



Finance Committee Meeting

CareerSource Central Florida
 390 N. Orange Ave., Suite 700, Orlando, FL 32801
 Thursday, April 5, 2018
 2:30 p.m. – 4:00 p.m.

Conference Call-in phone number: (866) 576-7975 / Participant Access Code: 299848

Strategic Goals developed by the Board:

- *CareerSource Central Florida will become business focused in all efforts*
- *CareerSource Central Florida will identify ways to measure progress and Return On Investment (ROI)*
- *CareerSource Central Florida will become the workforce intelligence organization for workforce development in Central Florida*

Agenda Item	TOPIC	Action Item	Info Item	Presenter
1	Welcome			Eric Ushkowitz
2	Roll Call / Establishment of Quorum			Kaz Kasal
3	Public Comment			
4	Approval of Minutes A. 2/15/18 Finance Committee Meeting	X		Eric Ushkowitz
5	Information/Discussion/Action Items			
6	A. Budget to Actual Results as of 2/28/18 B. Two Year Comparison and Fiscal Year Projections C. Fiscal Year 18-19 Budget Timeline & Preliminary Projections D. Fiscal Year 18-19 Health Insurance Projections E. Lease & Cost Discussion – Lake Sumter State College / Foundation Building		X X X X X	Leo Alvarez
7	Other Business			
8	Adjournment			

Upcoming Meetings:

- Board Meeting & Board Retreat : 9:00 am to 2:00 pm, Thursday, 4/12/18 / Location: Orange County Government, County Administration Building, 201 S. Rosalind Ave, Orlando, FL 32801
- Career Services and Finance Committees' Budget Workshop: 5/24/18, 2:00 pm to 4:00 pm / Location: CareerSource Central Florida, 390 N. Orange Ave., Suite 700, Orlando, FL 32801
- Finance Committee Meeting: 2:30 pm to 4:00 pm, Thursday, 5/31/18 / Location: CareerSource Central Florida - Admin Office / 390 N. Orange Ave., Suite 700., Orlando, FL 32801

DRAFT
Finance Committee Meeting

CareerSource Central Florida Office
390 N Orange Ave., Suite 700
Orlando, FL 32801

Thursday, February 15, 2018
2:30 p.m.

MINUTES

MEMBERS PRESENT: Eric Ushkowitz, John Pittman, Chuck Todd and Mark Wylie

MEMBERS ABSENT: Glen Casel and Nicole Guillet

STAFF PRESENT: Pam Nabors, Mimi Coenen, Leo Alvarez, Ann Beecham, and Kaz Kasal

GUESTS PRESENT: Christian Campen / Chepenik Financial; Matt Walton / MiGre Engineers LLC

Agenda Item	Topic	Action Item / Follow Up Item
Business Matters of the Audit Committee		
1	Welcome Mr. Ushkowitz, Acting Finance Committee Member Chair, called the meeting to order at 2:35 pm and welcomed those in attendance.	
2	Roll Call / Establishment of Quorum Ms. Kasal, CSCF Executive Coordinator, reported that there was a quorum present.	
3	Public Comment None Offered.	
4	Approval of Minutes The Committee reviewed the draft minutes from the 11/16/17 Finance Committee Meeting.	Mr. Todd made a motion to approve the minutes from the 11/16/17 Finance Committee Meeting. Mr. Wylie seconded; motion passed unanimously.
5	Information/Discussion/Action Items	
	<u>Retirement Plan Update</u> Mr. Campen with Chepenik Financial, CSCF's retirement plan broker, provided a Powerpoint presentation (attachment) on CSCF's retirement plan and its current performance and participant activities, noting that overall the plan is doing well with participation rate is at 95% and \$1M growth in assets since 2016. Mr. Alvarez added that Mr. Pereira with Chepenik provided CSCF lunch & learn education sessions on retirement planning in February 2018.	
	<u>Budget vs. Actual Results as of 12/31/17</u> Mr. Alvarez referenced the report entitled "Budget vs. Actual Report - as of 12/31/17" and "Current Year vs. Prior Year Comparison Report as of 12/31/17"	

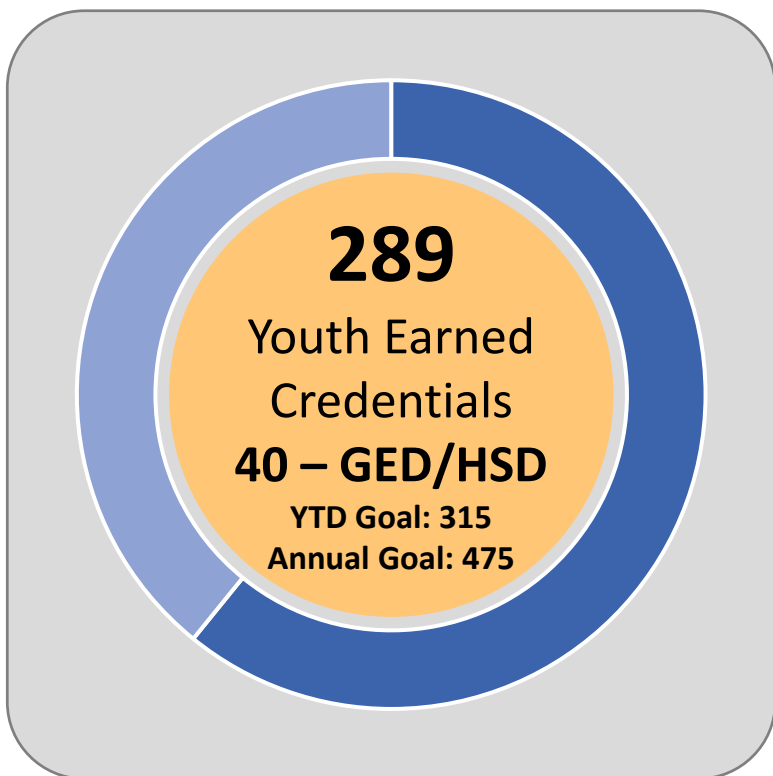
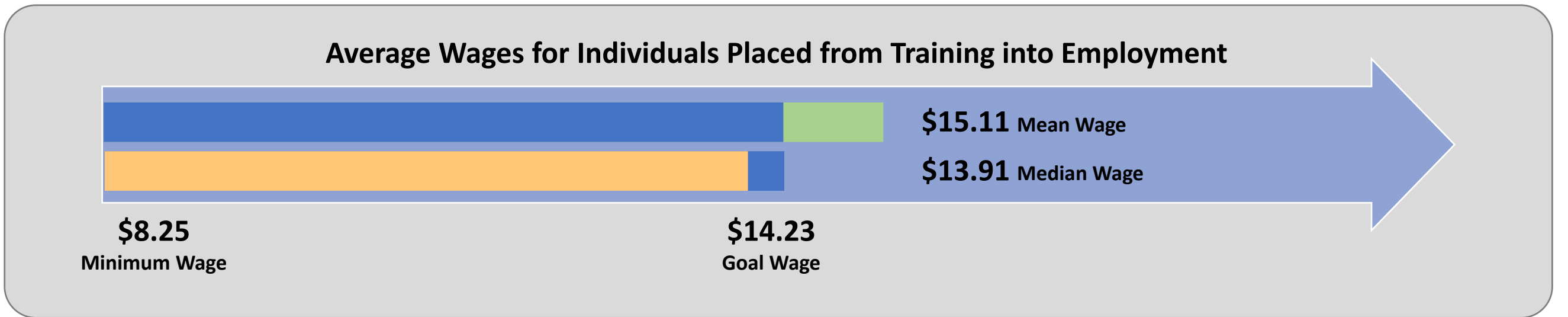
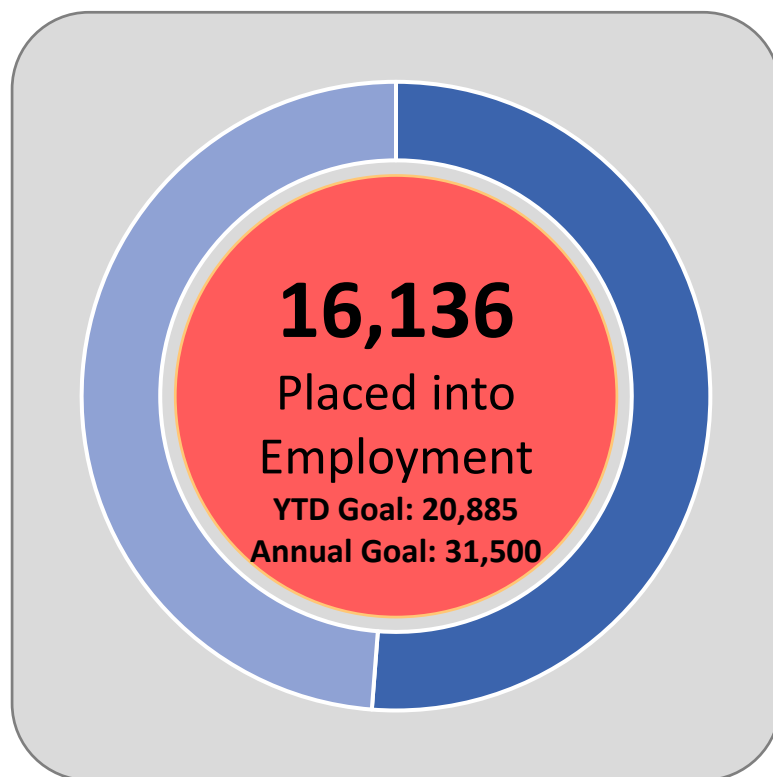
	<p>(attachments) and stated that 37% of budget was spent through 12/31/17 which is tracking below in expenditures primarily in program services with scholarships. Mr. Alvarez noted the 9.7% in Admin expenditures will reduce down to 7 or 8% once budget is back on track.</p> <p>Ms. Coenen referred to the “PY 17-18 Operations Report” (attachment) and stated this report was also reviewed at the 1/25/18 Career Service Committee meeting. Ms. Coenen reviewed the performance data.</p> <p>Mr. Alvarez referred to the “Training Analysis/Projections as of 1/31/18” which shows enrollments, expenditures and obligations for ITAs, Internships and OJTs activities, projections, and annual goals. Finance and Operations departments are meeting weekly to tighten the process and closely track training enrollments. Finance is also working with the schools to make sure CSCF is billed in a timely manner so the obligations can turn into expenditures that can then be realized. Mr. Alvarez stated that this strategy should help CSCF get on track and meet budget targets by 6/30/18.</p> <p>Mr. Alvarez referred to the “FY 17-18 Funds Analysis as of 2/15/18” report (attachment) and reviewed the new funding that was received after 6/30/17 which amounts to \$6.5M.</p> <p><u>Facilities Plan Update</u> Mr. Alvarez referred to the memo on potential partnership with Lake Sumter State College in utilizing space at their Foundation building and reviewed the timeline of actions that have taken place and next steps. Mr. Alvarez added current Lake County office lease expires 7/30/18; however, after this date the landlord has agreed to a month by month lease with CSCF.</p>	
6	<p>Other Business Ms. Nabors stated, after Lake County office, the next office for review of lease and space options will be the Osceola County office.</p>	
7	<p>Adjournment There being no other business, the meeting was adjourned at 3:46 p.m.</p>	

Respectfully submitted,

Kaz Kasal
 Executive Coordinator

PY 17-18 Operations Report

Through 02.28.2018



PY 17-18 Target



Exceeded goal



On track to meet goal



PY 17-18 YTD Actual



Behind on goal

Data Source: Employ Florida, OSST

CareerSource Central Florida
Current Year Budget Versus Prior Year Expenditure Comparison
As of 02/28/18

Funding Sources	CY Revenue	PY Revenue	\$ Difference	% Difference
Carry In Funds From FY 16 - 17	5,657,409	6,270,182	(612,773)	
FY 17 - 18 Award	33,365,447	27,626,333	5,739,114	
Award Total - Available Funds	39,022,856	33,896,515	5,126,341	
LESS planned Carryover For FY 18 - 19	(8,448,541)	(3,680,301)	(4,768,240)	
Total Available Funds Budgeted	30,574,316	30,216,214	358,102	1.2%

	Authorized Budget	CY Expenditures	PY Expenditures	\$ Difference	% Difference
Salaries/Benefits	13,063,016	7,908,011	8,969,401	1,061,389	13.4%
Career & Youth Services	12,356,800	5,029,756	7,171,309	2,141,553	42.6%
Professional Fees	870,000	488,113	400,594	(87,519)	-17.9%
Outreach	232,500	115,159	222,249	107,090	93.0%
Infrastructure/Maintenance & Related Cost	2,622,000	1,564,359	1,766,044	201,685	12.9%
IT Cost/Network Expenses	1,125,000	543,536	793,654	250,118	46.0%
Staff Development & Capacity Building	305,000	111,138	256,431	145,292	130.7%
TOTAL EXPENDITURES	30,574,316	15,760,073	19,579,681	3,819,608	24.2%

	BUDGET	CY ACTUAL	PY ACTUAL
ITA%	50.0%	46.0%	73.4%
ADMISTRATIVE COST %	8.0%	9.0%	8.2%

CareerSource Central Florida
 Training Analysis/Projections
 As of 03/31/18

ITAs

Annual Enrollment Goal	595
Annual Budget	\$3,700,000

	<u>Balance on 9/30/17</u>	<u>Balance on 12/31/17</u>	<u>Balance on 03/31/18</u>	<u>Projection 06/30/18</u>
Adult, DW, TAA				
Enrollments (YTD)	7	317	682	750
Expenditures	\$ 223,991	\$ 495,052	\$ 1,892,319	\$ 3,300,000
Obligations	\$ 570,818	\$ 1,564,845	\$ 1,308,789	\$ 400,000
	<u>\$ 794,809</u>	<u>\$ 2,059,897</u>	<u>\$ 3,201,109</u>	<u>\$ 3,700,000</u>
	21%	56%	87%	100%

Internships

Annual Enrollment Goal	260
Annual Budget	\$1,250,000

	<u>Balance on 9/30/17</u>	<u>Balance on 12/31/17</u>	<u>Balance on 03/31/18</u>	<u>Projection 06/30/18</u>
Adult, DW, TAA and 7007				
Enrollments (YTD)	3	29	154	185
Expenditures	\$ 5,423	\$ 52,036	\$ 411,979	\$ 1,250,000
Obligations	\$ 15,909	\$ 59,141	\$ 631,471	\$ -
	<u>\$ 21,332</u>	<u>\$ 111,176</u>	<u>\$ 1,043,450</u>	<u>\$ 1,250,000</u>
	1.7%	8.9%	83.5%	100.0%

OJTs

Annual Enrollment Goal	50
Annual Budget	\$300,000

	<u>Balance on 9/30/17</u>	<u>Balance on 12/31/17</u>	<u>Balance on 03/31/18</u>	<u>Projection 06/30/18</u>
Adult and DW				
Enrollments (YTD)	3	13	17	50
Expenditures	\$ 17,175	\$ 25,913	\$ 44,314	\$ 150,000
Obligations	\$ 36,918	\$ 91,489	\$ 147,831	\$ 150,000
	<u>\$ 54,093</u>	<u>\$ 117,402</u>	<u>\$ 192,145</u>	<u>\$ 300,000</u>
	18.0%	39.1%	64.0%	100.0%



MEMORANDUM

To: Finance Committee

From: Leo Alvarez

Subject: CareerSource Central Florida – Fiscal Year 2018-19 Budget Timeline

Date: April 5, 2018

Purpose:

The purpose of this Memo is to provide a timeline for approval of CareerSource Central Florida's fiscal year 2018-2019 budget.

Background:

In order to support timely implementation of the annual program year budget, CareerSource Central Florida's leadership is working hand in hand with the Finance and Career Services Committees to develop a detailed provisional budget. This provisional budget will then be presented to the Consortium and Board of Directors on June 21, 2018 for approval.

In order to meet the implementation deadlines, the following budget timeline has been established:

- **May 24, 2018:** Finance/Career Services Committee Budget Workshop to establish budget priorities
- **May 31, 2018:** Finance Committee meeting to finalize budget
- **June 7, 2018:** Draft budget to Board of Directors and Consortium for review
- **June 21, 2018:** Budget presented to Board of Directors and Consortium for approval



FY 2018 – 2019

Budget Assumptions

collaborate ◀
innovate ◀
lead ◀

CareerSourceCentralFlorida.com ◀

Revenue Budget Comparison

FY 18-19 Projections Vs. Prior Year

CSCF PRELIMINARY FY 2018/2019 - Source of Funds with PY Comparisons

Base Allocations	BUDGET FY 2018/2019	BUDGET FY 2017/2018	DIFFERENCE	%
Carry Forward Funds From Prior Year				
Workforce Innovation & Opportunity Act Adult Funds	\$2,100,000	\$2,027,565	\$72,435	3.6%
Workforce Innovation & Opportunity Act Youth Funds	\$2,600,000	\$3,346,853	(\$746,853)	-22.3%
Wagner Peyser	\$300,000	\$282,991	\$17,009	6.0%
NEG - Hurricane Maria	\$3,000,000	\$0	\$3,000,000	#DIV/0!
Pathwats to Properity (Call Center)	\$100,000	\$0	\$100,000	#DIV/0!
Sector Strategies (Hospitality)	\$200,000	\$0	\$200,000	#DIV/0!
Lake Community Action Agency - Integrated Pilot	\$200,000	\$0	\$200,000	#DIV/0!
New Allocation For FY 2017/2018				
Workforce Innovation & Opportunity Act Adult Funds	\$4,056,994	\$4,534,780	(\$477,786)	-10.5%
Workforce Innovation & Opportunity Act Youth Funds	\$4,326,258	\$4,230,190	\$96,068	2.3%
Workforce Innovation & Opportunity Act Dislocated Worker Funds	\$5,699,904	\$5,769,572	(\$69,668)	-1.2%
Welfare Transition Funds (WTP)	\$6,974,230	\$6,682,917	\$291,313	4.4%
Unemployment Compensation Funds (UC)	\$138,936	\$138,936	\$0	0.0%
Jointly Managed Funds with The Department of Economic Opportunity (DEO)				
Wagner Peyser Funds	\$2,261,377	\$2,244,318	\$17,059	0.8%
Disabled Vets Program (DVOP)	\$188,976	\$188,976	\$0	0.0%
Local Vets Program (LVER)	\$118,414	\$118,414	\$0	0.0%
Special Grant CF and other Awards				
	\$2,257,505	\$9,457,344	(\$150,000)	-76.1%
Total Carry Forward From PY Allocations	\$8,500,000	\$5,657,409	(\$143,014)	
Total New Allocations	\$26,022,594	\$33,365,447	\$2,899,577	
Award Total - Available Funds	\$34,522,594	\$39,022,856	(\$950,423)	
LESS planned Carryover For FY 19 - 20	-\$3,268,907	-\$8,448,541	\$5,179,634	
Total Available Funds Budgeted	\$31,253,687	\$30,574,315	\$679,372	2.2%

FY 18-19 Budget Assumptions

Revenues available to CareerSource Central Florida is determined by Florida legislature, and include state funds, WIOA, TANF, and Wagner Peyser funds. Preliminary projections show an estimated increase of 2% in funding in comparison to prior year budget.

The Fiscal Year 16-17 budgeted carry forward balance was \$5.7M. We are projecting an increase in the carry forward balance and estimate the balance to be \$8.5M. The reason for the increased carry forward budget is due to special grants received in the second half of fiscal year 17-18 that will carry obligations into the new fiscal year.

Annual health benefit renewal are not to exceed more than 7% of current cost.

At least 50% of the Workforce Innovation & Opportunity Act (WIOA) Adult and Dislocated Worker are being allocated to career services, meeting CareerSource Florida, Inc.'s training requirement.

The state allowable cap for administrative cost is 10% of total expenditures. The total amount budgeted for administrative cost will be not to exceed 8%.

The proposed budget for salaries will reflect a 3% merit increase. Merit increases are awarded based upon achievement of annual performance goals.

2018-2019 Renewal and Marketing



CAREERSOURCE CENTRAL FLORIDA

Premium Vs Claims Report

CareerSource Central Florida
Fully Insured Medical and Rx Financial Summary - Incurred Claims
 July 2016 -December 2017 (3 month lag)

Month/ Year	Headcount		Premium	Claims									Loss Ratio
	Members	Subscribers	Billed Premium	Medical Claims	Fixed Charges	Out-of- Network Claims	Total Medical Claims	Total Medical PSPM	Prescription Claims	Prescription PSPM	Total Claims	Total PSPM	Loss Ratio
Jul-16	371	182	\$199,338	\$68,645	\$395	\$1,711	\$70,751	\$388.74	\$14,207	\$78.06	\$84,958	\$466.80	42.6%
Aug-16	373	181	\$199,228	\$60,404	\$590	\$5,693	\$66,686	\$368.43	\$36,678	\$202.64	\$103,365	\$571.08	51.9%
Sep-16	373	181	\$198,047	\$50,259	\$590	\$701	\$51,550	\$284.80	\$24,962	\$137.91	\$76,511	\$422.71	38.6%
Oct-16	373	182	\$198,490	\$174,234	\$629	\$4,046	\$178,909	\$983.02	\$27,791	\$152.70	\$206,700	\$1,135.71	104.1%
Nov-16	373	181	\$198,454	\$61,542	\$627	\$1,420	\$63,590	\$351.32	\$23,075	\$127.49	\$86,665	\$478.81	43.7%
Dec-16	371	179	\$197,172	\$71,930	\$633	\$1,471	\$74,033	\$413.59	\$21,973	\$122.75	\$96,006	\$536.35	48.7%
Jan-17	369	182	\$200,696	\$124,810	\$1,252	\$29	\$126,090	\$692.80	\$31,232	\$171.60	\$157,322	\$864.41	78.4%
Feb-17	367	184	\$199,605	\$70,132	\$407	\$1,031	\$71,570	\$388.97	\$30,810	\$167.44	\$102,379	\$556.41	51.3%
Mar-17	362	182	\$197,865	\$65,122	\$408	\$2,009	\$67,539	\$371.09	\$26,249	\$144.23	\$93,788	\$515.32	47.4%
Apr-17	359	183	\$197,963	\$216,609	\$454	\$2,623	\$219,686	\$1,200.47	\$35,898	\$196.16	\$255,583	\$1,396.63	129.1%
May-17	354	182	\$195,980	\$101,800	\$461	\$2,064	\$104,324	\$573.21	\$38,221	\$210.01	\$142,545	\$783.21	72.7%
Jun-17	351	179	\$194,073	\$98,830	\$461	\$2,339	\$101,630	\$567.77	\$22,752	\$127.11	\$124,383	\$694.87	64.1%
Jul-17	343	170	\$175,579	\$105,260	\$566	\$954	\$106,779	\$628.11	\$25,090	\$147.59	\$131,869	\$775.70	75.1%
Aug-17	342	170	\$174,850	\$211,968	\$591	\$7,657	\$220,217	\$1,246.87	\$30,072	\$176.89	\$250,289	\$1,472.29	143.1%
Sep-17	337	167	\$171,609	\$106,944	\$603	\$2,239	\$109,786	\$640.38	\$32,987	\$197.53	\$142,773	\$854.93	83.2%
Oct-17	336	165	\$170,291	\$176,972	\$526	\$2,055	\$179,553	\$1,072.56	\$14,682	\$88.98	\$194,235	\$1,177.18	114.1%
Nov-17	335	165	\$170,990	\$104,614	\$522	\$1,206	\$106,343	\$634.03	\$37,857	\$229.44	\$144,200	\$873.94	84.3%
Dec-17	333	163	\$169,791	\$96,754	\$514	\$1,217	\$98,484	\$593.58	\$22,249	\$136.50	\$120,733	\$740.69	71.1%
2016 - 2017 Total	4,396	2,178	\$2,376,912	\$1,164,316	\$6,905	\$25,136	\$1,196,357	\$549.29	\$333,848	\$153.28	\$1,530,205	\$702.57	64.4%
2017 - 2018 Total	2,026	1,000	\$1,033,111	\$802,512	\$3,321	\$15,328	\$821,161	\$821.16	\$162,937	\$162.94	\$984,099	\$984.10	95.3%

Rolling 12 Months	83.8%
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Marketing Summary

Medical: Fully Insured

Cigna Renewal	Initial Renewal: 16% Negotiated Renewal (with no marketing): 6.96%
United Healthcare	Proposed: 4.9% over current for matching plan design
Florida Blue	Proposed: 12.5% over current, plan design changes
Aetna	Proposed: 11% over current, plan design changes
Humana	Proposed: Rates uncompetitive. 17.2% over current

Marketing Summary

Cigna Renewal – Fully Insured

PROVIDER PLAN TYPE	Cigna Open Access Plus H S A	Cigna Open Access Plus "Base"	Cigna Open Access Plus "Choice"
	Current Plan	Current Plan	Current Plan
IN-NETWORK PREMIUMS			
Current Employee Participation	# Enrolled	# Enrolled	# Enrolled
Employee	33	32	14
Employee + Spouse	5	11	1
Employee + Child(ren)	17	22	0
Employee + Family	13	14	0
Total Enrollment	68	79	15
Current Monthly Premiums*			
Employee	\$584.69	\$613.82	\$704.54
Employee + Spouse	\$1,257.64	\$1,313.56	\$1,507.72
Employee + Child(ren)	\$1,092.35	\$1,141.68	\$1,310.45
Employee + Family	\$1,853.83	\$1,933.51	\$2,219.30
Total Monthly Premiums	\$68,253	\$86,278	\$11,371
Total Annual Premiums	\$819,033	\$1,035,330	\$136,455
Total Annual Premiums (Combined)	\$1,990,818		
Renewal - Monthly Premiums*			
Employee	\$625.36	\$656.51	\$753.54
Employee + Spouse	\$1,345.11	\$1,404.92	\$1,612.59
Employee + Child(ren)	\$1,168.33	\$1,221.09	\$1,401.59
Employee + Family	\$1,982.77	\$2,067.99	\$2,373.66
Total Monthly Premiums	\$73,000	\$92,278	\$12,162
Total Annual Premiums	\$876,001	\$1,107,339	\$145,946
Total Annual Premiums (Combined)	\$2,129,286		
Variance in \$\$	\$138,468		
Variance in %	6.96%		

HSA plan rates do not include \$4.95 PEPM administration fee

Marketing Summary

Medical: Self-Insured

Cigna Fully Insured Renewal	Initial Renewal: 16% Negotiated Renewal: 6.96%
Cigna Level Funding	10.5% increase over current rates, guaranteed \$5,000 surplus
Florida Blue	Expected plus fixed costs is 17.8% over fully insured current rates. Maximum cost is 41.8% higher
United Healthcare	Expected plus fixed costs is 34.4% over fully insured current rates. Maximum cost is 57.48% higher
HealthScopes TPA using Aetna network	Expected plus fixed costs is 11.4% over fully insured current rates. Maximum cost is 33.1% higher
HealthScopes TPA using HST for reference based pricing	Expected plus fixed costs is -8.2% over fully insured current rates. Maximum cost is 9.9% higher

Dental & Vision Marketing Summary

	Dental	Vision
Cigna Renewal	Initial Renewal: 5% increase Negotiated Renewal: 2.5% increase*	Initial Renewal: 3% increase Negotiated Renewal: 1.5% increase*
Humana	Proposed: a high and low option with enhanced benefits, 10.5% under current	Proposed: rates 7% under current, enhanced plan design in-network
MetLife	Proposed: 10.0% under current for triple option	Proposed: matched current rates and plan
Sun Life	Proposed: 5.3% under current for a dual option	Proposed: 15% under current rates
Renaissance Dental	Proposed: 7.5% under current for triple option	Proposed: 8.2% under current for VSP network
EyeMed	-	Proposed: 7.5% under current rates, 4 year rate guarantee

* CSCF requested OneDigital negotiate rates to 17-18 costs to keep all lines of coverage with Cigna

Staff Impact – Cigna Renewal

- 17-18's renewal saw a 6.5% decrease, but staff contributions remained the same as 16-17
- HR staff requested rates be rolled back to 16-17 premiums to keep staff contributions static for this fiscal year
- Payroll system changes are minimal
- Plan designs are unchanged with networks and doctors remaining the same