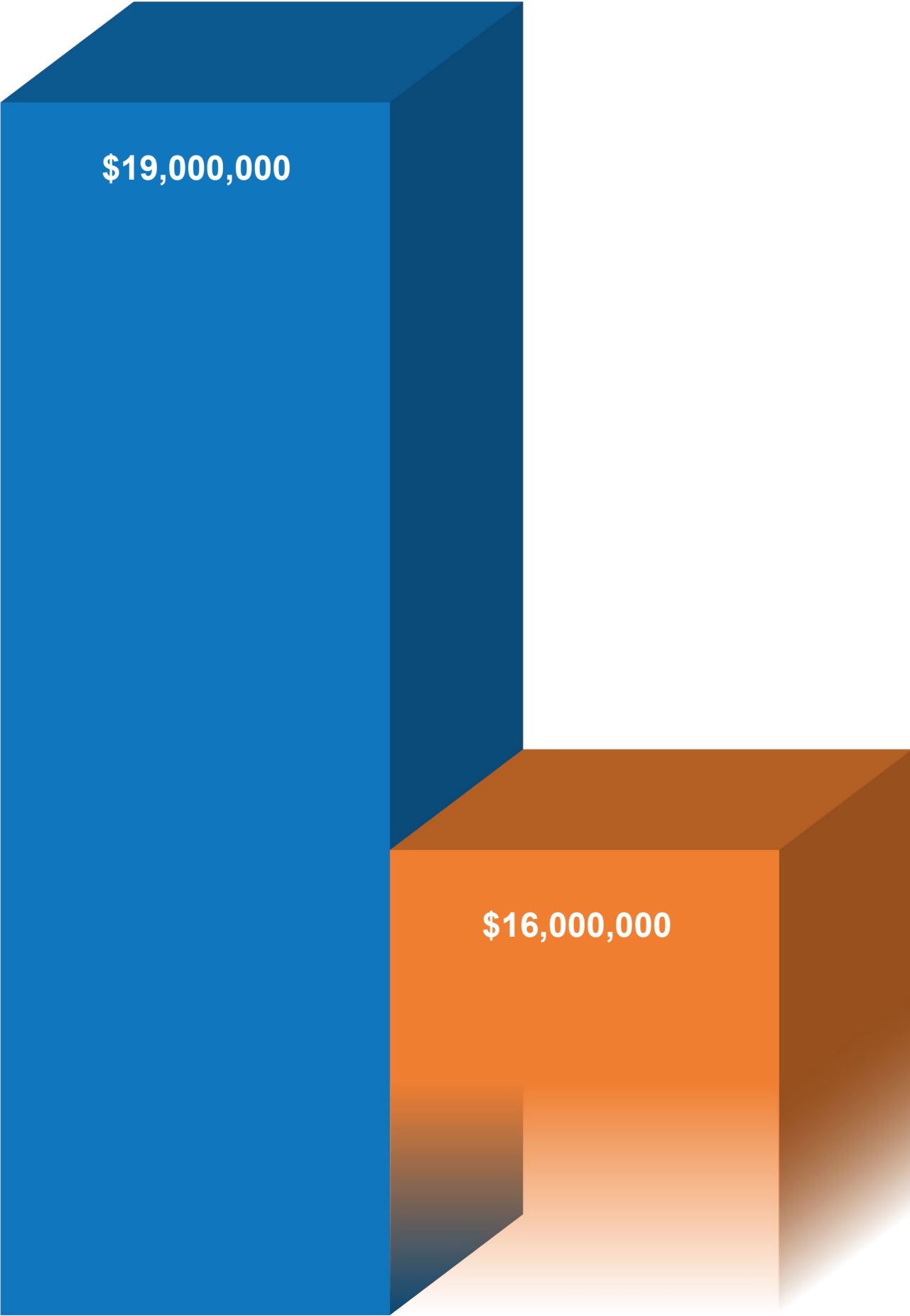


\$6M



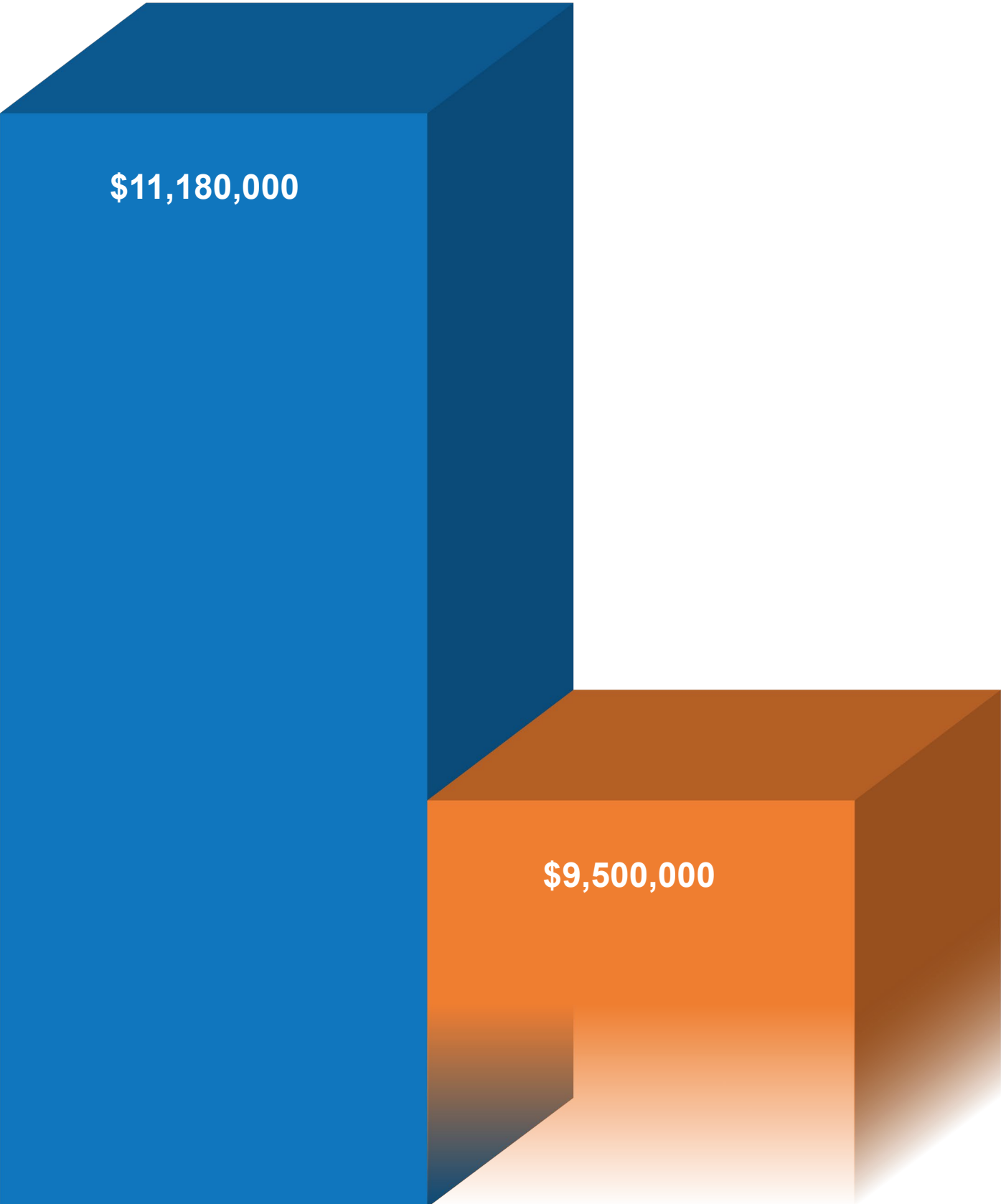
Allocation Reduction: \$4 Million
Sunset Projects: \$2 Million

STAFF COMPENSATION



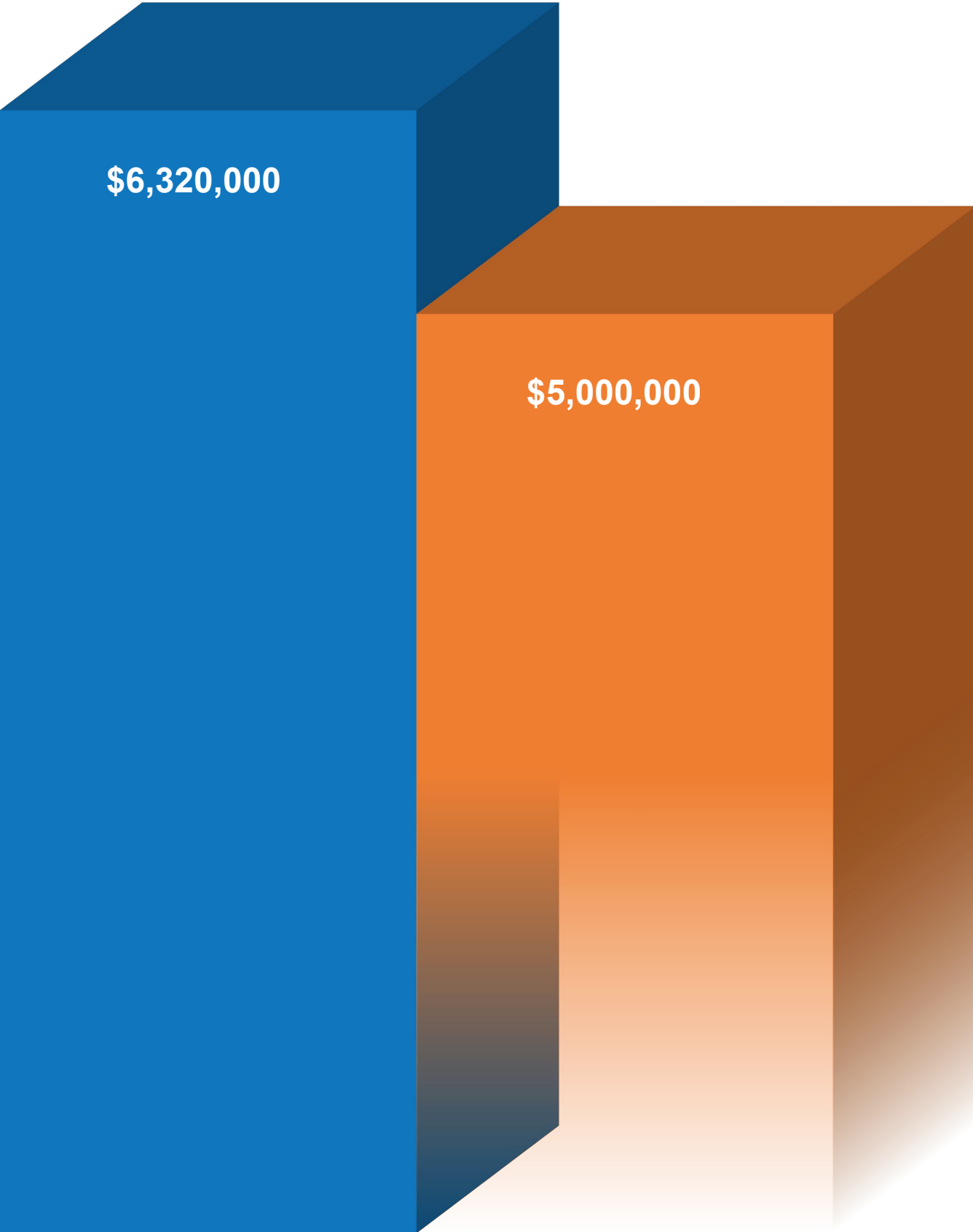
■ 2024 ■ 2025

TRAINING INVESTMENTS



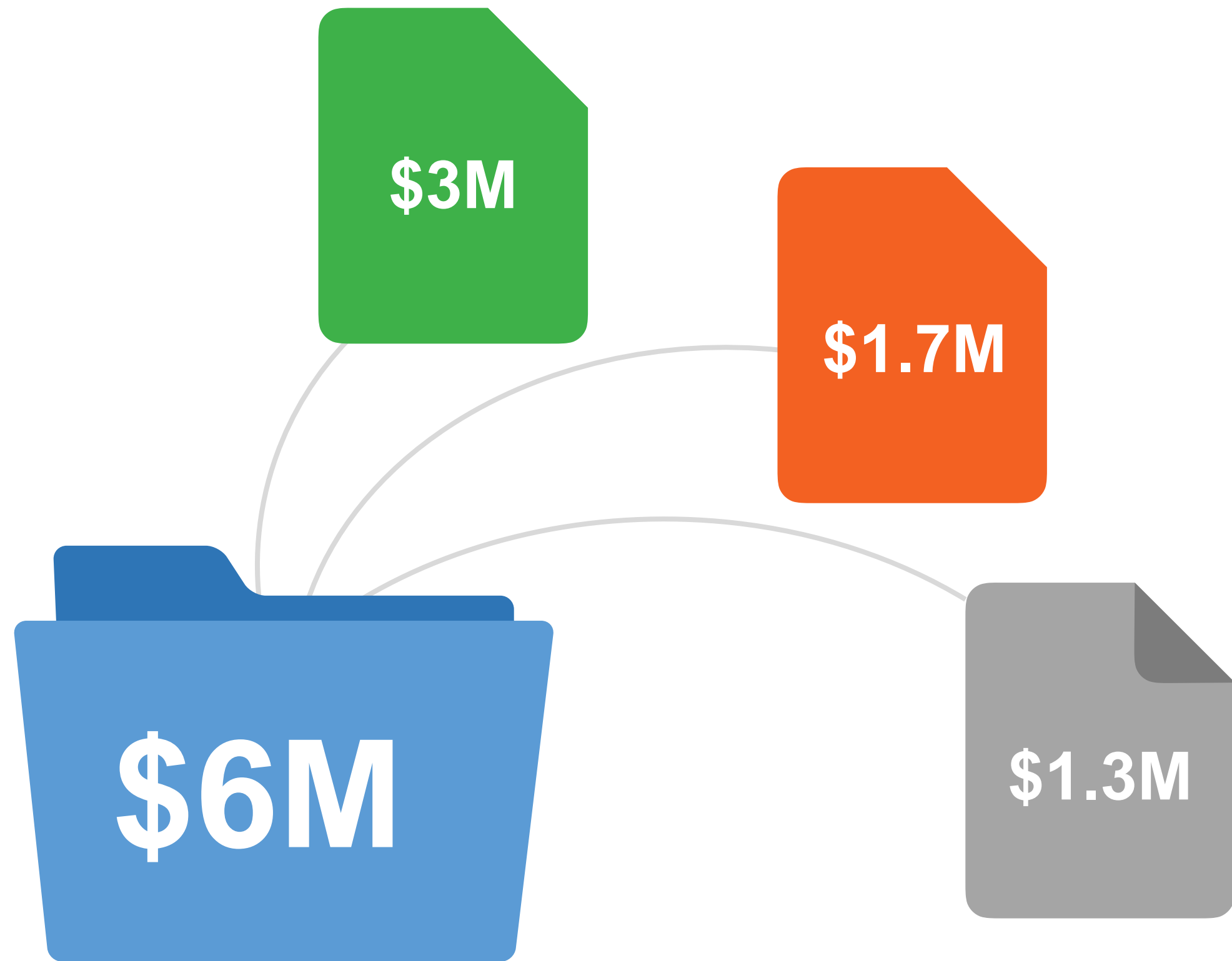
■ 2024 ■ 2025

SUPPORT DEPARTMENTS

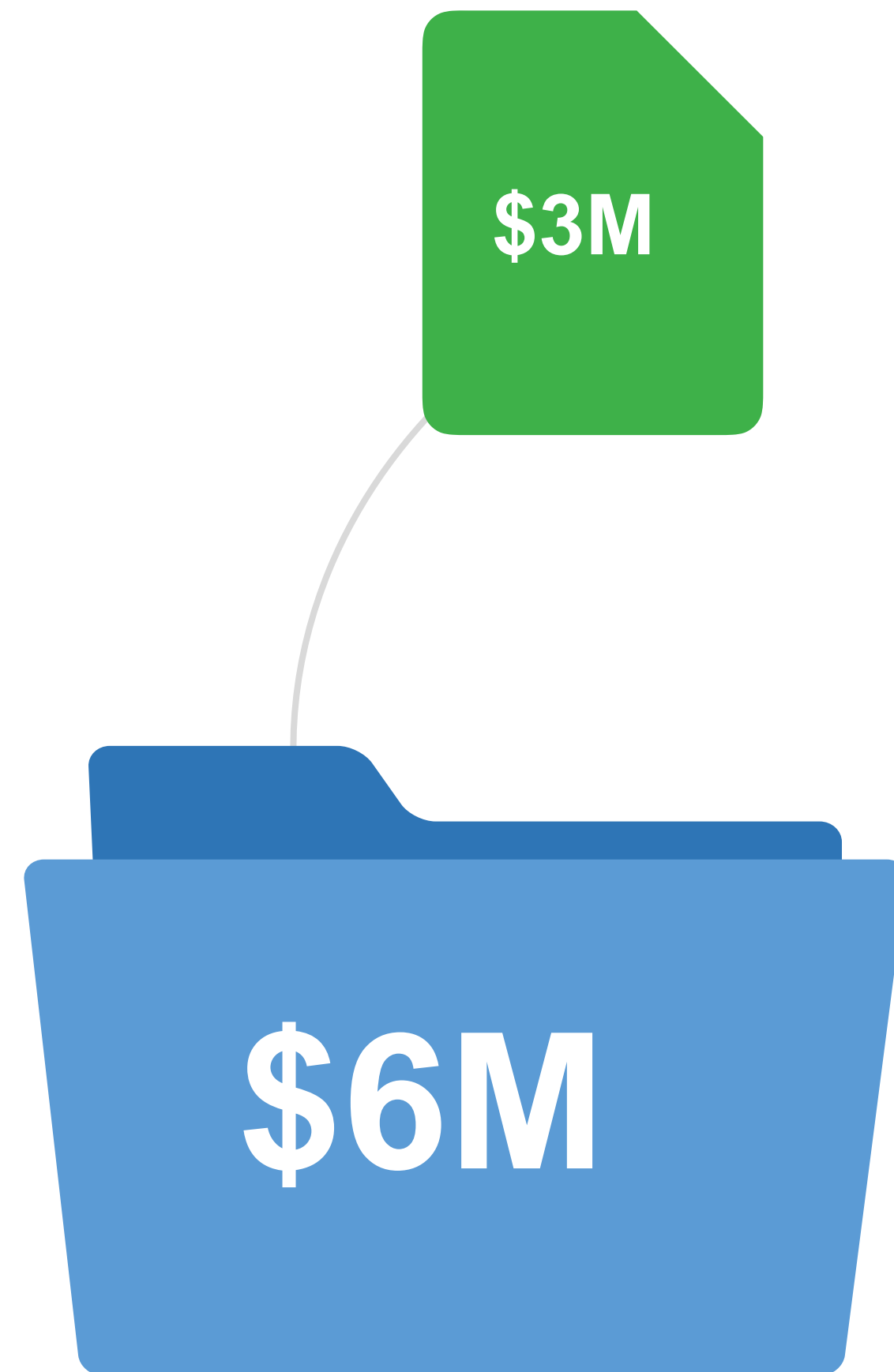


■ 2024 ■ 2025

BUDGET REDUCTIONS, MODIFICATIONS & EFFICIENCIES 32

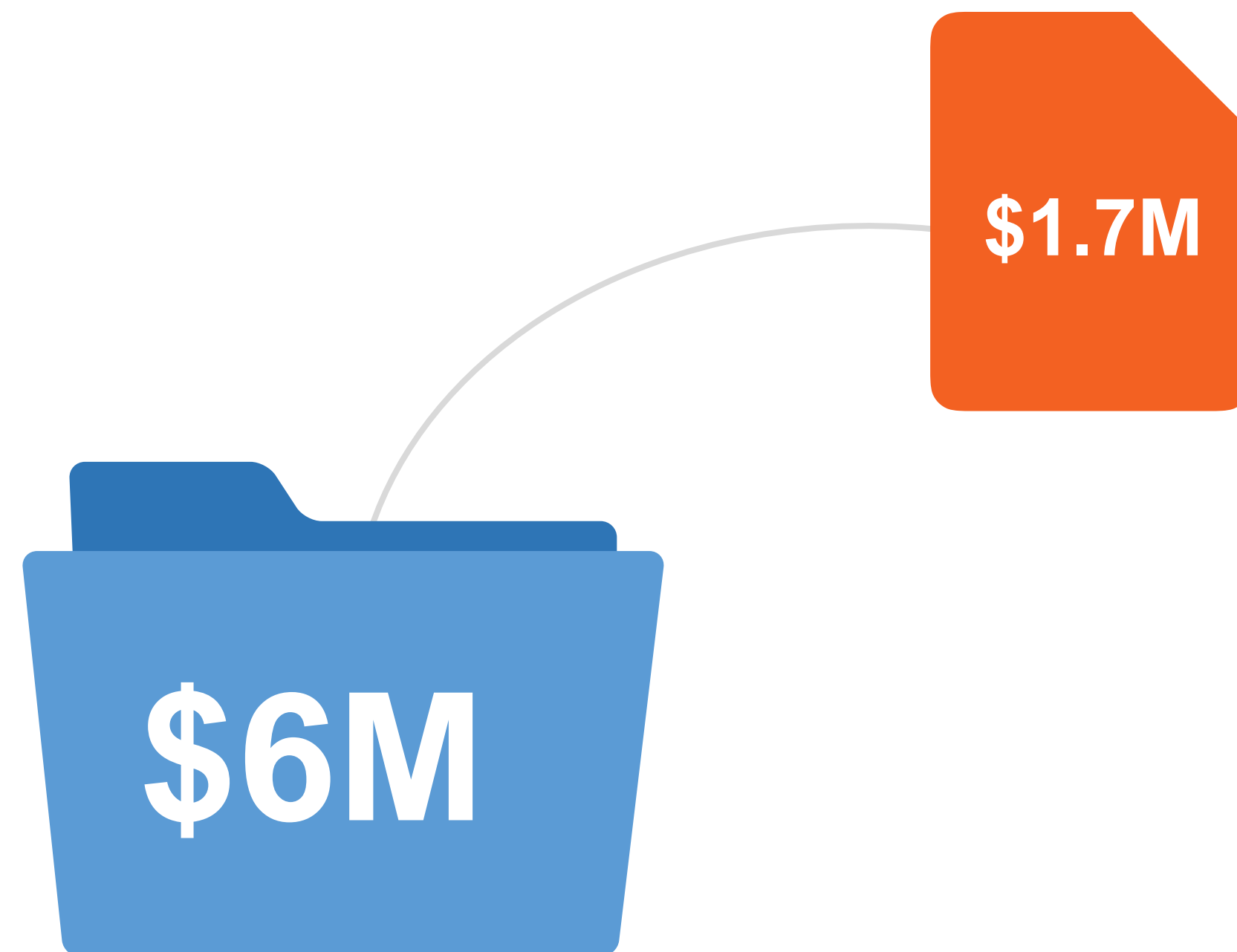


- ◆ **STAFF COMPENSATION**
- ◆ **TRAINING INVESTMENTS**
- ◆ **SUPPORT DEPARTMENTS**



◆ **STAFF COMPENSATION**

- \$2.1M - Staff Reduction of 25 FTE's
- \$600K - Restructure Open Positions (7 FTE's)
- \$300K - Performance Based Adjustments



◆ **TRAINING REDUCTIONS***

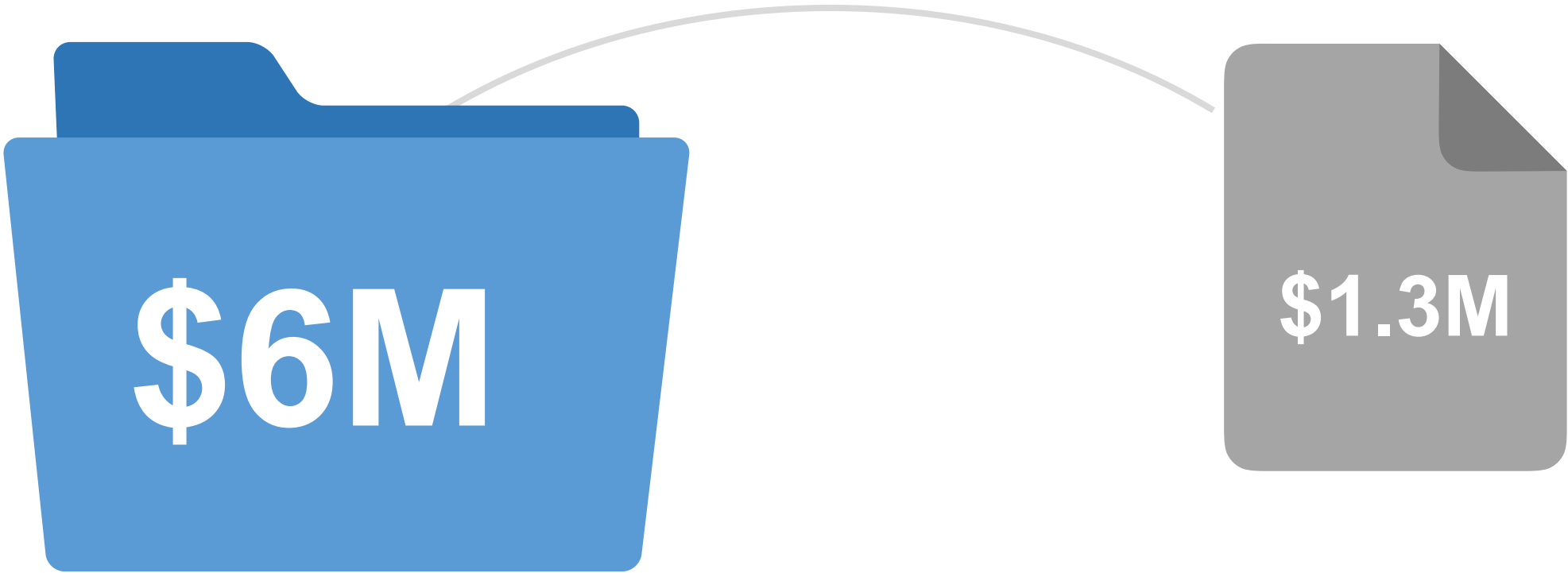
- \$11.2M - 2024 Training Investment
- \$9.5M - 2025 Training Investment

*****\$1.7M Reduction Represents a Decrease in 500 - 600 Individuals Trained.*****

BUDGET REDUCTIONS, MODIFICATIONS & EFFICIENCIES

◆ SUPPORT DEPARTMENTS

- \$432K - IT Cost/Network Expenses
- \$295K - Facilities & Related Costs
- \$283K - Communications/Outreach
- \$170K - Professional Fees/Consulting
- \$114K - Staff Training & Development



BUDGET REDUCTIONS, MODIFICATIONS & EFFICIENCIES 36

We have a \$6M shortfall and in discussions with Department of Commerce to provide a projected \$2M to prevent staffing reductions. This change could result in additional adjustments to the budget below based on a \$4M shortfall.

CURRENT STATE	COMMERCE INVESTMENT	COMMERCE MODIFICATION
\$3M - Compensation	\$0.8M - Compensation thru 12/31/24	\$2.2M - Compensation
\$1.7M - Training Investments	\$1.2M - Training Investment	\$500K - Training Investments
\$1.3M - Support Departments	Unchanged	\$1.3M - Support Departments
\$6.0M	\$2.0M	\$4.0M



CSCF Strategic Priorities



Diversify revenue streams to create resiliency.



Identify and deliver talent solutions for businesses and address labor market demands.



Deliver career solutions to central Florida residents to ignite their potential.



Optimize workforce innovations to maximize organizational value.

Sector strategies are:

- Regional, industry-focused approaches to building a **skilled workforce**.
- Align public and private resources.
- Partnerships, workforce collaboratives or regional skills alliances led by business.
- Focus on critical industry clusters working collaboratively with workforce development, education and training, economic development, labor, and community organizations.



Proposed Clusters for Investment:

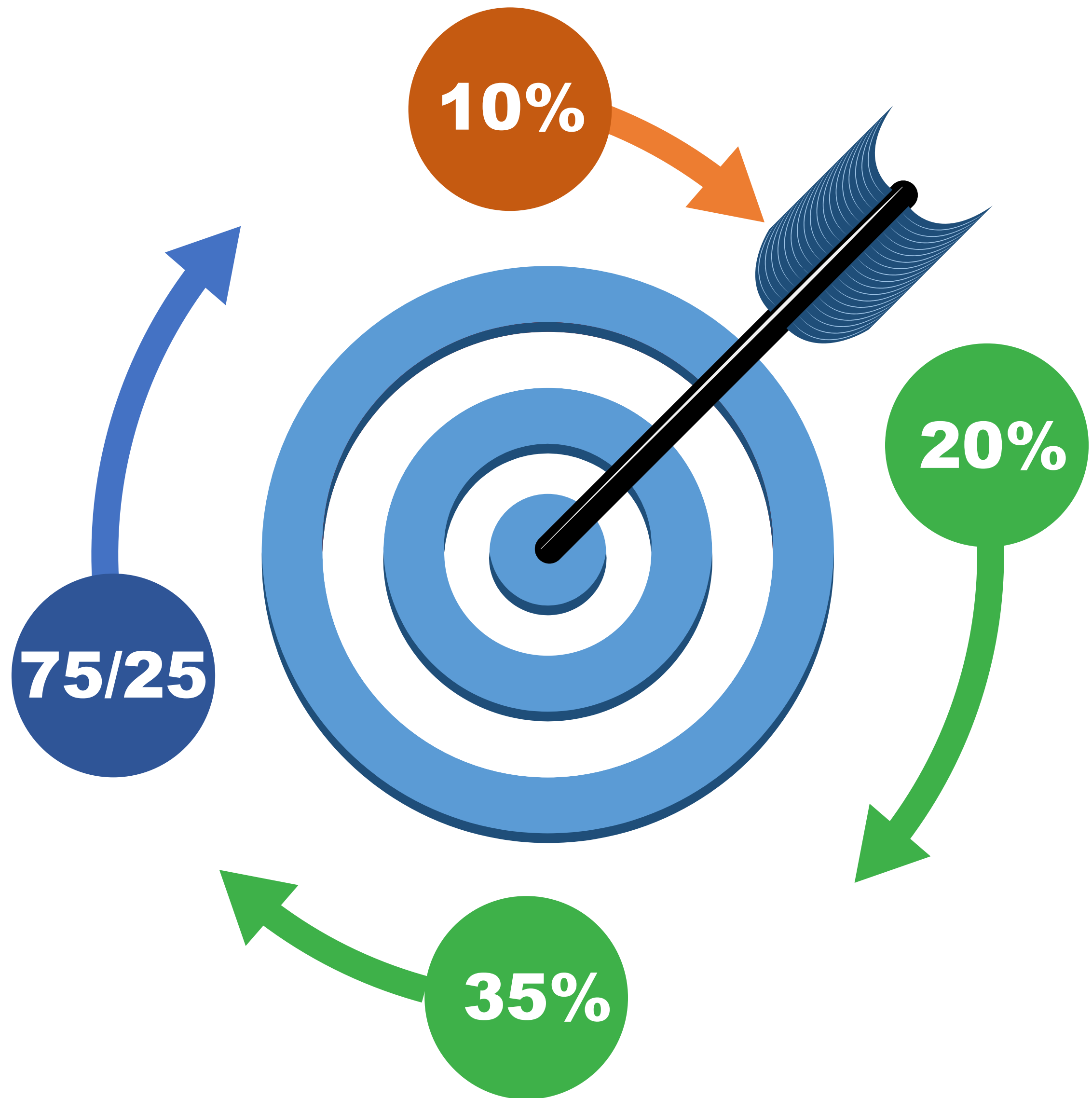
- **STEM Occupations**
 - Advanced Manufacturing
 - IT
- **Care Occupations**
 - Public Safety
 - Healthcare
 - Education
- **Trades and Infrastructure Occupations**



IMPACT	FY 2022 - 2023	CURRENT TARGET	FY 2024 – 2025*
SERVED	38,325	20,000	16,000*
TRAINED	3,078	3,000	2,400*
EMPLOYED	7,379	6,000	4,800*

PROJECTION* = 20% REDUCTION (4,000 CUSTOMERS IMPACTED)

<u>Budget Allocations</u>	<u>FY 2024/25</u>	<u>FY 2023/24</u>	<u>DIFFERENCE</u>
Career and Business Services			
Career Consultants	\$ 9,779,967	\$ 12,051,746	\$ (2,271,779)
Business Consultants	\$ 1,427,275	\$ 2,424,445	\$ (997,170)
Temporary Staffing	\$ 200,000	\$ 300,000	\$ (100,000)
Training Investment	\$ 9,500,000	\$ 11,180,000	\$ (1,680,000)
Staff Development (CareerSourcers)	\$ 184,000	\$ 249,000	\$ (65,000)
Facilities, Maintenance & Related Cost	\$ 2,200,000	\$ 2,358,000	\$ (158,000)
Program Professional Services	\$ 200,000	\$ 345,000	\$ (145,000)
Total Career and Business Services	\$23,491,242	\$28,908,191	\$(5,416,949)
Innovation Support and Administration			
Staff Supporting Operations	\$ 4,792,758	\$ 4,524,809	\$ 267,949
Strategic Communications	\$ 355,000	\$ 638,000	\$ (283,000)
Staff Development (Executive/Leadership Development)	\$ 136,000	\$ 185,000	\$ (49,000)
IT Cost/Network Expenses	\$ 1,000,000	\$ 1,432,000	\$ (432,000)
Facilities, Maintenance & Related Cost	\$ 225,000	\$ 287,001	\$ (62,001)
G&A Professional Services	\$ 500,000	\$ 525,000	\$ (25,000)
Total Innovation and Administration	\$7,008,758	\$7,591,810	\$(583,052)



FEDERAL METRIC

- 10% - Administrative Costs Target

STATE METRICS

- 20% - Young Adults Internship Target
- 35% - Training Investment Target (40% CSCF Projection)

LOCAL BOARD METRIC

- 75% - Career & Business Services
- 25% - Innovation Support & Administration



**MAXIMIZE
TRAINING
INVESTMENT**



**DECREASE
STAFF
COMPENSATION
&
OVERHEAD**

- **FISCAL RESPONSIBILITY**

- Total Projected Revenue \$30.5M; Year-over-Year \$6M or 16.2% decrease
- 75% Earmarked for Career and Business Services; 25% in Innovation Support and Administration
- The proposed budget for salaries reflects a 3% merit increase average overall, except for the Executive Leadership, who is deferring merit increases until the end of the calendar year. Merits will be evaluated again at mid-year budget review.
- Employee health benefits reflects an increase of 15% of current cost based on previous year plan performance and escalating market rates. Plan structure changes and adjustments to employer/employee cost share ratios were made to reduce impact to 10%.
- The total amount budgeted for administrative cost will be to not exceed the state allowable cap of 10%.



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Thank you!

BUDGET OVERVIEW

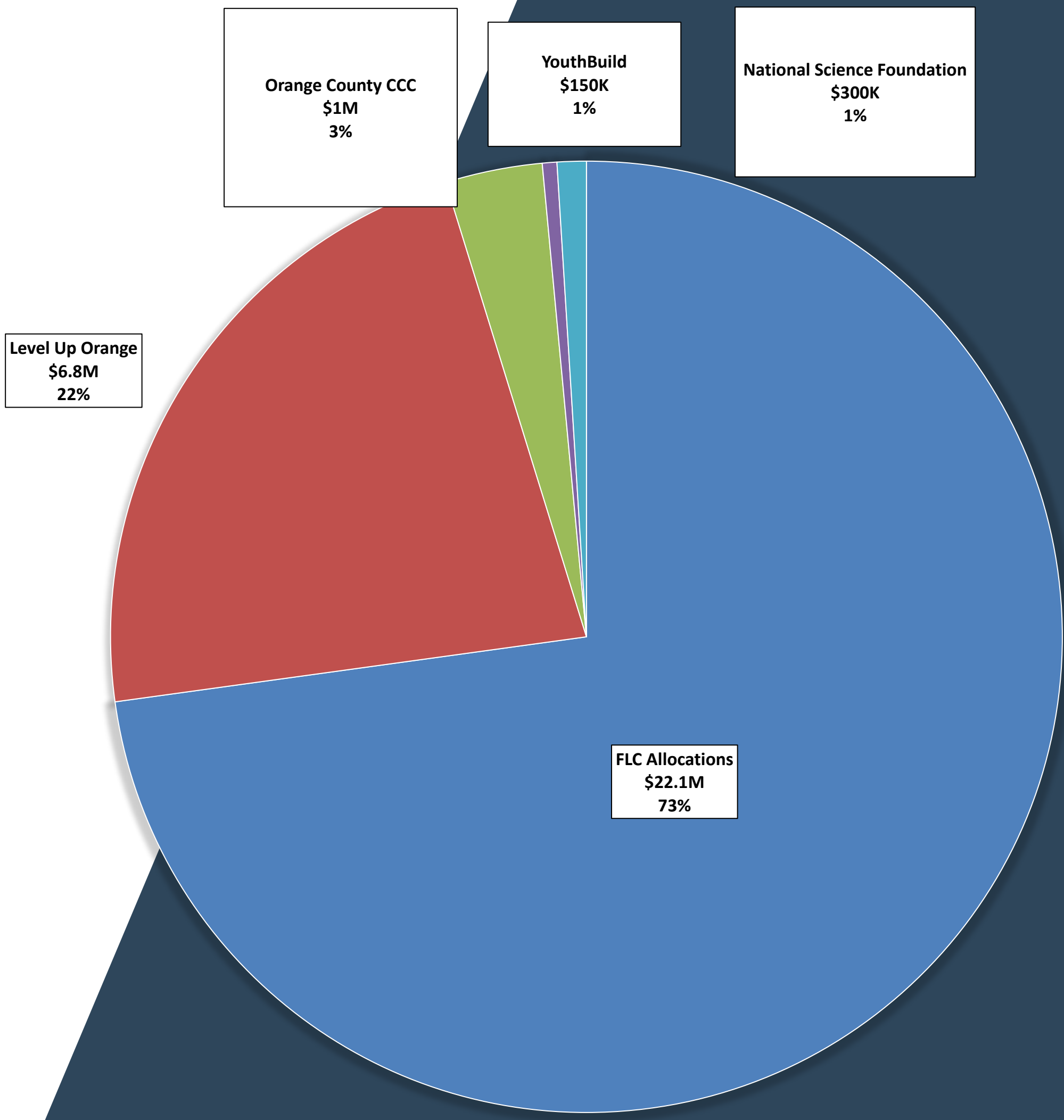
	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>\$ Difference</u>	<u>% Difference</u>
Reserves From Prior Year	\$10,694,979	\$16,960,163	(\$6,326,983)	
Current Year Funding Allocation – FLC	\$21,807,042	\$25,852,420	(\$4,045,378)	
Current Year Funding Awards - Non-FLC	\$8,150,000	\$4,187,500	\$3,962,000	
Award Total - Available Funds	\$40,590,222	\$47,000,083	(\$6,409,861)	
LESS planned Carryover For FY 25 - 26	(\$10,090,222)	(\$10,500,083)	\$434,861	
Total Available Funds Budgeted	<u>\$30,500,000</u>	<u>\$36,500,000</u>	<u>(\$6,000,000)</u>	<u>-16.4%</u>



REVENUE SOURCES

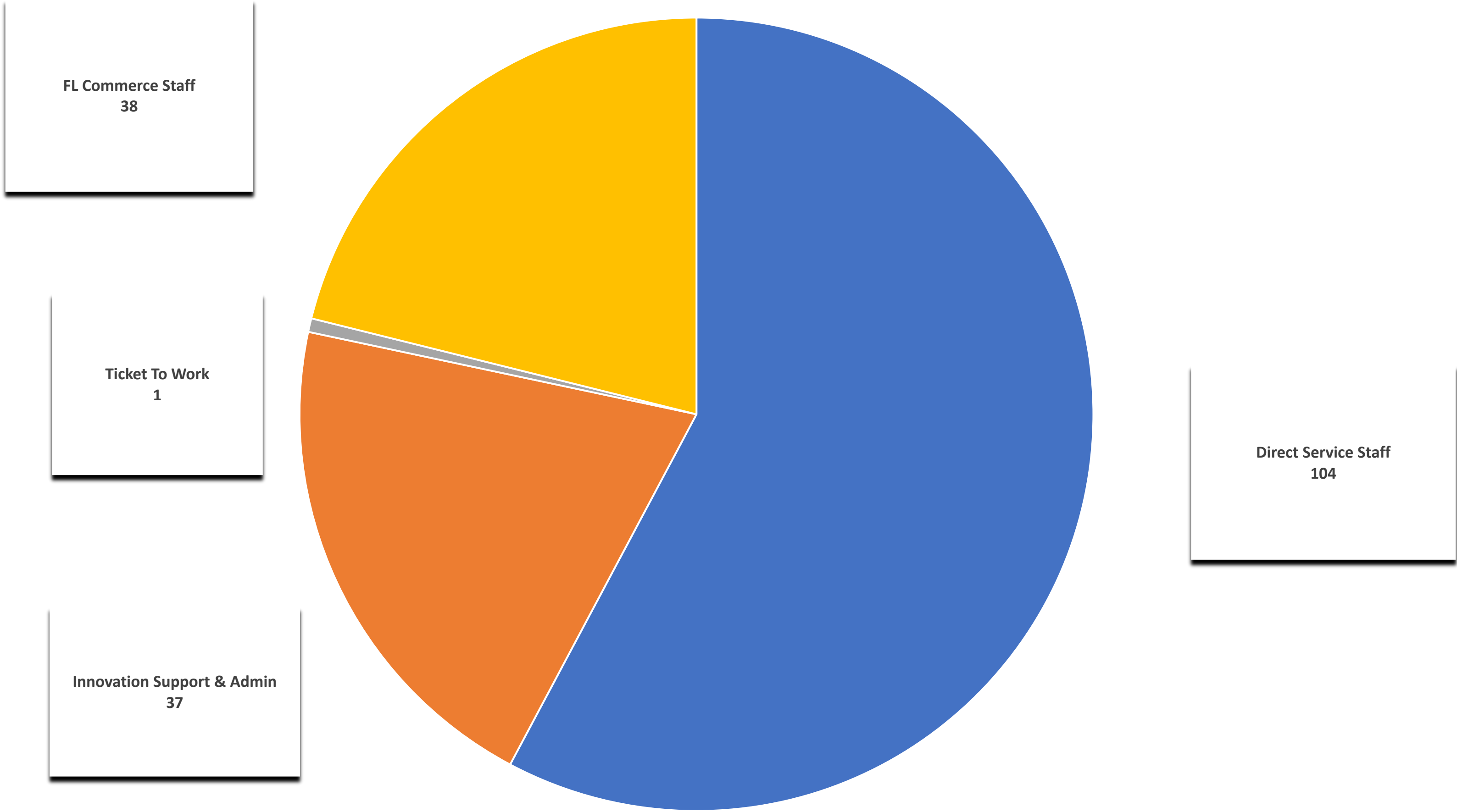
\$30.5 M

<u>REVENUE SOURCE</u>	<u>\$</u>	<u>%</u>
FL Commerce	\$22,100,000	72%
Non-FL Commerce	\$8,400,000	28%
Total Revenue	\$30,500,000	100%



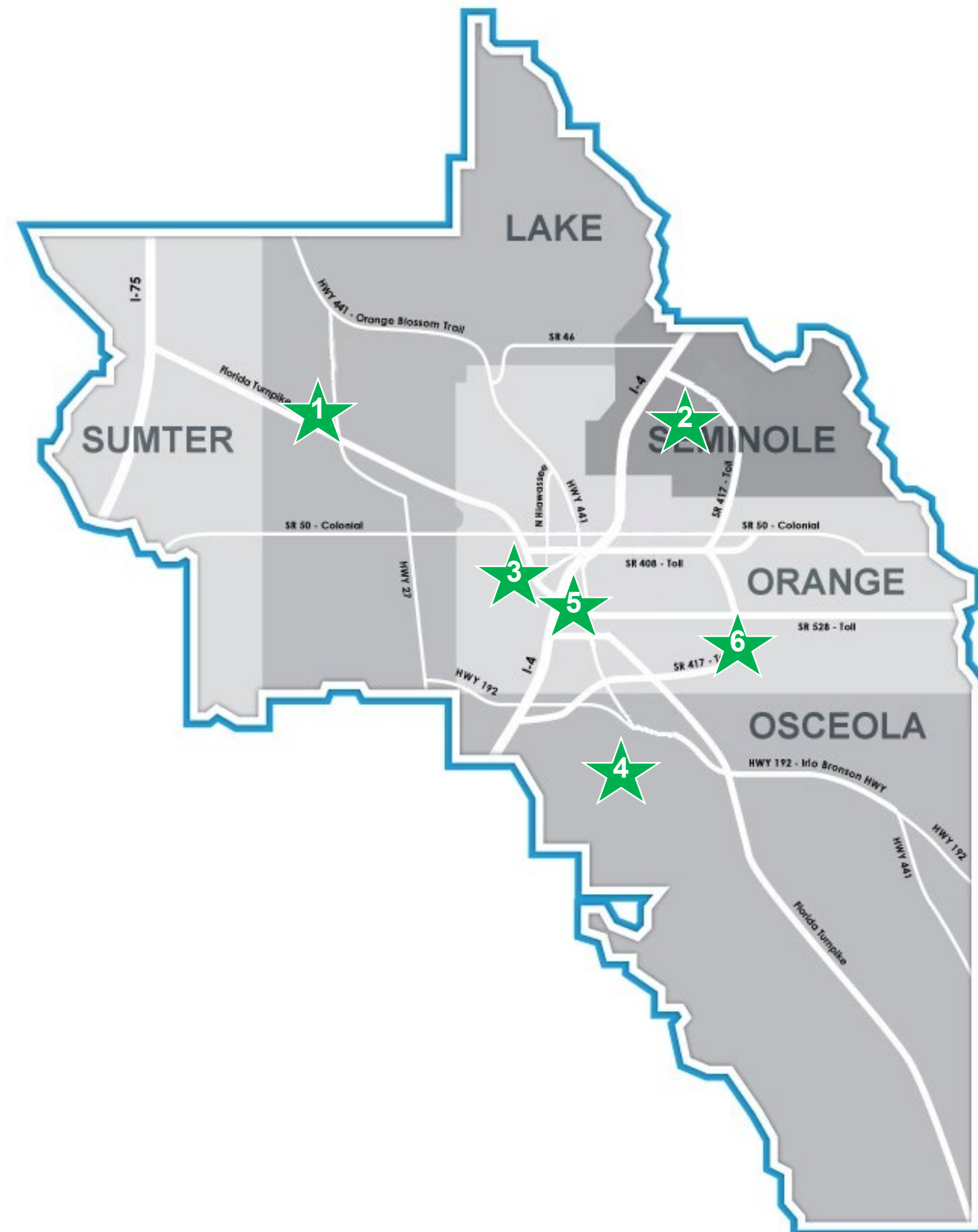
CSCF STAFF BREAKDOWN

\$16M TOTAL COMPENSATION



- Proposed Budget for Salaries Reflects an Average 3% Merit Increase
- Total Compensation Includes Salaries, Taxes, and Benefits





(1) Lake (Lake Sumter SC)	
Total Square Foot	10,525
Annual Rental Cost	\$178,925
Expiration Date	1/23/2025

(2) Seminole	
Total Square Foot	10,031
Annual Rental Cost	\$179,230
Expiration Date	6/30/2026

(3) West Orange	
Total Square Foot	12,041
Annual Rental Cost	\$326,160
Expiration Date	07/31/2026

(4) Osceola	
Total Square Foot	12,731
Annual Rental Cost	\$190,965
Expiration Date	12/31/2024

(5) Administration	
Total Square Foot	11,792
Annual Rental Cost	\$363,549
Expiration Date	7/31/2026

(6) Southeast Orange	
Total Square Foot	12,363
Annual Rental Cost	\$227,196
Expiration Date	9/30/2026

Rent / Related cost for maintaining locations represents approximately \$1.5M or 5% of Budget

[RETURN TO AGENDA](#)





RETIREMENT PLAN REVIEW / FOLLOW-UP



Action Item

To: Finance Committee
 From: Leo Alvarez
 Subject: CareerSource Central Florida – Retirement Benefits (403b Plan)
 Date: June 5, 2024

Purposed Action:

Staff are making a recommendation to the Finance Committee to adopt an emergency savings plan and to increase auto escalation from 6% to 8%.

Background:

On April 10, 2024, the Finance Committee discussed adding potential new benefits to the current employee retirement plan; An Emergency Savings Account and Increasing the Auto-Escalation Maximum from 6% to 8%. The purpose of this memo is to provide the Finance Committee with additional information about both options.

After-Tax (Voluntary) Emergency Savings Account: CareerSource Central Florida would like to leverage its current retirement plan to allow staff to place after tax dollars into a savings account for emergency purposes. Below is a chart detailing the Pros and Cons of adding this feature:

Pros	Cons
Available through existing 403(b) plan via Principal (additional contribution option)	Cannot be utilized by Highly Compensated Employees
No additional administrative costs via Principal	Investments cannot be limited to cash or cash-equivalent options
Distributions permitted at any time with no financial hardship requirements	Distribution processing fee of \$50 via Principal (per distribution)
Contributions can be withheld directly from payroll and remitted to plan	Investment gains are taxed as income upon distribution

Increasing Auto-Escalation from 6% to 8%: CareerSource Central Florida’s 403b retirement plan has an auto-escalation feature for staff deferrals. The current feature enrolls employees into the retirement plan at 4% and auto escalates annually by 1% on July 1st capping at 6%. Last year, CareerSource Central Florida raised its “dollar-for-dollar” match from 6% to 8%. The proposed CAP would increase the auto-escalation from 6% to 8%, incentivizing staff to take full advantage of the benefit being provided. Note that all employees have the option to decline enrollment and auto escalation at any time. Below is a chart detailing the annual financial impact of increasing the deferral CAP:

Number of Employees	Average Current Deferral	Additional Annual Cost in Matching Funds
29	5.63%	\$14,730

Recommendation: Staff are making a recommendation to the Finance Committee to adopt an emergency savings plan and to increase auto escalation from 6% to 8%.

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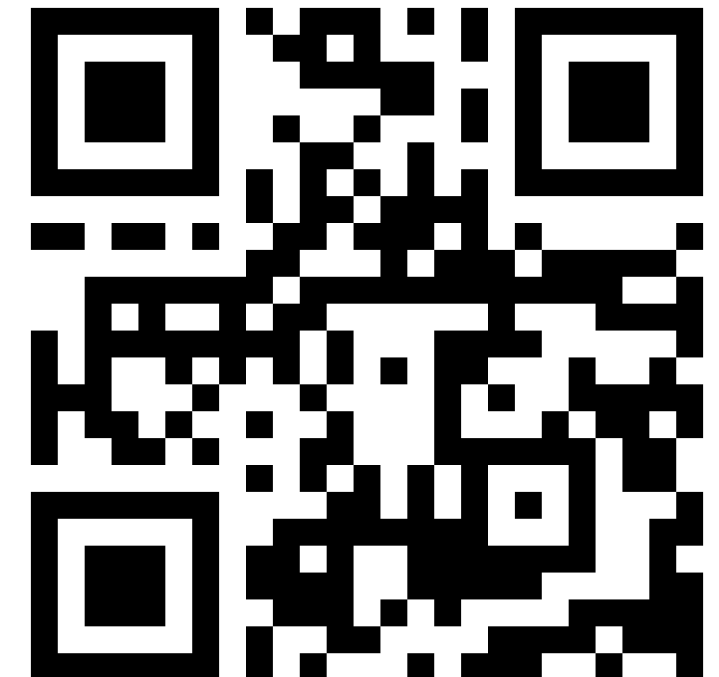
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