

## MEMORANDUM

**TO:** Partner4Work Board  
**FROM:** Ed Hartman/Ray Herron  
**DATE:** June 28, 2017  
**RE:** FY2018 Budget

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We have enclosed the proposed FY2018 Partner4Work budget. The following represents a more detailed narrative surrounding the FY2018 Budget Analysis.

### Income:

- **Public Funds/Government Grants**
  - The proposed FY2018 budget shows a \$3.6 million increase, which is directly connected to new Adult TANF "EARN" program.
  - Our government grants are primarily connected to federal funds provided by various agencies, which include PA DOL, Federal DOL, and PA DHS.

### Expense:

- **Direct Program Expense**
  - The \$2.2 million increase in budget year over year related to 2 areas:
    - New Adult TANF funding - \$2.8 million
    - Youth WIOA reduction - \$600,000 reduction
- **Salaries, Wages and Benefits**
  - We are budgeting a \$530,000 increase in this area, which is directly connected to the organizational restructuring and the addition of 8 new positions. These new positions were previously reviewed in the Executive Meeting.
  - Staff level for 2017-18 will be 31 FTE, 1 PT and 3 Seasonal
- **Communication**
  - Partner4Work budgeted the Rebranding Project in FY2017, which causes the decrease of \$52,000 in the FY2018 budget.
- **Contracted Services**
  - For Adult TANF, we are subcontracting services to Great Lakes rather than hiring the current Adult TANF employees. This is to reduce distractions to services and provides us time to analyze the program and see what makes sense.
- **Equipment Expenses**
  - New Fiscal System, CRM and Contract Database (see Capital Budget sheet)
- **Rent**
  - The \$40,000 increase pertains to the leasing of additional office space due to organizational growth, as well as a slight increase in the existing leases.

**PARTNER4WORK  
BUDGET ANALYSIS  
FY2017 VERSUS FY2018**

	Forecast FY 2017	Budget FY 2018	Inc (Dec)
Ordinary Income/Expense			
Income			
4000 · Public Funds/Government Grants	15,624,704	19,713,770	4,089,066
4200 · Foundation & Private Contrib	1,250	0	(1,250)
4300 · Interest	2,976	2,500	(476)
4400 · Inter-Fund Transfer	0	0	0
4700 · Other Income	0	0	0
4800 · Assets Released frm Restriction	1,282,508	1,853,121	570,613
<b>Total Income</b>	<b>16,911,438</b>	<b>21,569,391</b>	<b>4,657,953</b>
Gross Profit	0	0	0
Expense			
5000 · Direct Program Expenses	14,444,421	17,632,338	3,187,917
5200 · Salary, Wages, and Benefits	1,863,053	2,525,153	662,100
5350 · Communication	87,924	36,000	(51,924)
5370 · Contracted Service	37,000	613,336	576,336
5400 · Depreciation Expense	37,835	65,340	27,505
5450 · Equipment Expense	32,208	66,500	34,292
5500 · Fiscal	43,857	49,000	5,143
5650 · Insurance	19,960	8,250	(11,710)
5660 · Information Technical Service	92,176	85,000	(7,176)
5700 · Legal Expense	29,620	35,000	5,380
5750 · Materials / Supplies	49,564	65,600	16,036
5760 · Meeting Expense	25,784	38,600	12,816
5770 · Memberships	19,325	24,000	4,675
5850 · Other Miscellaneous	2,104	0	(2,104)
5900 · Postage / Messenger	1,763	2,400	637
5940 · Publications	1,499	2,000	501
5950 · Rent	88,463	127,560	39,097
6000 · Staff Administration	10,002	17,535	7,533
6050 · Telephone	12,846	15,000	2,154
6060 · Temporary Service	18,549	0	(18,549)
6070 · Training	0	2,000	2,000
6080 · Travel & Conference	34,788	61,619	26,831
6900 · Distributed Costs	0	(0)	(0)
<b>Total Expense</b>	<b>16,952,741</b>	<b>21,472,230</b>	<b>4,519,489</b>
<b>Net Income</b>	<b>(41,303)</b>	<b>97,160</b>	<b>138,463</b>



**Partner4Work  
Capital Budget  
FY 2018**

<b>Financial Management System</b>	<b>\$ 100,000</b>
<b>Contract Database</b>	<b>\$ 25,000</b>
<b>CRM System</b>	<b>\$ 40,000</b>
	<b><u>\$ 165,000</u></b>