

## Employ Prince George's (EPG) - Fiscal Year 2022 Budget Review Summary

### Proposed FY 2022 Operating Budget

Revenue						
Fund	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	\$ Change	% Change
County Grant	\$ 1,738,100	\$ 1,851,700	\$ 1,851,700	\$ 1,833,100	\$ (18,600)	-1.0%
Other Sources	6,600,331	\$5,319,200	\$6,435,600	\$4,520,500	(\$798,700)	-15.0%
<b>Total</b>	<b>\$ 8,338,431</b>	<b>\$ 7,170,900</b>	<b>\$ 8,287,300</b>	<b>\$ 6,353,600</b>	<b>\$ (817,300)</b>	<b>-11.4%</b>

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed
Compensation	\$ 3,744,171	\$ 4,087,800	\$ 3,548,100	\$ 3,657,800
Fringe Benefits	1,347,902	1,471,600	1,277,300	1,316,800
Operating Expenses	3,367,891	1,611,500	3,461,900	1,379,000
<b>Total</b>	<b>\$ 8,459,964</b>	<b>\$ 7,170,900</b>	<b>\$ 8,287,300</b>	<b>\$ 6,353,600</b>

### FY 2022 Proposed Budget – Key Highlights:

- FY 2022 total budget proposed for FY 2022 is \$6,353,600, which is \$817,300 or 11.4% below the FY 2021 Approved Budget
- The FY 2022 Proposed Budget for Employ Prince George's reflects County grant funding of \$1,833,100, which is \$18,600 or 1.0%, below the FY 2021 Approved funding level.
- FY 2022 Operating Expenses are proposed at \$1,379,000, a decrease of \$232,500 or 14.4%, below the FY 2021 Approved Budget. The reduction results from a decrease in operating contracts, administrative expenses, and supplies.
- The other sources of revenue that supplement Employ Prince George's proposed FY 2022 are from various other grant sources with the largest portion being the federal Workforce Innovation Opportunity Act grants at \$3,750,200 or 59% of its budget.
- The FY 2022 proposed budget includes funding for sixty-seven (67) positions with 42 grant funded employees and twenty-five (25) County funded positions. This reflects an increase of five (5) total staff. The new positions proposed for FY 2022 are to assist with building administrative infrastructure and increasing bilingual capacity to assist Latino and Immigrant population.

### FY 2022 priorities:

- Provide workforce development services to job seekers and businesses with a priority of services being directed toward job seekers with severe barriers, areas with high unemployment and/or low wages and small-medium sized businesses focused on hiring Prince George's residents.
- Staffing and managing the operations of the Prince George's County Workforce Development Board, including managing the Prince George's County Public Workforce System/Prince George's County American Job Center Community Network and serving as the fiscal agent of the workforce system.

### COVID Impact:

- Negatively impacted several of Employ Prince George's key revenue sources.
- Will be a challenge to reopen due to CDC guidelines regarding spacing.
- Will have challenge to meet the forecasted need due to impact of COVID on residents



**THE PRINCE GEORGE'S COUNTY GOVERNMENT**  
**Office of Audits and Investigations**

April 26, 2021

**MEMORANDUM**

TO: Calvin S. Hawkins, II, Chair  
 Committee of Whole (COW)

THRU: David H. Van Dyke, County Auditor *DH*

FROM: Warren E. Burris, Sr., Budget & Policy Legislative Specialist *W E Burris*

RE: Employ Prince George's  
 Fiscal Year 2022 Budget Review

**Budget Overview**

Employ Prince George's ("EPG" or the Organization) is partially funded through an annual County grant in the Non-Departmental section of the budget, and mainly through the Workforce Innovation and Opportunity Act Grant (WIOA). The FY 2022 Proposed Budget for Employ Prince George's reflects County grant funding of \$1,833,100, which is \$18,600 or 1.0%, below the FY 2021 Approved funding level.

**Approved Fiscal Year 2021 to Proposed Fiscal Year 2022**

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	Change Amount	Percentage Change
Prince George's County Grant	\$ 1,738,100	\$ 1,851,700	\$ 1,851,700	\$ 1,833,100	\$ (18,600)	-1.0%

**Budget Comparison – Consolidated Budget**

FY 2022 proposed total budget proposed for FY 2022 is \$6,353,600, which is \$817,300 or 11.4% below the FY 2021 Approved Budget.

Category	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	FY 2022 Proposed	Change Amount	Percentage Change
Prince George's County Grant	\$1,738,100	\$1,851,700	\$1,851,700	\$1,833,100	-\$18,600	-1.0%
County Summer Youth Employment	\$694,349	\$0	\$0	\$0	\$0	0.0%
Work Innovation Opportunity Act Grant - Youth Grant	\$1,695,234	\$1,564,900	\$1,490,200	\$1,394,800	(\$170,100)	-10.9%
Work Innovation Opportunity Act Grant - Adult Grant	\$1,596,144	\$1,295,300	\$1,305,100	\$1,220,300	(\$75,000)	-5.8%
Work Innovation Opportunity Act Grant - Dislocated Worker Grant	\$1,346,820	\$1,439,500	\$1,214,000	\$1,135,100	(\$304,400)	-21.1%
Governor's Summer Youth Connection	\$217,655	\$142,200	\$124,400	\$0	(\$142,200)	-100.0%
Youth Career Connect Grant	\$0	\$0	\$1,024,300	\$0	\$0	0.0%
Exelon Grant	\$0	\$0	175000	\$0	\$0	0.0%
Department of Family Services Grant	\$214,600	\$214,600	\$214,600	\$214,600	\$0	0.0%
EARN	\$0	\$0	\$200,000	\$200,000	\$200,000	0.0%
Core, Career, & connect Veterans Grant	\$168,904	\$0	45300	\$0	\$0	0.0%
Video Lottery Terminal Grant	\$337,700	\$337,700	\$337,700	\$337,700	\$0	0.0%
MD Highway Capital Construction Training Grant	\$42,887	\$225,000	\$33,000	\$0	(\$225,000)	-100.0%
Career Pathways	\$84,770	\$0	\$71,000	\$0	\$0	0.0%
State's Attorney's Office - Back on Track	\$0	\$0	\$75,000	\$0	\$0	0.0%
Foundations - JP Morgan	3500	\$95,000	\$68,800	\$18,000	(\$77,000)	-81.1%
Sponsorships	\$0	\$5,000	\$17,500	\$0	(\$5,000)	0.0%
Miscellaneous Income	\$217,768	\$0	\$39,700	\$0	\$0	0.0%
<b>Total</b>	<b>\$8,358,431.00</b>	<b>\$7,170,900.00</b>	<b>\$8,287,300.00</b>	<b>\$6,353,600.00</b>	<b>-\$817,300.00</b>	<b>-11.4%</b>

***Expenditures***

Fund	FY 2020 Actual	FY 2021 Approved	FY 2021 Estimated	% Change - Est vs App	FY 2022 Proposed	\$ Change	% Change
Compensation	\$ 3,744,171	\$ 4,087,800	\$ 3,548,100	-13.2%	\$ 3,657,800	\$ (430,000)	-10.5%
Fringe Benefits	1,347,902	1,471,600	1,277,300	-13.2%	1,316,800	(154,800)	-10.5%
Operating	3,367,891	1,611,500	3,461,900	114.8%	1,379,000	(232,500)	-14.4%
<b>Total</b>	<b>\$ 8,459,964</b>	<b>\$ 7,170,900</b>	<b>\$ 8,287,300</b>	<b>15.6%</b>	<b>\$ 6,353,600</b>	<b>\$ (817,300)</b>	<b>-11.4%</b>

***Authorized Staffing Count***

	FY 2021 Approved	FY 2022 Proposed	Change Amount	% Change
County Funds	14	25	11	78.6%
Grant Funds	48	42	-6	-12.5%
<b>Total</b>	<b>62</b>	<b>67</b>	<b>5</b>	<b>8.1%</b>

**Staffing Changes and Compensation**

- FY 2022 Compensation is proposed at \$3,657,800, which is a decrease of (\$430,000) or -10.5%, below the FY 2021 Approved Budget. This decrease is a result of alignment with FY 2022 salary adjustments due to reduced grant funding.

**Fringe Benefits**

- FY 2022 Fringe Benefits are proposed at \$1,316,800, a decrease of (\$154,800), or -10.5%, below the FY 2021 Approved Budget. The decrease is a result in fringe benefit costs due to compensation adjustments.

**Operating**

- FY 2022 Operating Expenses are proposed at \$1,379,000, a decrease of \$232,500, or 14.4%, below the FY 2021 Approved Budget. The decrease is the result of reductions in operating contracts, administrative expenses, and supplies.

### **Employ Prince George's County's Mission and Services**

Employ Prince George's, through the management of the American Job Center, serves as the link between job seekers looking to begin or change careers and businesses looking for skilled workers to maintain competitiveness in a changing labor market. The Prince George's County One Stop Career Center serves over 40,000 job seekers, and businesses annually.

### **Core Services**

- Connecting job seekers to training and employment opportunities in the Energy, Sustainable Energy, and Utility industries (Sustainable Energy Workforce Development Program (SEWDP)).
- Connecting job seekers to training and employment in the Construction Industry (Construction Works Program (CWP))
- Connecting job seekers to training and employment opportunities in the Hospitality Industry, and the latter, grouped as Accommodation Industry, Retail Entertainment, Customer Service, and Food and Beverage. (Hospitality & Accommodations Institute (HAI))
- Connecting Job Seekers to training and employment opportunities in the Healthcare Industry (Capital Area Healthcare Alliance (CAHA)).
- Connecting job seekers to training and employment opportunities in the IT Industry (Educational Partnership for IT Careers. (EPIC))
- Providing customized workforce development services to demographic specific job seekers

### **Highlights**

#### **Employ Prince George's 2021 Key Accomplishments**

- Implemented the COVID 19 Workforce Recovery Program's Hourly Employee Relief Fund. Distributed more than \$400,000 of cash gift cards to displaced Prince George's County residents.
- Launched the COVID-19 Rapid Re-employment Program to incentivize businesses to hire unemployed Prince George's County residents.
- Enhanced delivery of services by utilizing virtual meeting and training platforms during the COVID-19 Pandemic to serve businesses and job seekers.

#### **Employ Prince George's Strategic Focus for FY 2022**

- Provide workforce development services to job seekers and businesses with a priority of services being directed toward job seekers with severe barriers, areas with high unemployment and/or low wages and small-medium sized businesses focused on hiring Prince George's residents.
- Staffing and managing the operations of the Prince George's County Workforce Development Board, including managing the Prince George's County Public Workforce System/Prince George's County American Job Center Community Network and serving as the fiscal agent of the workforce system.

## **COVID Impact**

The pandemic has negatively impacted several of the Organization's key revenue sources. Although this was partially offset by the availability of new COVID-19 related relief funding opportunities, those opportunities are not guaranteed, and the Organization must qualify and apply for those. At the same time, it has become more difficult to spend some of the available funding due to certain occupational training vendors closing and many businesses turning away on-the-job training candidates while they try to limit their capacities to align with social distancing requirements. Unspent federal and state grant funds must be returned at the conclusion of the grant.

Some grants such as those for summer youth work experiences have been cancelled or reduced. \$965,349 was budgeted in FY20 for summer youth programs and spending in FY21 was only \$187,907 which is a decrease of 81%. At the same time, some targeted grant programs from the State of Maryland Department of Labor have been put on hold as the Governor refocuses the State budget on pandemic relief. \$546,662 was budgeted in FY20 for workforce programs in construction, sustainable energy, and for older-worker and English-language learner initiatives. No new funding in these areas has been released in the last 12 months. Meanwhile, many workforce grants are reimbursement-basis and have mandatory training components. When trainings had to be cancelled because training providers were shut down or because employers were not willing or able to take on trainees through apprenticeships or internships, revenue decreased for lack of reimbursable activity. Approximately \$1,500,000 was budgeted in FY21 for training costs directly or through contractors and by mid-March 2021 only approximately \$300,000 has been spent, resulting in a correlated decrease in revenue earned.

The Organization's solution to its funding deficits and requirement to provide services virtually has been technology. The Organization has made several unbudgeted purchases and technology upgrades to mitigate the impacts of COVID-19. By switching to virtual service delivery for counseling, creating virtual training options, and investing in various online assessment tools, Employ Prince George's has been able to survive. Since many of the Organization's grants are on a reimbursement basis, adapting its spending has been necessary to maintain revenue as well as meeting its goals and fulfilling its mission.

## **Challenges**

1. Increased demand for the Organization's services driven by increased unemployment will have an even greater impact on its budget once its ability to provide training is restored and the Organization does not expect to be able to serve the amount of residents who need employment services in FY 2022. The most critical issue continues to be the economic impacts of the coronavirus pandemic on Prince George's County and the DC Metropolitan region. Prince George's County's unemployment rate more than doubled during the pandemic. Additionally, the Organization expects that some of the layoffs will be permanent due to businesses closing. In conjunction with the economic impacts of the coronavirus, EPG's primary funding source, the federal WIOA grants, operate on a funding formula that is a year behind and are expected to decrease again in FY 2022. EPG's FY 2021 WIOA local funding decreased by 17%. Maryland's

funding from the US Department of Labor was cut 8.9% and EPG is waiting to see if that cut flows through from the State. This could lead to an additional \$380,000 decrease in funding

2. Employ Prince George's will have challenges meeting the needs of the Latino and immigrant population, which is one of the populations most in need of services, due to lack of having a Career Pathways for All/Bilingual Coordinator/Latino Community Liaison to manage workforce development program .
3. Employ Prince George's expects considerable challenges when the building re-opens as the County's American Job Centers are small, compact and see an average of 250+ people per day. Reopening the American Job Centers will be a very cautious process due to the expected traffic flow and request for services during a recession that has caused Prince George's County's highest unemployment rates since the unemployment data began being recorded and trying to adhere to the forecasted CDC spacing requirements.
4. The Construction of the Prince George's County Regional Workforce Hub has been terminated and will impact the residents in District 7, which is another of the County's challenging demographic areas.