EXECUTIVE SUMMARY
March 2021

Workforce Board, Staff, and Centralized Functions

The Board approved a budget for the Workforce Board, its staff, and centralized functions for FY 2021 in an amount totaling $15,742,777. As of March (sixth month of FY 2021) the Board's expenditures are approximately 10.9% or $1.7 million below benchmarks for this point of the fiscal year.

Staffing Update

A large portion of the lower than anticipated expenditure levels are attributable to the personnel costs. These costs (salaries, fringe, and indirect costs) are approximately 4.8% or $370,000 behind targets. This is primarily due to the following:

Position	Date Vacant	Date Filled	Total Months Vacant Through March 2021
Sr. Early Childhood Specialist	10\1\20	3\31\21	6.0
Business Development Liaison	10\1\20	11\16\20	1.5
Business Development Liaison	10\1\20	3\31\21	6.0
Solutions Analyst	2\24\21	3\31\21	1.2
Total			14.7

In addition to the above, RIS (technology) staff and the fiscal monitor staff are approximately 2.7% and 11.8% behind established targets respectively due to staff charging their labor to the Workforce Board funding at a lower rate than anticipated.

Travel/Staff Development

Travel and staff development budgets that were included within the FY 2021 workforce budget totaled $361,875. These categories are currently behind target amounts cumulatively by 47.3% or $171,000.

Due to the COVID-19 pandemic event, NCTCOG staff travel and staff development activities (including a travel component), has been suspended until further notice. If restrictions are lifted later within the fiscal year, expenditures will approach closer to targets at that time.

Equipment and Software

An equipment and software budget totaling $1,241,234 is include within the FY 2021 workforce budget. The primary items included are as follows:

- Microsoft software licenses
- Workforce Center Computers
- Workforce center computer lease payments
- Workforces share of the NCTCOG infrastructure costs for items including servers, switches, routers, and security appliances.
- Vehicles

This category is approximately 31.2% or $387,000 behind target. At this time, it is projected that these expenditures will approach closer to target levels by the end of FY 2021. Staff are currently reviewing any potential savings to determine if they can be reallocated to other projects.

Professional Services

A professional services budget totaling $1,881,066 was included within FY 2021 workforce budget. The primary items included are the following:

- Legal
- Network support
- Child care center swipe card support
- Contract services

This category is approximately 13.3% or 251,000 behind targets primarily due to:

- Child Care center swipe card support-behind target 29.1% or $75,000. These expenditures pay for the support of the parent swipe card system within the child care centers that record child attendance. TWC informed the Boards that this system will be removed as of March 31, 2021. Once final invoices are paid through this month, the savings will be reviewed to determine if they can be reallocated to other projects.
- Contract Services-behind target 17.6% or $147,000. This category includes items such as:
    - Performance incentive awards received by TWC within FY 2020
    - Laserfiche support
    - Website redesign
    - Strategic planning services
    - Consultants for technology support

  The above items are projected to approach target levels by the end of FY 2021.

Special Projects Update

$650,000 of special projects were included within the FY 2021 budget. This funding was primarily dedicated for the leasehold improvements as it relates to the move to the new Denton Workforce Center. This project is currently behind target by approximately 47.1% or 306,000.

The new Denton Workforce Center is currently being constructed and is scheduled to be completed by the end of May 2021 (occupancy planned by July 1, 2021). In addition, additional space became available adjacent to the Terrell and Stephenville Workforce Centers for a sufficient amount to accommodate the integration of the Vocational Rehabilitation (VR) staff located in those areas. The remodel and move costs associated with these two locations were not included within the initial budget.

The expenditures related to these move and remodel costs should begin to accumulate in May and June as the locations are completed. Due to change orders for the Denton construction of the new facility plus other unforeseen remodel and move costs to integrate the VR staff in Terrell and Stephenville, it's currently estimated that final costs will exceed the current budget by approximately $200,000. Savings from other budget categories will be reviewed to determine if they can be reallocated to this project.

Workforce Center Subrecipient

The Board currently has contracts with Equus to operate its workforce centers in the amount of $70.2 million. As of March (sixth month of Equus contract) expenditures are behind targets by approximately 9.7% or $6.8 million. Below is a summary of grant noteworthy information:

- Child Care (Direct Care and Local Match-Non COVID-19) – Expenditures are currently behind target by approximately 14.8% or $7.4 million. Low expenditures are primarily due to recertifications and new enrollments experiencing a significant number of customers who are ineligible due to the work requirement component of the eligibility determination guidelines. Also contributing to the lower enrollment rate than anticipated is Equus's significant staff turnover rate occurring during FY 2021. Low expenditures are a statewide issue and TWC is considering a COVID allocation adjustment of projected unspent funds for all Boards.

  TWC's established average kids served per day target equals 7,025 for FY 2021. As of March, the enrollment totaled 5,744 or 81.8% of target.

  The Covid-19 related expenditures for the second quarter of FY 2021 totaled $4.5 million (currently ahead of target by 35.6 % or $1.2 million but will approach closer to targets once additional COVID funds are allocated to Equus) and were related to the 25% supplemental payments to open providers. These type expenditures were scheduled to end at the end of December 2020 but have been extended by TWC until July 2021. TWC allocated our Board an additional $5.6 million to accommodate the additional expenditures for that time period.

- WIOA –Overall WIOA (Adult, Dislocated, and Youth grants) expenditures are currently at target levels. The Youth grant, specifically, is experiencing challenges meeting target level enrollment and expenditure targets (behind current expenditure target by 18.6% or $265,000) primarily due to the COVID-19 situation and the youth feeling unsafe working in a public forum. Equus has developed an outreach and enrollment plan to increase the participation within this program.

- TANF\SNAP-These programs are currently behind expenditure targets by approximately 14.6% $393,000 primarily due to TWC removing the majority of the participation requirements as a result of the COVID-19 pandemic. It currently

appears that it will be challenging to expend these grant funds prior to the grant end date if TWC continues to maintain the exclusion of the participation requirements.

The Board staff will closely monitor expenditure rates of both the Board and its workforce service delivery contractor for the FY 2021. Board staff will work diligently with our workforce contractor, Equus, to ensure that the workforce programs are operating as effectively and efficiently as possible.