

8.B.1 Approval of PY 2007-08 SWWDB Budget
 Recommendation from Finance Committee – Action)

The 2007-08 budget has been difficult to prepare because of changes in the service delivery system to the Career Pathways Model, an unusually large number of grants that will not continue in PY 2007-08 and cuts in federal funding.

SWWDB again experienced a significant decline in its WIA allocation with adult and youth allocations being hardest hit. The total PY 2007-08 WIA allocation will be \$1,394,250 or \$210,842 lower than the PY-2006-07 allocation of \$1,605,092. This is a 13.14% decrease. Adult program funding declined by \$59,108 or -13.29% to \$385,594. Youth funding also declined significantly. PY 2006-07 youth funding will be \$464,376 that is \$71,926 lower or -13.41%. The dislocated worker allocation will be \$544,280 a decrease of \$79,808 or -12.79%. However, it should be noted that because of a formula error, DWD has only allocated 85% of the dislocated worker funds. Once the error is rectified, the remaining dislocated worker funds will be distributed. DWD hopes that by withholding 15% of the funds when the funds are finally allocated, no WDA will experience further cuts in dislocated worker funds.

In preparing the budget, projected WIA carryover funds from PY2006-07 has been used to offset the impact of the allocation cuts. The projected carryover is estimated to be \$71,000. **Attachment 1** shows the PY 2007-08 WIA Allocation Plan.

The WIA allocation, while the largest portion of the budget, represents 42.2% of SWWDB's total budget. There are a wide variety of other projects and leased contracts included in the total budget. This year there were also a number of changes in the other budgeted funds. Table 1 shows the grants that are anticipated to end June 30, 2007.

Table 1
Discontinued Grants

<i>Grant Title</i>	<i>Amount</i>	<i>Reason for Non-Renewal</i>
Future Fields	\$ 634,785	DOL declined refunding citing length of time program operated – almost 25 years
ATK National Emergency Grant	\$ 173,925	Dislocation related – grants like this usually funded for limited time
Virtual Job Center – Development	\$ 100,000	One-time grant from CWI to develop the Virtual Job Center website
Disability Navigator	\$ 95,846	Federally funded program not renewed by Congress
Safe Lifting Grant	\$ 20,000	One-time grant from DWD to fund safe-lifting practices/training in health care
OIC Workforce Academy Project	\$ 100,000	Will end October 31, 2007, but may be refunded.
Total:	\$1,124,556	

SWWDB has reduced its budget to recognize the loss of these grants. The biggest impact is the Future Fields grant and the four (4) staff will be laid off as of June 30, and have been notified that their employment will not continue. The OIC Workforce

Academy Project is expected to end on October 31, 2007, although there is a possibility that it may be re-funded. If not re-funded, this grant will result in the loss of SWWDB administrative fees of \$10,000 and \$90,000 in staffing costs.

SWWDB has not been able to fully replace all of the lost revenue. However, a number of new grant proposals and leased employee contracts have been developed. SWWDB has been notified that the Disability Navigator Grant will be continued but at a reduced level. The Disability Navigator Program has not been included in the PY 2007-08 budget at this time because SWWDB has not yet received an award letter. Several of these new grants and contracts for PY 2007-08 are listed in Table 2.

**Table 2
New Grants/Contracts**

<i>Grant Title</i>	<i>Amount</i>	<i>Description</i>
WISE Grant	\$ 88,865	Through an expansion of the existing Older Worker project, SWWDB will serve additional workers.
Department of Vocational Rehabilitation	\$ 27,301	SWWDB will provide supportive services to assist disabled workers succeed in the workforce,
MSSC Grant	\$ 25,000	SWWDB will become an approved testing site and provide MSSC assessment for area manufacturers.
WIA Performance Incentive Grant	\$ 5,100	Will provide a variety of services intended to implement the career pathways approach
New Leased Employee Contract	\$ 54,864	Green County has contracted with SWWDB for an additional leased employee for 2007
Total:	\$201,130	

The loss of the grants listed above limit SWWDB's ability to spread administration and operating expense across a variety of funding sources. Obviously, the changes have made it extremely difficult to develop the 2007-08 budget.

Attachment 2 shows the breakout of the 2007-2008 Budget. The PY 2007-08 total SWWDB budget is \$3,140,104. This is a reduction of \$970,524 (-23.6%) from the approved PY 2006-07 budget of \$4,110,628. Administration funds represent 7.5%; WIA allocation is 42.2%; Other Grants total 13.2%, Personnel Leasing 30.8%; Network Services 2%; and Corporate/Business Services approximately 4.3%.

The Finance Committee will review the 2005-06 budget at its meeting immediately prior to the Board meeting. The 2005-06 budget is being placed on the agenda for Board action pending Finance Committee approval. Full Board approval of the budget is requested.