

# Revenue Diversity & New Markets Committee Meeting

June 1, 2022



# 6/1/22 REVENUE DIVERSITY & NEW MARKETS COMMITTEE MEETING DETAILS

Meeting Details

Meeting Agenda

Welcome

Roll Call

Public Comment

Approval of Minutes

Information / Discussion / Action Items

Insight

Other Business

Adjournment

**What:** Revenue Diversity and New Markets Committee Meeting

**When:** Wednesday, June 1, 2022  
2:00 p.m. – 3:30 p.m.

**Where:** CSCF Admin Office  
390 North Orange Ave., Suite 700 (7<sup>th</sup> Floor)  
Orlando, FL 32801  
or  
Virtual Option via Zoom: <https://careersourcecf.zoom.us/j/85246979251?pwd=OG5WMIBWtXhPbUxiclZVyt0czlHUT09>

Dial In: 1 (929) 205-6099 / Meeting ID: 852 4697 9251 /  
Passcode: 270321

# 6/1/22 REVENUE DIVERSITY & NEW MARKETS COMMITTEE MEETING AGENDA

- Meeting Details
- ▶ Meeting Agenda
- Welcome
- Roll Call
- Public Comment
- Approval of Minutes
- Information / Discussion / Action Items
- Other Business
- Adjournment

Agenda Item	Topic	Presenter	Action Item
1.	Welcome	Eric Jackson	
2.	Roll Call / Establishment of Quorum	Kaz Kasal	
3.	Public Comment		
4.	Approval of Minutes	Eric Jackson	
	<b><u>A. 3/21/22 Revenue Diversity Committee Meeting</u></b>		X
5.	Information / Discussion / Action Items	Committee Discussion	
	<b><u>A. Organizational Structure</u></b>		
	<b><u>B. FY 2021-2022 Year-To-Date Results</u></b>		X
	<b><u>C. FY 2022-23 Goals</u></b>		
6.	Other Business		
7.	Adjournment		

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# WELCOME



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# ROLL CALL



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# PUBLIC COMMENT



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# APPROVAL OF MINUTES





**DRAFT**  
**Revenue Diversity Committee Meeting**

**Monday, March 21, 2022**  
**1:30 p.m.**

**MINUTES**

**MEMBERS PRESENT:** Eric Jackson, Glen Casel, John Gill and Richard Sweat

**MEMBERS ABSENT:** Mark Brewer

**STAFF PRESENT:** Leo Alvarez, Pam Nabors, Mimi Coenen, Lorri Shaban, Cliff Marvin, Sean Masherella, and Kaz Kasal

**GUEST PRESENT:** Keira des Anges, Board Member

Agenda Item	Topic	Action Item / Follow Up Item
1	<b>Welcome</b> Mr. Jackson, Committee Chair, called meeting to order at 1:33 p.m.	
2	<b>Roll Call / Establishment of Quorum</b> Ms. Kasal, Executive Coordinator, reported a quorum present.	
3	<b>Public Comment</b> None offered.	
4	<b>Action Item</b> <u>Approval of Minutes</u> <ul style="list-style-type: none"> <li>• Reviewed draft minutes from 12/7/21 Revenue Diversity Committee Meeting (attachment).</li> </ul>	<b>A motion was made by Mr. Jackson to approve the minutes from the 12/7/21 meeting. Mr. Gill seconded; motion passed unanimously.</b>
5	<b>Information / Discussion / Action Items</b>  <u>Revenue Diversity Committee Charter - Updated</u> <ul style="list-style-type: none"> <li>• Reviewed the updated Revenue Diversity Committee Charter (attachment). Committee concurred with the Charter as presented and to rename the Committee: "Revenue Diversity and New Markets Committee."</li> </ul> <u>FY 2021-2022 Year-To-Date Results</u> <ul style="list-style-type: none"> <li>• Reviewed year-to-date results (attachment).</li> </ul> <u>Organizational Structure</u> <ul style="list-style-type: none"> <li>• Reviewed current structure vs. the two organizational structure options and its characteristics (attachment).</li> <li>• Committee also recommended: <ul style="list-style-type: none"> <li>– Staff to prepare for Board a couple of slides to include the positives and negatives of each option.</li> </ul> </li> </ul>	<b>A motion was made by Mr. Sweat to recommend forwarding options 1 and 2 both to Board for final approval. Mr. Jackson seconded; motion passed unanimously.</b>  <i>Staff to work on a definitions list.</i>





	– Provide a workshop to go through the complexities of each option.	
7	<b>Other Business</b> <ul style="list-style-type: none"> <li>• Mr. Sweat provided updates on Career Passport.</li> </ul>	
8	<b>Adjournment</b> There being no other business, the meeting was adjourned at 2:52 p.m.	

Respectfully submitted,

Kaz Kasal  
 Executive Coordinator

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# INFORMATION / DISCUSSION / ACTION ITEMS



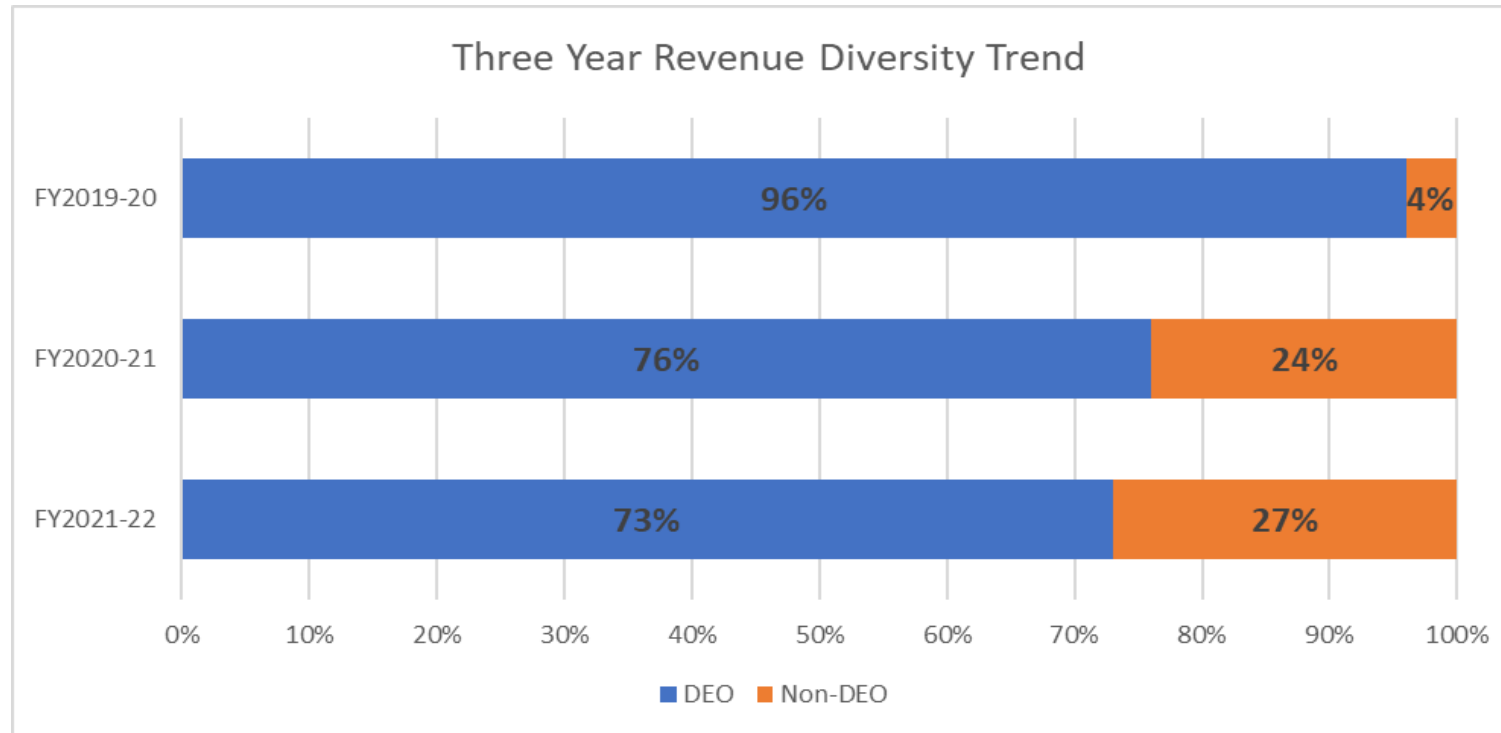
# CareerSource CF

## Organizational Structure Options

# ORGANIZATIONAL RESTRICTURE

## WHY?

In the last year CSCF has grown its revenue from \$30M to \$45M. A new organizational structure is needed to create business resiliency and scalability.



# 3 YEAR REVENUE DIVERSITY ANNUAL TARGETS & RESULTS

	Fiscal Year 2019-20	Fiscal Year 2020-21	Fiscal Year 2021-22	3 Year Totals
<b>Annual Targets</b>	\$800,000	\$1,600,000	\$2,500,000	\$4,900,000
<b>Results</b>	\$1,110,655	\$10,983,397	\$14,053,699*	\$26,147,751
<b>% of Goal</b>	139%	686%	562%	534%

\*Results as of 03/31/22

## SCALING TO A NEW CORPORATE STRUCTURE WILL LEAD TO:

- Leverage CSCF's robustness of leadership expertise in a consultative manner to compete in the marketplace and create new revenue opportunities.
- Intentional service delivery, flexibility and bandwidth to respond to Central Florida needs.
- Create a clearly defined line and between DEO funding and non-DEO funding.
- Lessen liability risks as CareerSource takes on new revenue initiatives .

# ORGANIZATIONAL RESTRUCTURE

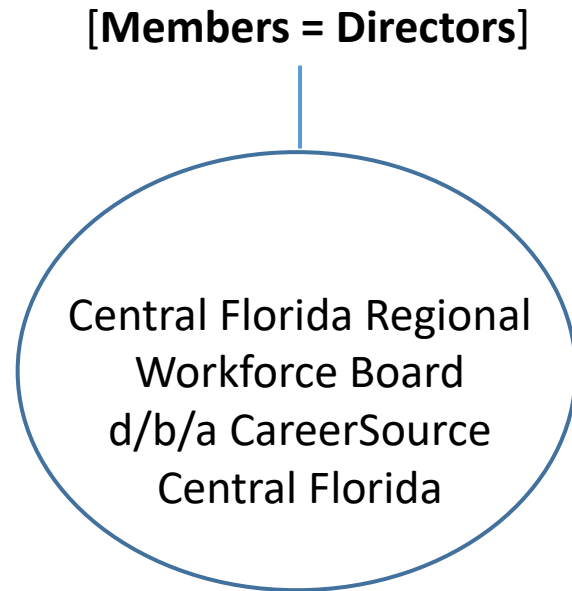
## WHAT HAVE WE DONE?

CSCF has engaged legal counsel and researched new corporate structures that best fits current needs and the desired future state. We have narrowed it down to the two following options:

- Single Member Limited Liability Company
- Separate Section 501(C3) Organization

# CURRENT STRUCTURE

## Current Structure: Not for Profit Corporation – 501c3 Organization



### Characteristics

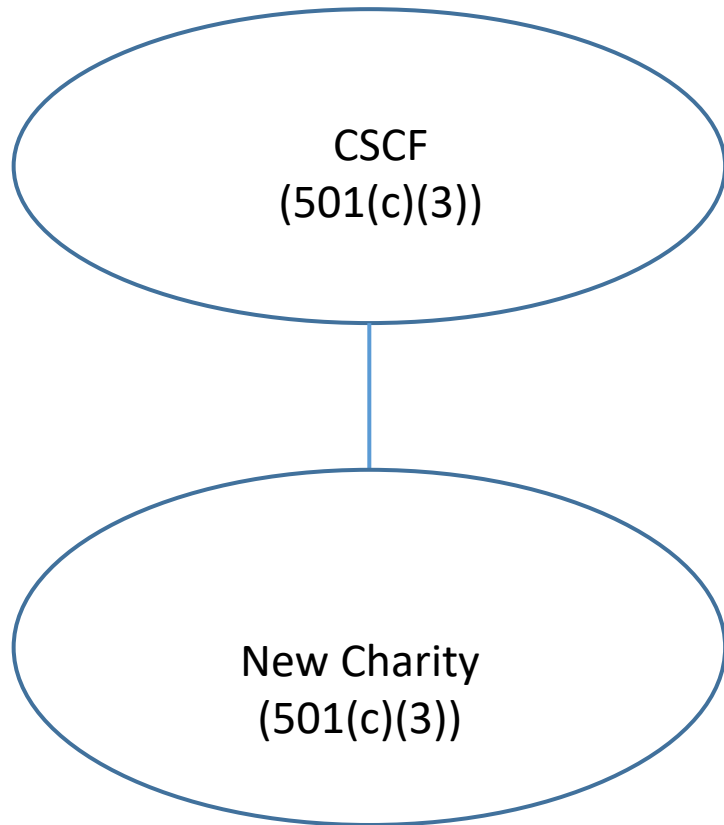
- CSCF Board is appointed by elected officials per local intergovernmental agreements
- By-laws structured based on intergovernmental agreement on criteria established by State of Florida and Federal Government.
- CSCF Board is subject to Sunshine Law requirements.



# OPTIONS 1: SINGLE MEMBER LLC

## Form Related Tax-Exempt Organization

Option 1: Single Member Limited Liability Company (LLC)



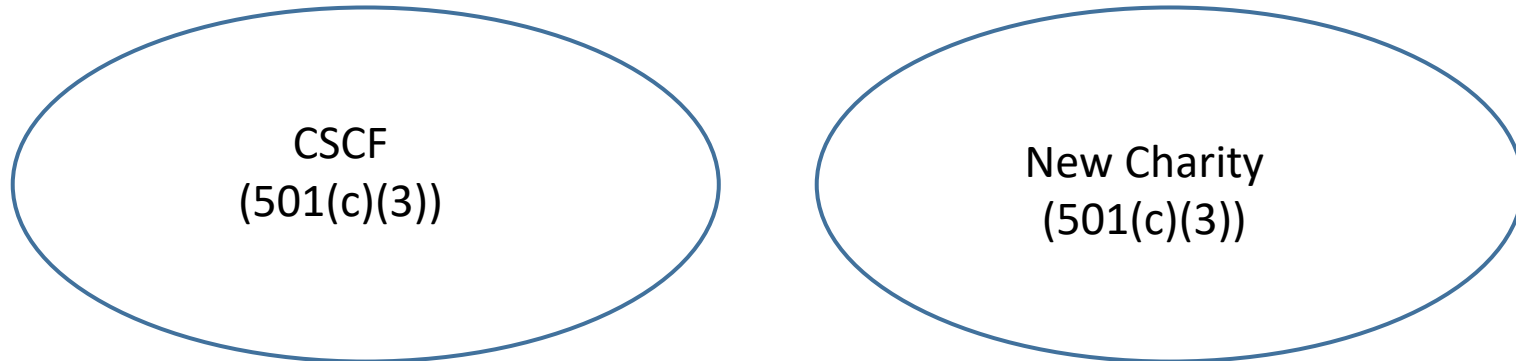
### Characteristics

- Acts as a separate division of CSCF
- Disregarded as a separate entity for federal tax purposes
- No Form 1023 Application (NFP Designation)
- No Separate Form 990
- Manager Managed – Current CSCF Board elects New Charity Board
- Shared resources with CSCF

# OPTION 2: Separate Section 501(C3) NFP

## Form Related Tax-Exempt Organization

Option 2: Create a new Not For Profit Corporation



- **Characteristics**

- New 501c3 Not For Profit Corporation
- Requires separate Form 1023 Application
- Separate Form 990
- Not subject to Sunshine Law

Ownership/Control:

- (a) Corporate Subsidiary Model: CSCF is sole member (own 100% of Corporation).
- (b) Brother/Sister Corporation Model: Corporation has no members. Governed by New Charity By-Laws.

# ORGANIZATIONAL RESTRUCTURE

## RECOMMENDATION

The Revenue Diversity and New Markets Committee is recommending forwarding both options 1 and 2 to Board for final approval.

## WHY?

- Single Member LLC – Restricted Non-DEO Funding
- New NFP – Unrestricted Funding

# FOLLOW-UP ITEMS FROM BUDGET WORKSHOP

## COMMENTS RECEIVED:

- Create a risk analysis for CareerSource Central Florida in creating this new corporate structure
- List the pros and cons of the two corporate structures as it relates to CareerSource Central Florida.
- What does Board Governance look like for each of these options? Describe the options and provide recommendations.
- Disclose to auditors and analyze impact

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# FY 2021-2022 Year To Date Results

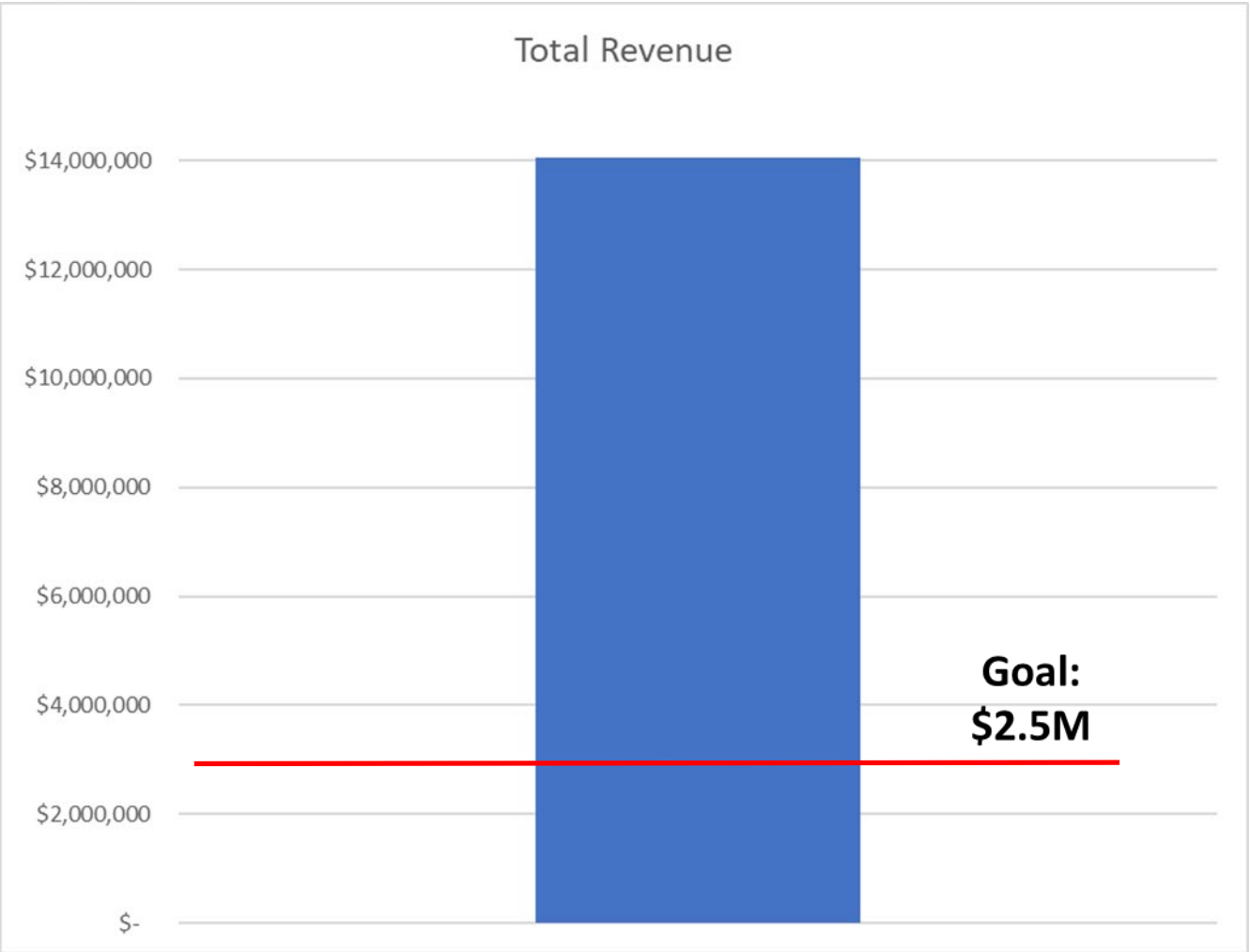
# 2020-2021 REVENUE DIVERSITY STRATEGY

**\$2.5M**

	<b>Ticket to Work</b> <i>Unrestricted</i>	<b>Regional Municipalities</b> <i>Restricted</i>	<b>Grant Revenue</b> <i>Restricted</i>	<b>Business Investment</b> <i>Restricted / Unrestricted</i>
<b>Strategy</b>	Continue expanding Social Security Ticket to Work Program with goal to increase revenue by 35% annually over next 5 years	Maximize municipal partnerships to continue delivering talent solutions	Leverage mutually beneficial key partnerships to obtain grant funds use in delivering talent solutions	Engage business leaders to recognize impact and commit to monetary support to aid in development of youth
<b>Fiscal Year 2021-22 Targets</b>	<b>\$250,000</b>	<b>\$450,000</b>	<b>\$1,700,000</b>	<b>\$100,000</b>
<b>Fiscal Year 2021-22 Results</b>	<b>\$206,205</b> \$159,506 Cash \$46,699 Receivables	<b>\$360,000</b>	<b>\$13,586,544</b> Proposal - \$15M – EDA “Good Jobs Challenge”	<b>\$107,950</b>

# DIVERSIFY REVENUE STREAMS TO ADJUST FOR VARIABLES IN FEDERAL FUNDING

<b>Revenue Diversity Goal</b>	<b>\$ 2,500,000</b>
<b>Grant Funding</b>	
Orange County	\$ 10,300,000
CareerSource FL - At Risk Floridians	\$ 2,500,000
Osceola County	\$ 750,000
Veterans Award	\$ 36,544
<b>Total Grant Funding</b>	<b>\$ 13,586,544</b>
<b>Ticket to Work</b>	<b>\$ 159,506</b>
<b>Regional Municipalities</b>	
Orange County (Youth)	\$ 250,000
City Of St. Cloud	\$ 30,000
City of Apopka	\$ 30,000
Mt. Dora	\$ 50,000
<b>Total Municipalities</b>	<b>\$ 360,000</b>
<b>Private Funding</b>	
Private Contrinutions	\$ 20,050
Board Member Contributions	\$ 37,900
Jobs for the Future (Consulting)	\$ 50,000
<b>Total Private Funding</b>	<b>\$ 107,950</b>
<b>YTD Revenue Diversity</b>	<b>\$ 14,214,000</b>
<b>Percentage of Goal</b>	<b>568.6%</b>
Grant Funding	\$ 13,586,544
Ticket to Work	\$ 159,506
Regional Municipalities	\$ 360,000
Private Funding	\$ 107,950



# Year To Date Results Ticket To Work



# SOCIAL SECURITY TICKET TO WORK

## Revenue

PY 21-22 Revenue	
Category	Payment Amount
Revenue Goal	\$250,000.00
Cash in Bank	\$159,506.00
Receivables	\$46,699.00
<b>Total</b>	<b>\$206,205.00</b>
<b>Percentage</b>	<b>82.5%</b>

## Referral

PY21-22 Ticket Referrals			
Type of Referral	CY # of referrals	PY 21-22 Referral Goal	PY 20-21 Referral Goal
CSCF Staff/Website	64	50	45
CSCF Website	1	15	8
SSA	14	15	4
Community Agency	5	10	3
Family/Friend	8	5	1
Vocational Rehabilitation	1	5	0
<b>Total</b>	<b>93</b>	<b>100</b>	<b>61</b>

# SOCIAL SECURITY TICKET TO WORK

## Pipeline

<b>Ticket to Work Cases</b>	
<b>Category</b>	<b>Number of Cases</b>
<b>Open Cases</b>	178
<b>New Customer Goal</b>	30
<b>New Customer Actual</b>	35

<b>Obtained Employment</b>			
<b>Program Year</b>	<b>Total Cases</b>	<b>Employed</b>	<b>Actively Working &amp; Generating Revenue</b>
PY2122	164	73	37
PY2021	156	81	46

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# FY 2022-2023 Goals

## DIVERSIFY REVENUE STREAMS TO ADJUST FOR VARIABLES IN FEDERAL FUNDING

### GOAL

- Generate \$3.5M of New Diversified Revenue
- Establish Organizational Structure and Strategy to Generate Non-DEO Revenue
- Develop and Activate Plan to Invest General (unrestricted) Revenue

### KEY PERFORMANCE METRICS

- ✓ Achieve Target of \$3.15M of New Restricted Non-DEO Revenue
- ✓ Achieve Target of \$350K of New General “Unrestricted” Revenue
- ✓ Creation of a New Organizational Structure and Operational Plan to Support Non-DEO Revenue

### OUTCOME

An Increased CSCF Budget/Revenue Stream, Enabling Greater Flexibility in the Delivery of Services, Stability and Sustainability

# DIVERSIFIED REVENUE

## UNRESTRICTED REVENUE

<b>REVENUE</b>	<b>BUDGET</b>
Unrestricted Balance As of April 2022	\$ 954,000
Receivables as of April 2022	\$ 46,000
* Unrestricted Donations Made to CSCF	\$ 100,000
*Ticket to Work Projected Revenue (Rounded)	<u>\$ 250,000</u>
<b>TOTAL PROJECTED REVENUE</b>	<b>\$ 1,350,000</b>
<b>EXPENDITURES</b>	
Operational Cost	\$ 250,000
Fundraising & Revenue Development	<u>\$ 100,000</u>
<b>TOTAL PROJECTED EXPENDITURES</b>	<b>\$ 350,000</b>
<b>PROJECTED BALANCE AT 06/30/23 - (ROUNDED)</b>	<b>\$ 1,000,000</b>

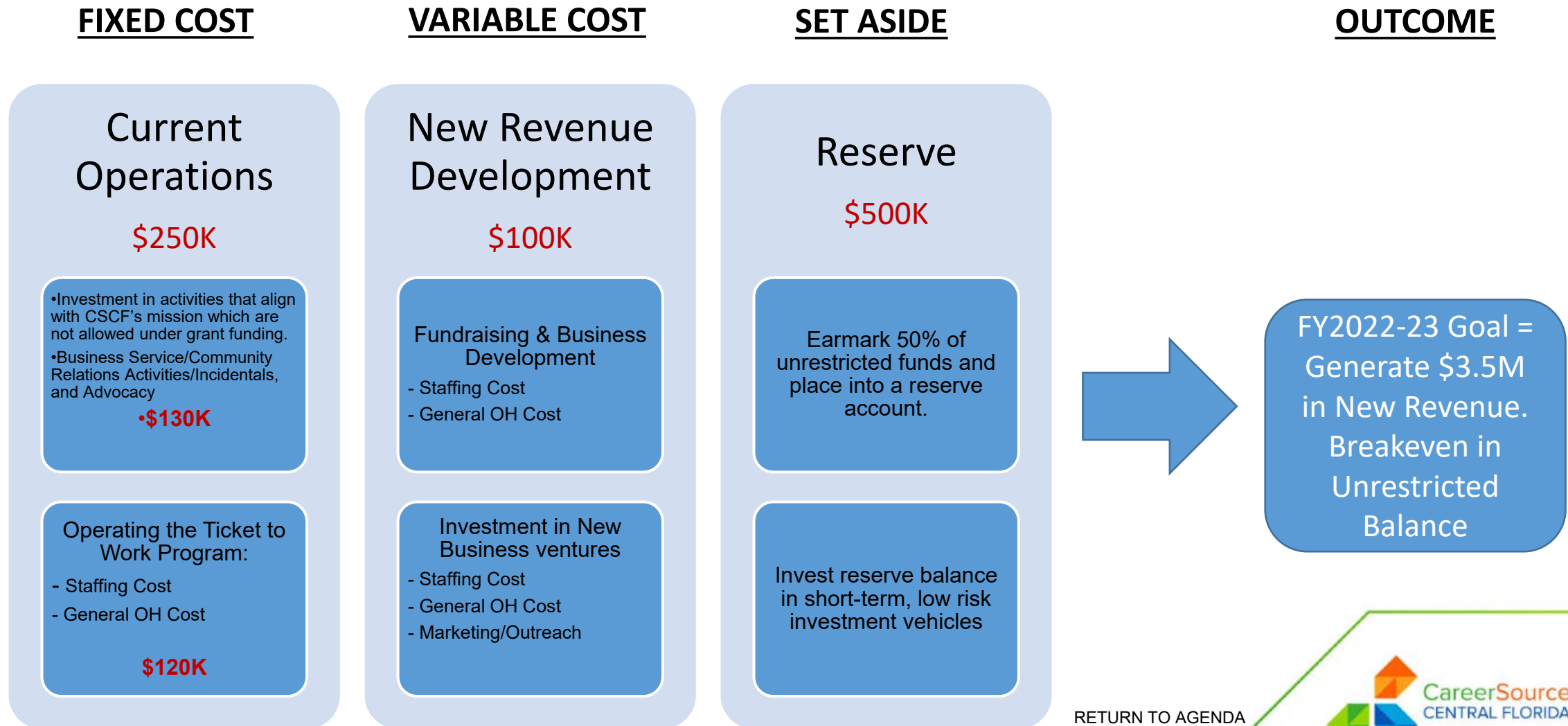
## RESTRICTED REVENUE

<b>RESTRICTED REVENUE</b>	<b>BUDGET</b>
*TOTAL PROJECTED REVENUE	<b>\$ 3,150,000</b>
Funding sources include grants, municipalities, business investments and sponsorships	

\* Diversified Revenue  
 ➤ Ticket to Work Projected Revenue + Unrestricted Donations + Restricted Revenue = \$3,500,000



# Business Plan – \$1M in General “Unrestricted” Funds



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# ADJOURNMENT





# THANK YOU!



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