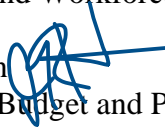





April 24, 2023

MEMORANDUM

TO: Edward Burroughs, III, Chair
Education and Workforce Development (EWD) Committee

THRU: Josh Hamlin 
Director of Budget and Policy Analysis

FROM: Arian Albear 
Budget and Policy Analyst

RE: Employ Prince George's (EPG)
Fiscal Year 2024 Budget Review

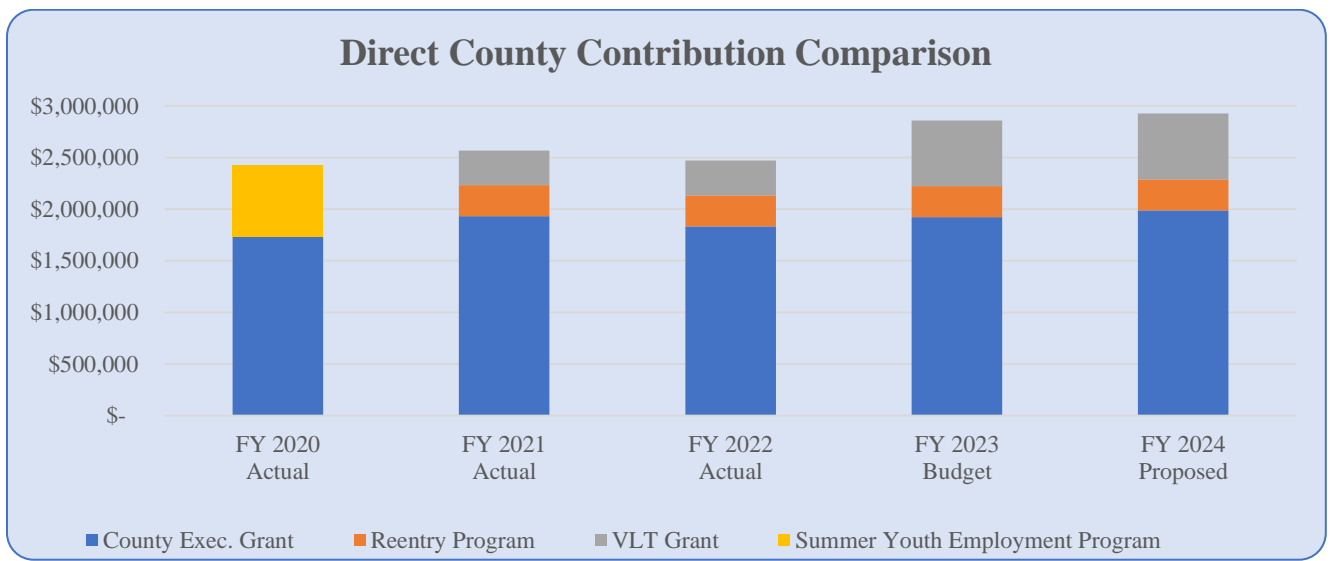
Budget Overview

- Employ Prince George's (EPG) is a 501(c)3 organization that is partially funded through annual County grants in the "Non-Departmental" section of the budget.
- The FY 2024 Proposed Budget for EPG is \$16,403,400, a decrease of \$175,600, or 1.1%, under the Approved FY 2023 Budget.
- FY 2024 Budget increases are driven by annualization of FY 2023 and planned FY 2024 salary adjustments and additional staffing needed, along with their associated fringe benefits and operating line-item expenses.
- The proposed budget includes a direct County Contribution of \$2,927,300, made up of the County Executive Grant (\$1,989,300), the Reentry Program Grant (\$300,000), and the Video Lottery Terminal (VLT) Grant (\$637,700).
- EPG receives additional grants from the County in the form of Prince George's American Rescue Plan Act (ARPA) Grant (\$2,500,000) and a Department of Housing and Department of Family Services Grant (\$214,000). These total \$5,641,300 in FY 2024 and represent about one-third of the total budget.

Budget Comparison – Revenues

Direct County Contribution – Approved Fiscal Year 2023 to Proposed Fiscal Year 2024

Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	FY 2024 Proposed	\$ Change	% Change
County Grant - County Executive	\$1,833,100	\$1,922,300	\$1,922,300	\$1,989,600	\$67,300	3.5%
County Grant - Reentry Program	300,000	300,000	1,300,000	300,000	\$ -	0%
County Grant - Video Lottery Terminal (VLT)	437,700	637,700	637,700	637,700	\$ -	0%
TOTAL	\$2,570,800	\$2,860,000	\$3,860,000	\$2,927,300	\$67,300	2.4%



Grants

A description of the major grants and their uses is found below:

- *County Grant – County Executive:* Used for operating workforce development programs, with a focus on staffing, services for returning citizens, small businesses, youth, veterans, immigrants, refugees, asylees, and English-language learners.
- *County Grant – Reentry Program:* Supports the County’s Reentry Program for returning citizens.
- *County Grant – Video Lottery Terminal (VLT) Grant:* Used for the American Job Center – National Harbor and support job seekers and businesses located in the MGM Impact Area with workforce development programming.
- *Work Innovation Opportunity Act (WIOA) Grant – Youth Grant:* Supports the County’s job centers and youth programs operated by EPG, Adam’s and Associates, and Eckerd Connects.

- *Work Innovation Opportunity Act (WIOA) Grant – Adult Grant:* Supports the County’s job centers and the adult demographic-specific programs, apprenticeships, industry-specific programs, and business services operated by EPG.
- *Work Innovation Opportunity Act (WIOA) Grant – Dislocated Worker Grant:* Supports the County’s job centers and the adult demographic-specific programs, apprenticeships, industry-specific programs, and business services operated by EPG.
- *Governor’s Summer Youth Connection Grant:* Used to procure a provider to operate a small summer youth employment program, serving ages 14-24.
- *Department of Family Services Grant:* Operates an out-of-school youth program – Knowledge Equals Youth Success (KEYS) – which provides young adults (ages 18-24) with the necessary tools to become competitive in the workforce. KEYS provides career pathways, credential attainment, and supportive services.
- *DHCD Community Development Block Grants:* No funding provided to EPG in FY 2024. Used to operate the Transportation and Logistics Consortium (TALC) Industry Bridge Program and the KEYS Program.

Approved Fiscal Year 2023 to Proposed Fiscal Year 2024

FY 2024 Proposed Budget is \$16,403,400, a decrease of \$175,600, or 1.1%, below the FY 2023 Approved Budget.

Category	FY 2022 Actual	FY 2023 Budget	FY 2023 Estimate	FY 2024 Proposed	\$ Change	% Change
County Grant - County Executive	\$ 1,833,100	\$ 1,922,300	\$ 1,922,300	\$ 1,989,600	\$ 67,300	3.5%
County Grant - Reentry Program	300,000	300,000	1,300,000	300,000	-	0%
County Grant - Video Lottery Terminal	437,700	637,700	637,700	637,700	-	0%
Work Innovation Opportunity Act Grant - Youth Grant	1,617,750	2,027,300	2,616,700	2,355,000	327,700	16.2%
Work Innovation Opportunity Act Grant - Adult Grant	1,780,650	1,641,300	2,237,000	2,013,300	372,000	22.7%
Work Innovation Opportunity Act Grant - Dislocated Workers Grant	1,280,520	1,706,800	2,161,100	1,945,000	238,200	14.0%
Governor's Summer Youth Connection	249,510	249,600	276,400	248,800	(800)	-0.3%
Maryland American Rescue Plan Act (ARPA)	2,151,550	3,000,000	4,200,000	4,000,000	1,000,000	33.3%
Prince George's County American Rescue Plan Act (ARPA)	4,500,000	4,500,000	7,000,000	2,500,000	(2,000,000)	-44.4%
Department of Family Services Grant	268,000	268,000	214,000	214,000	(54,000)	-20.1%
Racing Commission	200,000	-	200,000	200,000	200,000	N/A
DHCD Community Development Block Grants	124,451	308,000	308,000	-	(308,000)	-100.0%
COVID-19 National Dislocated Workers Grant	247,278	-	-	-	-	N/A
Maryland Highway Capital Construction Training Grant	719,950	-	-	-	-	N/A
Foundations - JP Morgan	-	18,000	-	-	(18,000)	-100.0%
Sponsorships	83,700	-	-	-	-	N/A
TOTAL	\$ 15,794,159	\$ 16,579,000	\$ 23,073,200	\$ 16,403,400	\$ (175,600)	-1.1%

- The additional \$1,000,000 received in FY 2023 through the Reentry Program Grant was through the Returning Citizens Affairs Division.
- Additional allocation received through the different WIOA Grants as a result of a formula finalization which uses estimates until the real allocation is received in May of each year.
- The new allocation from the Maryland Racing Commission fund entrepreneurship programs for County residents
- ARPA Grant funds from the County and State are projected to last through FY 2024 and FY 2026, respectively.

Budget Comparison – Expenditures

Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	% Change - Est vs App	FY 2024 Proposed	\$ Change	% Change
Compensation	\$ 4,379,320	\$ 5,564,000	\$ 6,793,700	22.1%	\$ 7,270,400	\$ 1,706,400	30.7%
Fringe Benefits	1,476,280	2,003,000	2,202,900	10.0%	2,471,900	468,900	23.4%
Operating	9,938,559	9,012,000	14,076,600	56.2%	6,661,100	(2,350,900)	-26.1%
TOTAL	\$ 15,794,159	\$ 16,579,000	\$ 23,073,200	39.2%	\$ 16,403,400	\$ (175,600)	-1.1%

Compensation

- FY 2024 Compensation is proposed at \$7,270,400, which is an increase of \$1,706,400, or 30.7%, above the FY 2023 Approved Budget. The increase is due to annualization of FY 2023 and planned FY 2024 salary increases and additional staffing needed for new grant funds.

Staffing Count

- The FY 2023 staffing count includes 21 County-funded full-time positions out of a total complement of 102. This is an increase of six (6) County-funded positions from the total listed for FY 2022.

Funding Source	FY 2022 Staff	FY 2023 Staff	Amount Change	% Change
County	15	21	6	40.0%
Other	66	81	15	22.7%
Total	81	102	21	25.9%

Fringe Benefits

- FY 2024 Fringe Benefits are proposed at \$2,471,900, an increase of \$468,900, or 23.4%, above the FY 2023 Approved Budget. The increase is a result of compensation adjustments.

Operating

Category	FY 2022 Actual	FY 2023 Approved	FY 2023 Estimate	FY 2024 Proposed	\$ Change	% Change
Direct Program Expenses						
Staff Travel	\$ 268,200	\$ 47,200	\$ 262,400	\$ 206,500	\$ 159,300	337.5%
Participant Training	1,292,900	2,566,000	2,560,000	385,000	(2,181,000)	-85.0%
Participant Support Services	164,400	78,200	226,000	213,200	135,000	172.6%
Supplies	977,000	474,800	980,000	813,490	338,690	71.3%
Contractual	6,462,859	4,674,300	7,500,000	3,995,480	(678,820)	-14.5%
School Youth Programming	18,000	200,000	240,000	392,110	192,110	96.1%
Other	755,200	613,300	950,000	255,500	(357,800)	-58.3%
Total Direct Program Expenses	\$ 9,938,559	\$ 8,653,800	\$ 12,718,400	\$ 6,261,280	\$ (2,392,520)	-27.6%
Other Operating Expenses						
Administrative Expenses	\$ -	\$ 358,200	\$ 358,200	\$ 399,800	\$ 41,600	11.6%
Total Other Operating Expenses	\$ -	\$ 358,200	\$ 358,200	\$ 399,800	\$ 41,600	11.6%
Total Operating Expenses	\$ 9,938,559	\$ 9,012,000	\$ 13,076,600	\$ 6,661,080	\$ (2,350,920)	-26.1%

- FY 2024 Operating expenses are proposed at \$6,661,080, a decrease of \$2,350,920, or 26.1%, below the FY 2023 Approved Budget. This decrease is due to Participant Training, Contracts, and Other Direct Program Expenses.
- County Funded contracts for FY 2024 are proposed at \$688,600 and are itemized below:
 - Prince George’s County OIT: \$688,600
 - Vehicle for Change: \$ 80,000
 - Problem Solving Courts: \$ 60,000
 - Farming for Hunger: \$ 45,000
 - Solid Foundation: \$ 45,000
 - Pathways Away From Incarceration: \$ 20,000
 - TCCF – Project Opportunity: \$ 20,000
 - Prince George’s County Fleet Service: \$ 9,400
 - Workforce 180: \$ 9,400
- The chart below shows a five-year trend Analysis of EPG’s Operating expenses, as a percentage of total budget.

Operating Expenses, as Percentage of Total Budget					
	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Approved	FY 2024 Proposed
Operating Expenses	\$3,367,891	\$3,879,342	\$ 9,938,559	\$ 9,012,000	\$ 6,661,100
Total Budget	\$8,459,964	\$8,433,704	\$15,794,159	\$16,579,000	\$16,403,400
Operating Share of Total Budget	39.8%	46.0%	62.9%	54.4%	40.6%

INFORMATIONAL AND PROGRAMMATIC SECTION

Mission

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 American Job Center serves over 40,000 job seekers and businesses annually.

Core Services

- Deliver workforce development services to County job seekers, prioritizing residents who are unemployed or underemployed.
- Provide recruitment and retention services for County-based businesses.
- Serve as the administrative and fiscal agent to the County Workforce Development Board.
- Provide countywide COVID-19 recovery support by increase the labor force and developing a pipeline for the future labor force.

Employ Prince George's Board of Directors

Employ Prince George's is governed by a Board of Directors. The current Members are:

Member Name	Office Held	(Re)Appointment Date	Term Expiration Date
Michael Burke	Chair	15-Aug-2018	30-Jun-2023
Deborah Purcell	Treasurer	1-Jul-2018	30-Jun-2024
Jerry T. Sanford	Secretary	15-Aug-2018	30-Jun-2023
Kerry Watson Jr.	Member	1-Jul-2020	30-Jun-2024
Brad Frome	Member	1-Jan-2020	30-Jun-2024
Erica Berry Wilson	Member	1-Sep-2019	30-Jun-2024
Dyana Forester	Member	4-Mar-2020	30-Jun-2023
Celeste James	Member	11-Sep-2018	30-Jun-2023
VACANT	Member	N/A	N/A

- There is one (1) vacant position and the terms of four (4) members will expire by 30 June 2023.

FY 2023 Key Accomplishments¹

- Expanded the Prince George's County American Job Center Community Network membership.
- Increased the operational and reporting capacity of the County's Virtual Career Center.

¹ **Note:** The accomplishments listed in the FY 2024 Proposed Budget Book are the same accomplishments listed for FY 2022. The list provided reflect actual FY 2023 accomplishments.

- Launched EPG's Apprenticeship Innovation Program and the Apprenticeship Expansion Fund.
- By the end of FY 2023, the Building Trades Careers Center will be operational.
- Expanded EPG's entrepreneurship programming to include Project Opportunity (veterans), El Poder de Ser Mujer (Hispanic women), Pathways to Entrepreneurship, and Accelerate to Entrepreneurship.
- Launched a non-profit capacity-building programming – Standards for Excellence Academy.
- Strengthened the operations of EPG's 14 workforce development programs.
- Increased community engagement efforts through the American Job Center Community Network.

Strategic Focus and Initiatives for FY 2024

- Re-Opening for the International Union of Painters & Allied Trades 51/Finishing Trades International Apprenticeship Training Center, which now includes an EPG satellite office.
- Completion and launch of the Prince George's County Mobile American Jobs Center.
- Increased traffic flow and programming at the American Jobs Center National Harbor.

Critical Concerns

- EPG noted that the most critical issue facing the County and the organization is the decrease in the labor force, leading to skills gap and businesses struggling to find qualified employees. From January 2019 to January 2023, the County has 20,445 less workers in its labor force and 13,456 less jobs.

Workload and Performance Trends

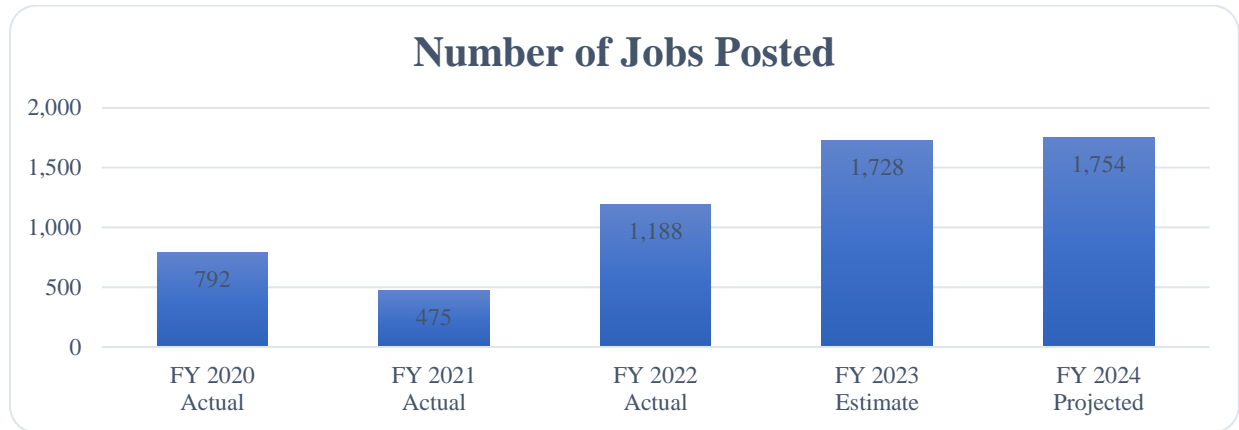
[First Source Registry Program](#)

- The First Source Registry is a list of job seekers in the County maintained by EPG. Established under CB-17-2011 and modified under [CB-102-2022](#), the Registry shall be the first source for hiring all new hire positions on procurement projects funded by a County agency or the County government valued at \$5 million or greater.
- According to EPG, the First Source Registry Program is not in operation. EPG notes that, while they maintain a list of job seekers, the Office of Central Services (OCS) or other County agencies have not reached out to fill positions in County-funded projects.
- Pursuant to [Sec. 10A-171. – Reports](#), the Prince George's County Economic Development Corporation's Workforce Services Division (now Employ Prince George's) "shall submit reports pursuant to Section 10A-138 to the County Auditor, the Purchasing Agent, and a compliance manager designated by the County Council... detail[ing] the number of government-assisted projects for which First Source and Local Hiring Agreements were executed, the number of jobs that result... the number of County residents actually employed in government-assisted projects and the number of unemployed County residents on the First Source Registry."

Other Programs

- Programs and services that EPG will provide in FY 2024 include:
 - Youth Demographic-Specific Programs
 - Knowledge Equals Youth Success (KEYS)
 - Youth Career Connections
 - Adult Demographic-Specific Programs
 - Encore
 - Career Pathways for All
 - El Poder de Ser Mujer
 - COVID-19 Workforce Development Recovery Program
 - Rapid Re-Employment Grants
 - Veteran Career Connections
 - Project Opportunity
 - Pathways to Success
 - Pathways to Entrepreneurship
 - Industry Bridge Programs
 - Capital Area Healthcare Alliance
 - Construction Works Program
 - Hospitality & Accommodation Institute
 - Educational Partnership for IT Careers
 - Professional Services Institute
 - Transportation and Logistics Consortium
 - Specialized Programs
 - Apprenticeship Innovation Program
- FY 2023 program participation was provided in the responses to the *Second-Round Budget Review Questions*
- In FY 2023, EPG has hosted nine (9) job and resource fairs and expects at least four (4) more by the end of the fiscal year.
- EPG maintains three (3) American Job Centers
 - American Job Center Largo
 - American Job Center National Harbor
 - American Job Center (Suitland, MD)

Goal 1 – Provide workforce development services to businesses that hire County residents.



Goal 2 – Provide workforce development services to County job seekers who are seeking employment as well as increasing their skills and credentials

