Networks Northwest
FY'18 Preliminary Budget
August 1, 2017

Budget Reminders

- Each funding source is highly prescriptive in terms of laws, regulations, requirements, limitations, and specific activities; there is very little flexibility (and often none).
- Each grant/program is heavily monitored and scrutinized by its funding source on a regular basis.
- Each grant budget must be pre-approved by its funding source before it is received and included in the overall agency budget.
- The agency is about 99% grant funded. Grants differ in terms of how they are allocated to us: some by various formulas, some by competitive bid, etc.; each one is different.
- Operating costs that cut across all programs are allocated monthly based on a state-approved Cost Allocation Plan.
- Each grant is on its own fiscal year and is prorated into the agency's fiscal year for purposes of the annual, overall agency budget.

Budget Assumptions for FY'18

- 2% cost increase for Priority Health policy and 4% cost decrease for Delta Dental policy; flat costs for other fringe benefits
- 2% cost of living increase in wages for most employees (based on CPI and effective 1/1/17)
- Flat or decreasing revenue, depending upon program; Reduction of 15% in Michigan Works combined revenue sources
- Increasing operating costs each year to maintain current service levels
- Revenue and corresponding expenditures tend to increase as the year progresses, typically about $2m/year beyond the original FY Budget
- Starting the year with nine fewer FTEs across the agency than in FY17 (1 in communications; 2 in community development; six in Michigan Works)
- Administrative costs have been reduced about 12% over the past two years
- Small increase in funding and service levels for Jobs for Michigan's Graduates
- Continued trend toward a higher ratio of fee-for-service work in Community Development department
- Expectation of Regional Prosperity Initiative funding similar to past two years' level
- Increased pressure from federal and state sources for private funding and local public funding to supplement or to serve as match
- No inclusion of revenue/expenses for the following programs that are reimbursed on a usage basis; amounts are unknown and unpredictable at this time but will be included on budget reports as the year progresses:
    - Trade Act
    - Skilled Trades Training Fund

Budget Goals for FY'18

- Maintain current customer access levels in Michigan Works through restructuring and re-focusing our priorities.
- Continue seeking local match sources that are required for the SBDC program.
- Continue a gradual trend toward more part-time support staff positions in order to continue reducing costs.
- Continue using contractors instead of in-house staffing for periodic needs (ex. - graphic design, printing).

Administrative Costs

- Total administrative costs are broken into two categories and are reflected on the Budget by Expense Line (p.4).
- This is a combination of:

Allocated Employment/Training Admin	$355,430	
Allocated COG Admin	214,876	
Total	$570,306	8.2% of the Total Expenses

Accompanying Pages

- Pg.3 is the Operating Budget by Fund (consistent with monthly budget report format).
- Pg.4 is the Operating Budget by Expense Line (a line-item view of the combined Funds).
- Pgs. 5-12 are the departmental sub-budgets, shown as required by the various funding sources.

Networks Northwest
Beginning Operating Budget by Fund
FY 2018
(10/1/2017 - 9/30/2018)

Line #	Funding Source		Estimated Revenues	Estimated Expenses	Percent of Total
1		**REVENUES:**			
2		501 Federal Grants	4,308,171		
3		539 State Grants	2,242,755		
4		600-671 Other Revenue	414,078		
5		TOTAL REVENUE	$6,965,004		
6					
7		**EXPENDITURES:**			
8		690 Community and Economic Development			
9		Federal Grants (F)		4,308,171	61.9%
10		State Grants (S)		2,242,755	32.2%
11		Other Funds (O)		414,078	5.9%
12		TOTAL EXPENDITURES		$6,965,004	100.0%
13					
14		**Expenditure Detail:**			
15		***TALENT***			
16	F	WAGNER-PEYSER EMPLOYMENT SERVICES	459,031	459,031	
17	F	WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA) - ADMINISTRATION	268,290	268,290	
18	F	WIOA - ADULT	794,236	794,236	
19	F	WIOA - DISLOCATED WORKER	551,594	551,594	
20	F	WOIA - YOUTH	598,479	598,479	
21	F	WIOA - ADULT EDUCATION AND FAMILY LITERACY	140,000	140,000	
22	S	MI SCHOOL AID FUND SECTION 107 FUNDS FOR ADULT EDUCATION PROGRAM [1]	378,571	378,571	
23	O	WEXFORD-MISSAUKEE/TBAISD/CHARLEVOIX SHARED STAFF POSITION	115,912	115,912	
24	F	JOBS FOR MICHIGAN'S GRADUATES (JMG)	155,000	155,000	
25	F	TRADE ACT			
26	F	TRADE ACT - CASE MANAGEMENT	45,000	45,000	
27	S	SKILLED TRADES TRAINING FUND			
28	F	PATH (PARTNERSHIP. ACCOUNTABILITY. TRAINING. HOPE) TANF	628,185	628,185	
29	S	PATH - GENERAL FUND/GENERAL PURPOSE	107,898	107,898	
30	F	TANF EMPLOYMENT RELATED SUPPORT	13,300	13,300	
31	F	APPRENTICESHIP EXPANSION	66,300	66,300	
32	F	APPRENTICESHIP SUCCESS COORDINATOR - APPRENTICESHIP USA	2,500	2,500	
33	S	APPRENTICESHIP SUCCESS COORDINATOR - STATEWIDE ACTIVITIES	14,063	14,063	
34		Subtotal Workforce	$4,338,359	$4,338,359	62.3%
35					
36		***BUSINESS***			
37	S	MICHIGAN ECONOMIC DEVELOPMENT CORPORATION - REGIONAL EXPORT NETWORK	54,986	54,986	
38	F	SMALL BUSINESS DEVELOPMENT CENTER	183,600	183,600	
39	O	SMALL BUSINESS DEVELOPMENT CENTER - CASH MATCH	53,955	53,955	
40	S	MICHIGAN ECONOMIC DEVELOPMENT CORPORATION - PROCUREMENT	180,000	180,000	
41	S	MICHIGAN ECONOMIC DEVELOPMENT CORPORATION - DEFENSE GROWTH PROGRAM	99,475	99,475	
42	F	U.S. DEPT. OF DEFENSE - PROCUREMENT	299,400	299,400	
43	O	NEWTON'S ROAD	168,366	168,366	
44		Subtotal Business	$1,039,782	$1,039,782	14.9%
45					
46		***COMMUNITY***			
47	S	MICHIGAN ECONOMIC DEVELOPMENT CORP - COLLABORATIVE DEVELOPMENT COUNCIL	100,000	100,000	
48	F	ECONOMIC DEVELOPMENT ADMINISTRATION (includes COUNTIES MATCH)	103,256	103,256	
49	S	MICHIGAN DEPARTMENT OF TRANSPORTATION- ASSET MANAGEMENT	72,000	72,000	
50	S	MICHIGAN DEPARTMENT OF TRANSPORTATION- RURAL TASK FORCE	22,000	22,000	
51	S	MICHIGAN DEPARTMENT OF TRANSPORTATION- WORK PROGRAM	37,000	37,000	
52	S	REGIONAL PROSPERITY INITIATIVE	314,762	314,762	
53	S	TTCI - STATE	22,000	22,000	
54	O	TTCI - LOCAL	33,430	33,430	
55	O	NORTHERN MICHIGAN HEALTH COALITION	35,000	35,000	
56	O	FEE FOR SERVICE WORK	7,415	7,415	
57	S	MICHIGAN DEPARTMENT OF CORRECTIONS OFFENDER SUCCESS	840,000	840,000	
58		Subtotal Community	$1,586,863	$1,586,863	22.8%

1 Funds flow through Traverse Bay Area Intermediate School District but are managed by Michigan Works!

Networks Northwest
Beginning Operating Budget by Expense Line
FY 2018
(10/1/2017 - 9/30/2018)

REVENUE	ALL PROGRAMS
Federal	4,308,171
State	2,242,755
Other	414,078
TOTAL REVENUE	**$6,965,004**
EXPENSES	
Advertising	7,070
Telephone	4,360
Building Space-Related Facilities	614,580
Communications	7,190
Comp. Personal Services	2,548,258
Contracted Services	576,892
Meeting Support	14,911
Employee Fringe Benefits	969,749
Maintenance & Repairs	137,692
Insurance	0
Materials & Supplies	87,480
Professional Development	20,283
Postage	40,701
Printing & Reproduction	7,500
Professional Services	99,150
Training & Education	0
Travel	117,358
Participant Training	472,500
Participant Support Services	79,934
Allocated Michigan Works Operating	64,099
Allocated E&T Administration	355,430
Allocated COG Operating	203,655
Allocated COG Administration	214,876
Allocated Public Information	79,074
Allocated Infrastructure Support	242,263
TOTAL EXPENSES	**$6,965,004**

Michigan Works! Budget

10/1/17-9/30/18

Revenue			
WIOA			**$ 1,890,273**
Adult	17/18	501,542	
Adult	18/19	183,847	
Youth	17/18	397,837	
Youth	18/19	144,696	
Dislocated Worker	17/18	355,957	
Dislocated Worker	18/19	135,319	
JMG	17/18	104,625	
JMG	18/19	34,875	
Apprenticeship Expansion Grant	17/18	17,200	
Accelerator Apprenticeship Success	17/18	2,500	
AY 16 WIOA SWA Apprenticeship Coordinator	17/18	11,875	
Employment Services			**$ 437,595**
Regular ES[5]	17/18	328,196	
Regular ES[5]	18/19	109,399	
Welfare Reform			**$ 670,106**
PATH State General Fund (GFGP)	17/18	89,160	
PATH TANF	17/18	567,646	
TANF Employment Related Support/DHHS	17/18	13,300	
Adult Education			**511,570**
State 107 (TBAISD)[2]	16/17	283,928	
State 107 (TBAISD)[2]	17/18	94,643	
WIOA Title II Adult Family Literacy	16/17	99,750	
WIOA Title II Adult Family Literacy	17/18	33,250	
Trade Act			**45,000**
Trade Act-TAA/TGAAA[5,6]	17/18	unknown	
Trade Act Case Management[5,6]	17/18	45,000	
Other			**$ 115,912**
Wexford Shared Staff Person	17/18	39,048	
TBAISD Shared Staff Person	17/18	38,864	
Charlevoix Shared Staff Person	17/18	38,000	
Total Revenue			**$ 3,670,456**

Expense			
Youth Program			12,000
Adult Education Program			511,570
Classroom Training & Just in Time Training			90,000
On the Job Training			75,000
Youth Work Experience			10,000
Subsidized Employment PATH			2,000
PATH Support Services			25,000
WIOA Supportive Services			20,000
Staff Salaries and Fringe			1,753,658
Building Rent & Maintenance & Utilities			743,092
General Expense[3]			288,636
JMG Budget			139,500
Total Expense			**$ 3,670,456**
		Balance	**$ -**

1. Funds flow through CPS but are managed by Michigan Works!
2. Funds flow through TBAISD but are managed by Michigan Works!
3. Includes insurance, phones, supplies, gas, car repairs, printing, advertising, etc.
4. New Funds
5. These funds must be operated through the NWMCOG books due to federal requirement.
6. These funds are reimbursed to us on a usage basis, not via a grant.

	MEDC/NORTH REN
Grant Amount (Prorated to Agency Fiscal Year)	$54,986

Expenses	
Advertising	
Telephone	
Comp. Per. Services	$14,494
Meeting Support	$500
Emp. Fringe Benefits	$6,522
Equipment	
Insurance	
Materials & Supplies	
Professional Development	
Postage	
Printing & Reproduction	
Professional Services	$2,500
Training & Education	
Travel	$17,926
Contracted Services	
Allocated Operating	$6,600
Allocated Public Information	$3,800
Allocated Infrastructure Support	
Allocated COG Administration	$2,644
Total	**$54,986**

SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

FY '18

	MI-SBDC GRANT	HOST CASH MATCH	TOTAL
Grant Amount - Prorated to agency fiscal year	**$183,600.00**	**$53,955.00**	**$237,555.00**

Expenses			
Advertising			
Telephone	$2,520		**$2,520.00**
Employee Salaries	$116,723.00	$31,932.00	**$148,655.00**
Meeting Support		$3,100.00	**$3,100.00**
Emp. Fringe Benefits	$55,356.00	$14,564.00	**$69,920.00**
Equipment			
Insurance			
Materials & Supplies		$400.00	**$400.00**
Professional Development	$1,500		**$1,500.00**
Postage			
Printing & Reproduction			
Professional Services			**$0.00**
Training & Education			
Travel	$7,501	$3,959.00	**$11,460.00**
Contracted Services			
Allocated Operating			**$0.00**
Allocated Public Information			**$0.00**
Allocated Infrastructure Support			**$0.00**
Allocated COG Administration			**$0.00**
Total	**$183,600.00**	**$53,955.00**	**$237,555.00**

Procurement and Technical Assistance Center
FY18 10/1/17-9/30/18

	Defense Logistics Agency	Michigan Economic Development Corporation	Total
Revenue			
	299,400	180,000	479,400
Expenditures			
Auto Data Processing	1,840	0	1,840
Communications	3,120	0	3,120
Comp. Personal Services	95,274	85,576	180,850
Employee Fringe Benefits	31,694	28,468	60,162
Meetings	0	0	0
Materials & Supplies	0	3,925	3,925
Memberships/Subs/Prof Act	3,800	1,500	5,300
Postage	0	0	0
Printing	0	500	500
Travel	18,970	19,140	38,110
Contracted Services (Saginaw Future)	99,000	0	99,000
Allocated COG Operating	17,647	15,851	33,498
Public Information	5,601	4,966	10,567
Allocated COG Administration	14,054	12,624	26,678
Infrastructure Support	8,400	7,450	15,850
TOTAL	**299,400**	**180,000**	**479,400**

MEDC Defense Growth Grant
FY '18

Personnel Salary	$24,476
Personnel Fringe Benefits	$10,524
Contracted Services	$20,000
Travel	$1,500
Professional Services	$20,000
Councils	$5,000
Printing and Reproduction	$2,000
Advertising	$3,000
Allocated Operating	$6,488
Allocated Public Information	$3,243
Allocated Infrastructure Support	
Allocated COG Administration	$3,244
Total Project Cost	**$99,475**

Newton's Road FY 18 Budget

Item	Budget
Agency Councils	1,000.00
Agency Personnel	78,294.71
Agency Fringe Benefits	31,317.88
Agency Equipment Repair	500.00
Agency Memberships	
Agency Supplies & Materials	4,200.00
Agency Postage, overnight mail, shipping	
Travel	7,000.00
Professional Development	
Events	5,200.00
Contractual/sub-recipient	2,000.00
Other	
Total Direct Charges	129,512.59
Administrative	12,951.26
Cost Share	25,902.52
Totals	**$ 168,366.36**

Community Development Budget FY '18

	MDOT ASSET MGMT	TTCI STATE	TTCI LOCAL	MDOT RTF	MDOT WK PLAN	ECON DEV ADMIN.	DTMB/RPI	NMHC ROTARY	CHAR PLAN	MEDC/ CDC	**Comm Dev TOTAL**
Grant Amount (Prorated to	$72,000	$22,000	$33,430	$22,000	$37,000	$103,256	$314,762	$35,000	$7,415	$100,000	**$746,863**
Agency Fiscal Year)											
Expenses											
Advertising											**$0**
Telephone											**$0**
Comp. Per. Services	$27,917	$9,371	$3,859	$10,349	$14,458	$44,379	$116,167	$22,500	$5,452	$11,846	**$266,298**
Meeting Support	$100		$1,000	$150						$3,000	**$4,250**
Emp. Fringe Benefits	$13,928	$4,669	$1,923	$2,418	$5,134	$14,861	$41,243	$2,300	$1,963	$4,157	**$92,596**
Equipment											**$0**
Insurance											**$0**
Materials & Supplies			$100.00								**$100**
Professional Development				$325.00		$3,563					**$3,888**
Postage											**$0**
Printing & Reproduction											**$0**
Professional Services	$4,078		$17,000		$4,028		$45,106				**$70,212**
Training & Education											**$0**
Travel				$318.00		$2,000				$4,000	**$6,318**
Contracted Services										$57,892	**$57,892**
Allocated Operating	$10,329	$3,467	$1,429	$3,830	$5,349	$16,421	$43,391	$4,950		$0	**$89,166**
Allocated Public Information	$4,142	$1,264	$2,149	$1,220	$2,126	$5,832	$18,226	$1,050		$5,210	**$41,219**
Allocated Infrastructure Support	$7,364	$1,925	$3,821	$2,170	$3,779	$10,368	$32,403	$1,050		$8,684	**$71,564**
Allocated COG Administration	$4,142	$1,304	$2,149	$1,220	$2,126	$5,832	$18,226	$3,150		$5,210	**$43,359**
Total	**$72,000**	**$22,000**	**$33,430**	**$22,000**	**$37,000**	**$103,256**	**$314,762**	**$35,000**	**$7,415**	**$100,000**	**$746,863**

Proposed Plan for Fiscal Year 2018			
	OFFENDER SUCCESS SITE:	Northwest	
	ADMINISTRATIVE AGENCY DIRECTOR NAME/TITLE:	Elaine Wood, CEO	
	SIGNATURE RECOMMENDED THROUGH CO-CHAIRS:		
	DATE:	7/28/2017	

SERVICE CATEGORY	AMOUNT BUDGETED	SERVICE TYPE	PROPOSED BREAKOUT
Residential Stability	250,700.00	24/7 Structured Housing	11,000.00
		Base Housing/Rents	212,000.00
		Housing Supplies	500.00
		Resource Specialist	27,200.00
Employment Readiness	248,100.00	Vocational Assessment	750.00
		Job Readiness	10,000.00
		Job Search/Job Development	10,000.00
		Temporary Work Experience	34,750.00
		Try-Out Employment	
		On-The-Job Training	27,000.00
		Work Supplies	4,800.00
		Resource Specialist	161,000.00
Social Support	45,400.00	Clothing Assistance	1,600.00
		Hygiene/Food Assistance	750.00
		Identification	550.00
		Mentoring	
		Pro-Social Activities	
		Public Transportation	4,300.00
		Private Transportation	4,000.00
		Law Enforcement	
		Telephone Assistance	
		Resource Specialist	34,000.00
Health & Behavioral Health	24,800.00	Cognitive Behavioral Groups	1,000.00
		Batterer Intervention Services	5,500.00
		Assessment	3,000.00
		Group Counseling	0.00
		Individual Counseling	8,500.00
		Family Counseling	
		Psychiatric Evaluation	
		Prescription Psychotropic Medication	
		Medication Review	
		Prescription Medication Health Care	
		Resource Specialist	6,800.00
Operations Support	271,000.00	Community Coordinator	99,000.00
		Travel Community Coordinator	3,000.00
		Outreach & Education	
		In-Reach	
		Training & Professional Development	1,000.00
		General Administration	168,000.00
TOTAL	840,000.00		840,000.00