





April 22, 2024

MEMORANDUM

TO: Sydney J. Harrison, Chair
Education and Workforce Development (EWD) Committee

THRU: Joseph R. Hamlin 
Director of Budget and Policy Analysis

FROM: David Noto 
Legislative Budget and Policy Analyst

RE: Employ Prince George's (EPG)
Fiscal Year 2025 Budget Review

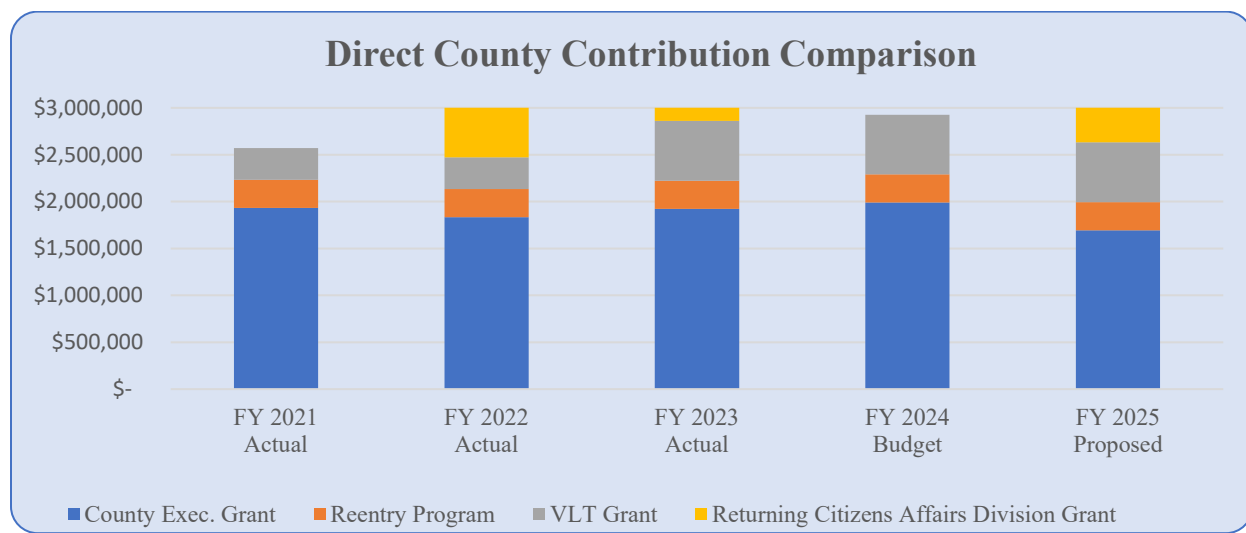
Budget Overview

- 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 2025 Proposed Budget for EPG is \$18,323,100, an increase of \$1,919,700 or 11.7% over the FY 2024 Approved Budget.
- FY 2025 Budget increases are driven by an increase in operating costs for staff development, travel, training, and outreach, annualization of FY 2024 and planned FY 2025 salary adjustments and additional staffing needed to support new grant programs, along with their associated fringe benefits and an increase in OIT charges based on countywide cost for technology. This is partially offset by a decrease in operating costs for supportive services and contractual staff.
- The proposed budget includes: a direct County Contribution of \$3,632,000, made up of the County Executive Grant of \$1,694,300, the Reentry Program Grant of \$300,000, the Video Lottery Terminal (VLT) Grant of \$637,700, and the Returning Citizens Affair Division Grant of \$1,000,000. EPG is also expected to receive an additional grant from the County in the form of a Department of Family Services Grant of \$214,000. These total \$3,846,000 in FY 2025 and represent about 21% of the total budget.

Budget Comparison – Revenues

Direct County Contribution – Approved Fiscal Year 2023 to Proposed Fiscal Year 2025

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	\$ Change	% Change
County Grant - County Executive	\$ 1,922,300	\$ 1,989,600	\$ 1,989,600	\$ 1,694,300	\$ (295,300)	-14.8%
County Grant - Reentry Program	300,000	300,000	1,300,000	300,000	\$ -	0%
County Grant - Returning Citizen Affairs Division	1,000,000	-	1,000,000	1,000,000	\$ 1,000,000	100%
County Grant - Video Lottery Terminal (VLT)	637,700	637,700	637,700	637,700	\$ -	0%
TOTAL	\$ 3,860,000	\$ 2,927,300	\$ 4,927,300	\$ 3,632,000	\$ 704,700	24.1%



Grants

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

- *County Grant – County Executive:* Used in all EPG 14 programs 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 by seven (7) programs, operating from the American Job Center – National Harbor, and supports 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 nine (9) youth programs operated by EPG, Adams and Associates, and Eckerd Connects.
- *Work Innovation Opportunity Act (WIOA) Grant – Adult Grant*: Supports the County’s job centers and the 12 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 12 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 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*: Used to operate the Transportation and Logistics Consortium (TALC) Industry Bridge Program and the KEYS Program.

Approved Fiscal Year 2024 to Proposed Fiscal Year 2025

The FY 2025 Proposed Budget for EPG is \$18,323,100, an increase of \$1,919,700 or 11.7% over the FY 2024 Approved Budget.

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	\$ Change	% Change
County Grant - County Executive	\$ 1,922,000	\$ 1,989,600	\$ 1,989,600	\$ 1,694,300	\$ (295,300)	-14.8%
County Grant - Reentry Program	300,000	300,000	300,000	300,000	-	0%
County Grant - Video Lottery Terminal	637,700	637,700	637,700	637,700	-	0%
County Grant- Returning Citizens Affairs Division	1,000,000	-	1,000,000	1,000,000	1,000,000	100.0%
Work Innovation Opportunity Act Grant - Youth Grant	2,256,016	2,355,000	3,942,400	2,844,000	489,000	20.8%
Work Innovation Opportunity Act Grant - Adult Grant	1,942,138	2,013,300	3,171,300	2,628,000	614,700	30.5%
Work Innovation Opportunity Act Grant - Dislocated Workers Grant	1,758,238	1,945,000	2,704,200	1,441,000	(504,000)	-25.9%
Governor's Summer Youth Connection	276,405	248,800	276,400	249,000	200	0.1%
Maryland American Rescue Plan Act (ARPA)	5,191,495	4,000,000	4,194,500	500,000	(3,500,000)	-87.5%
Prince George's County American Rescue Plan Act (ARPA)	2,777,196	2,500,000	6,200,900	-	(2,500,000)	-100.0%
Department of Family Services Grant	214,625	214,000	214,000	214,000	-	0.0%
Racing Commission	200,000	200,000	200,000	200,000	-	N/A
DHCD Community Development Block Grants	533,677	-	-	-	-	N/A
Foundations - JP Morgan	15,468	-	-	-	-	N/A
Blueprint for Success	-	-	6,615,100	6,615,100	6,615,100	N/A
Sponsorships	53,788	-	-	-	-	N/A
TOTAL	\$ 19,078,746	\$ 16,403,400	\$ 31,446,100	\$18,323,100	\$1,919,700	11.7%

Budget Comparison – Expenditures

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	% Change - Est vs App	FY 2025 Proposed	\$ Change	% Change
Compensation	\$ 5,270,968	\$ 7,270,400	\$ 8,695,700	19.6%	\$ 8,116,500	\$ 846,100	11.6%
Fringe Benefits	1,739,416	2,471,900	2,956,500	19.6%	2,759,600	287,700	11.6%
Operating	12,068,359	6,661,100	19,793,900	197.2%	7,447,000	785,900	11.8%
TOTAL	\$ 19,078,743	\$ 16,403,400	\$ 31,446,100	91.7%	\$ 18,323,100	\$ 1,919,700	11.7%

Compensation

- FY 2025 Compensation is proposed at \$8,116,500, which is an increase of \$846,100, or 11.6%, above the FY 2024 Approved Budget. The increase is due primarily to an increase in compensation because of an annualization of FY 2024 and planned FY 2025 salary adjustments

as well as additional staffing needed to support new grant programs and an increase in fringe benefit expenditures to align with projected costs.

Staffing Count

- The FY 2025 staffing count includes 21 County-funded full-time positions and 95 full-time non-County funded positions, as well as four (4) non-County funded part time positions for a total complement of 120. This is an increase of 18 non-County-funded positions from the total listed for FY 2024.

Funding Source	FY 2023 Staff	FY 2024 Staff	Amount Change	% Change
County Full-Time	21	21	0	0.0%
Part-Time	0	4	4	400.0%
Other Full-Time	81	95	14	17.3%
Total	102	120	18	17.6%

Fringe Benefits

- FY 2025 Fringe Benefits are proposed at \$2,759,600, an increase of \$287,700, or 11.6%, above the FY 2024 Approved Budget. The increase is to align with projected costs.

Operating

Category	FY 2023 Actual	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	\$ Change	% Change
<i>Direct Program Expenses</i>						
Staff Development & Travel	\$ 635,330	\$ 206,500	\$ 448,600	\$ 248,400	\$ 41,900	20.3%
Participant Training	3,907,019	777,100	7,393,900	1,095,000	317,900	40.9%
Participant Support Services	295,227	213,200	250,300	80,800	(132,400)	-62.1%
Supplies	656,539	813,500	1,553,100	709,600	(103,900)	-12.8%
Contractual	5,286,668	3,995,500	8,412,900	3,245,600	(749,900)	-18.8%
Other	1,287,576	255,500	1,335,300	1,637,700	1,382,200	541.0%
Total Direct Program Expenses	\$ 12,068,359	\$ 6,261,300	\$ 19,394,100	\$ 7,017,100	\$ 755,800	12.1%
<i>Other Operating Expenses</i>						
Administrative Expenses	\$ -	\$ 399,800	\$ 399,800	\$ 429,900	\$ 30,100	7.5%
Total Other Operating Expenses	\$ -	\$ 399,800	\$ 399,800	\$ 429,900	\$ 30,100	7.5%
Total Operating Expenses	\$ 12,068,359	\$ 6,661,100	\$ 19,793,900	\$ 7,447,000	\$ 785,900	11.8%

- FY 2025 Operating expenses are proposed at \$7,447,000, an increase of \$785,900, or 11.8%, below the FY 2024 Approved Budget. This increase is due to the annualization of FY 2024 and planned FY 2025 salary adjustments as well as additional staffing needed to support new grant programs.
- County Funded contracts for FY 2025 are proposed at \$245,600 and are itemized below:

Contracts List for County Grants FY 2025					
Vendor Name	FY 2024 Budget	FY 2024 Estimate	FY 2025 Proposed	\$ Change	% Change
Farming for Hunger	\$ 45,000.00	\$ 45,000.00	\$ 35,000.00	\$(10,000.00)	-22.22%
Pathways Away from Incarceration	\$ 20,000.00	\$ 20,000.00	\$ 15,000.00	\$ (5,000.00)	-25.00%
TAD Grants	\$ -	\$ -	\$ -	\$ -	0.00%
Solid Foundation	\$ 45,000.00	\$ 45,000.00	\$ 35,000.00	\$(10,000.00)	-22.22%
Vehicles for Change	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ -	0.00%
Workforce 180 Problem Solving Courts	\$ 9,400.00	\$ 9,400.00	\$ -	\$ (9,400.00)	-100.00%
TBD	\$ 60,000.00	\$ 60,000.00	\$ 59,300.00	\$ (700.00)	-1.17%
Total	\$ 259,400.00	\$ 259,400.00	\$ 245,600.00	\$(13,800.00)	

- 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 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Budget	FY 2025 Proposed
Operating Expenses	\$ 3,879,342	\$ 9,938,559	\$ 12,068,359	\$ 6,661,100	\$ 7,447,000
Total Budget	\$ 8,433,704	\$ 15,794,159	\$ 19,078,746	\$ 16,403,400	\$ 18,323,100
Operating Share of Total Budget	46.0%	62.9%	63.3%	40.6%	40.6%

INFORMATIONAL AND PROGRAMMATIC SECTION

Mission

Employ Prince George's, through its 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 3,000 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.

FY 2024 Key Accomplishments

- Created and increased a pipeline of workers that go through training and enter apprenticeships through the International Union of Painters & Allied Trades 51/Finishing Trades International Apprenticeship Training Center.
- Increased the number of participants engaged in pre-apprenticeship and apprenticeship training in all industries.
- Increased traffic flow and programming at the American Job Center National Harbor.
- Enhanced Employ's commitment to special populations, such as returning citizens and youth through development of the Bridge Center at Adams House and the Youth Career Center as well as launching a system to track participant services across the workforce ecosystem to limit duplication of services and improve customer outcomes.

Strategic Focus and Initiatives for FY 2025

- Increase the number of community-based organizations, government agencies, educational institutions, and faith-based organizations who are members of the Prince George's County American Job Center Community Network, as evidenced by signed MOU's.
- Increase the number of jobs (employed people) in Prince George's County through the efforts of Employ Prince George's 14 workforce development programs.
- Increase the number of jobs posted in Prince George's County, and ensure those jobs are filled with Prince George's County residents, through the efforts of the Business Services Department.
- Increase accessibility of workforce development programming throughout Prince George's County, virtually and in person.

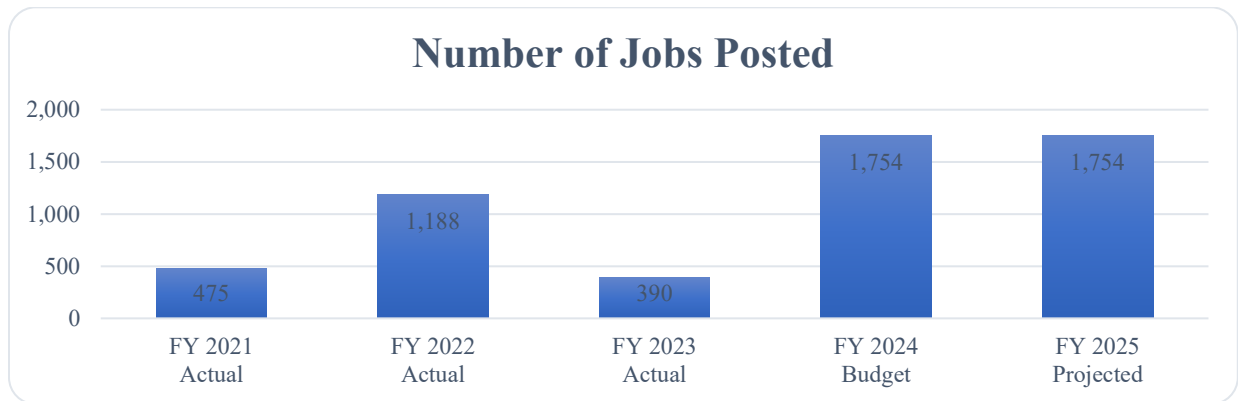
Critical Concerns

- EPG noted that the most critical employment issue facing the County and the organization is the decrease in the labor force since before the pandemic, leading to a skills gap and businesses struggling to find qualified employees. From January 2019 to January 2024, the County has 18,614 less workers in its labor force and 10,505 less jobs. Nonetheless, the January 2024 numbers are an improvement from the January 2023 numbers, with the county having gained over 1,800 workers and over 2,950 jobs.

Main Programs

- Programs and services that EPG will provide in FY 2025 include:
 1. Knowledge Equals Youth Success (KEYS)
 2. Youth Career Connections
 3. Encore
 4. Career Pathways for All
 5. El Poder de Ser Mujer
 6. Veteran Career Connections
 7. Pathways to Success
 8. Industry Bridge Programs
 9. Construction Works Program
 10. Educational Partnership for IT Careers (EPIC)
 11. Capital Area Healthcare Alliance
 12. Hospitality & Accommodation Institute
 13. Professional Services Institute
 14. Transportation and Logistics Consortium
- Specialized Program
 - Apprenticeship Innovation Program
- EPG maintains three (3) American Job Centers
 - American Job Center (Largo, MD)
 - American Job Center (National Harbor)
 - American Job Center (Suitland, MD)

Goal 1 – Provide workforce development services to businesses that hire Prince George’s County residents.



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

