

MEMORANDUM

TO: Workforce Development Board Executive Committee

FROM: Daisy Fernandez

SUBJECT: Discussion on MCWDB's Preliminary 2026-27 Budget

DATE: May 21, 2026

The FY26–27 proposed Monterey County Workforce Development Board (MCWDB) WIOA budget is based on projected Department of Labor (DOL) funding allocations to the State of California. Current federal funding projections indicate significant reductions to the Adult and Youth formula programs for California, while the Dislocated Worker (DW) program is anticipated to receive a modest increase over 25-26 funding levels.

The proposed FY26–27 budget includes multiple planning scenarios to prepare for potential federal funding fluctuations. Current projections evaluate both 5% and 10% reductions to funding levels across the Adult, Youth, and overall WIOA programs, while also considering a potential increase in Dislocated Worker funding. The budget framework is intended to maintain operational stability and preserve essential workforce services throughout Monterey County.

Projected WIOA formula funding for FY26–27 is estimated to be at \$7.71 million, compared to current-year level at \$7.7 million. Under the reduction scenarios, total WIOA funding would decrease to approximately \$7.32 million under a 5% reduction scenario and approximately \$6.94 million under a 10% reduction scenario. Overall admin and program funding for FY26–27 includes estimated carry-in funds from FY25–26 totaling approximately \$4,173,659, resulting in available program funding of approximately \$11.8 million. Under the reduction scenarios, total program funding is projected at approximately \$11.2 million under the 5% reduction scenario and approximately \$10.6 million under the 10% reduction scenario.

The Adult program allocation is \$2.54 million, with funding decreasing to approximately \$2.41 million under a 5% reduction and approximately \$2.28 million under a 10% reduction scenario. The Youth program allocation is \$2.58 million, with funding decreasing to approximately \$2.45 million under a 5% reduction and approximately \$2.32 million under a 10% reduction scenario. The Dislocated Worker (DW) grant is projected to receive a modest increase for FY26–27. Current DW funding is at \$2.59 million, with a potential increase to approximately \$2.72 million under a 5% increase scenario. The increase in DW funding may help partially offset reductions in Adult and Youth program allocations.

Major expenditure categories within the proposed budget include salaries and benefits, rent, IT and telecommunications, case management contracts, supportive services, workforce training activities, and required board reserves. Planned program personnel expenditures total approximately \$1.49 million, while case management contracts total approximately \$2.93 million. Additional expenditures include non-personnel operational costs estimated at approximately \$1.39 million, client-related services estimated between \$625,000 and \$650,000, and contractual and reserve obligations totaling approximately \$2.13 million. The budget also includes funding for training activities as defined by SB 734, and Youth Work Experience (WEX) programs, totaling approximately \$1.4 million and \$820,000 respectively. After these program obligations, available operational funding is projected at approximately \$8.89 million under the base funding scenario.

Preliminary fiscal analysis indicates that the organization remains financially stable under both the 5% and 10% reduction scenarios, due in part to carry-in funding from FY25–26 and conservative expenditure planning. However, continued cost containment measures, operational efficiencies, and careful monitoring of discretionary expenditures may be necessary to sustain service levels should federal funding reductions continue in future years.

Additional fiscal guidance and updated funding information will be provided during the budget meeting to support final recommendations and budget planning decisions for FY26–27. The MCWDB is also only expected to receive approximately 14% of its annual allocation on July 1, 2026, with the remaining allocation anticipated to be released on October 1, 2026.

Allocations	31% 33% Adult	31% 34% DW	33% 33% Youth	WIOA-RR 5%	100% 100%
Sources	\$ 2,537,272	\$ 2,591,113	\$ 2,581,293	WIOA RR funding	\$ 7,709,678
Sources Reduction					
Admin 10%	\$ 253,727	\$ 259,111	\$ 258,129	WIOA RR funding	\$ 770,968
Program 90%	\$ 2,283,545	\$ 2,332,002	\$ 2,323,164		\$ 6,938,710
Carry in 25-26	\$ 1,609,939	\$ 787,899	\$ 1,775,821		\$ 4,173,659
				Admin/Program Funding	\$ 11,883,337
Total Funding -Program	\$ 3,893,484	\$ 3,119,900	\$ 4,098,985	Total Funding -Program	\$ 11,112,369
Uses:					
SB 734	\$ 778,697	\$ 623,980	\$ 819,797		\$ 1,402,677
Youth WEX					\$ 819,797
					\$ 8,889,895
Available Funding	\$ 3,114,787	\$ 2,495,920	\$ 3,279,188	Program personnel/services/supplies Funding Total	\$ 8,889,895
Personnel	Temps 1.5				
Salaries / Benefits	\$ 1,439,465.86	\$ 173,307	\$ 1,491,351		
	\$ 1,491,351	\$ 238,419	\$ 247,948	\$ 234,017	WIOA RR-Staff Employee
					\$ 1,491,351
Non Personnel					
Rent -	\$ 378,903	\$ 117,460	\$ 117,460	\$ 125,038	5%-WIOA RR
					\$ 359,958
IT& Telecom	\$ 303,000	\$ 93,930	\$ 93,930	\$ 99,990	5%-WIOA RR
					\$ 287,850
COWCAP	\$ 156,674	\$ 51,702	\$ 53,269	\$ 51,702	
					\$ 156,674
County Counsel	\$ 45,000	\$ 14,850	\$ 15,300	\$ 14,850	
					\$ 45,000
Other operating cost	\$ 369,250	\$ 114,468	\$ 114,468	\$ 121,853	5%-WIOA RR
					\$ 350,788
Staff Development/Training	\$ 26,500	\$ 8,745	\$ 9,010	\$ 8,745	
					\$ 26,500
Travel -Conference	\$ 12,500	\$ 4,125	\$ 4,250	\$ 4,125	
					\$ 12,500
Workers Comp - WDB	\$ 135,000	\$ 44,550	\$ 45,900	\$ 44,550	
					\$ 135,000
Copy Machine Rental	\$ 12,000	\$ 3,720	\$ 3,720	\$ 3,960	5%-WIOA RR
					\$ 11,400
Case Management Contracts					Non Personnel
					\$ 1,385,669
Adult	\$ 900,000	\$ 900,000			\$ 900,000
DW	\$ 400,000	\$ 400,000			\$ 400,000
Youth CM	\$ 1,500,000		\$ 1,500,000		\$ 1,500,000
One Stop Operator	\$ 135,000	\$ 43,600	\$ 41,850	\$ 44,550	\$ 130,000
					\$ 2,930,000
Client Related Services					
Youth ITA's	\$ 45,000	\$ -	\$ -	\$ 45,000	\$ 45,000
Supportive Services	\$ 45,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000
Pre Voc Workshops	\$ 25,000	\$ 12,500	\$ 12,500		\$ 25,000
WorkKeys	\$ 30,000	\$ 12,500	\$ 12,500	\$ 5,000	\$ 30,000
Other client Related Services					
Business Services Enhancements	\$ 250,000	\$ 150,000	\$ 100,000		\$ 250,000
AJCC Fron Desk Staff -Salinas	\$ 125,000	\$ 55,000	\$ 55,000	\$ 15,000	\$ 125,000
Educational Training Coordinator	\$ 130,000	\$ 60,000	\$ 60,000	\$ 10,000	\$ 130,000
					\$ 650,000
Other Non Personnel					
Computers Annual lease	\$ 42,000	\$ 13,860	\$ 14,280	\$ 13,860	\$ 42,000
MIPs	\$ 13,000	\$ 4,290	\$ 4,420	\$ 4,290	\$ 13,000
					\$ 55,000
Contracts -other					
Brennan - T/A- ETPL	\$ 17,000	\$ 5,610	\$ 5,780	\$ 5,610	\$ 17,000
Brennan Monitoring	\$ 45,000	\$ 14,850	\$ 15,300	\$ 14,850	\$ 45,000
PDDG -Webhosting	\$ 52,000	\$ 17,160	\$ 17,680	\$ 17,160	\$ 52,000
PDDG - Outreach	\$ 35,000	\$ 11,550	\$ 11,900	\$ 11,550	\$ 35,000
Studies	\$ 75,000	\$ 24,750	\$ 25,500	\$ 24,750	\$ 75,000
Outreach materials	\$ 75,000	\$ 24,750	\$ 25,500	\$ 24,750	\$ 75,000
Slingshot Temp Staffing	\$ 45,000	\$ 14,850	\$ 15,300	\$ 14,850	\$ 45,000
Chmura	\$ 9,000	\$ 2,970	\$ 3,060	\$ 2,970	\$ 9,000
	\$ 1,782,501	\$ 588,225	\$ 606,050	\$ 588,225	\$ 1,782,501
Other					Contracts -other
					\$ 2,135,501
Totals	\$ 8,705,679	\$ 2,663,434	\$ 2,146,875	\$ 3,066,245	Grand Total
					\$ 8,647,521
		\$ 451,353	\$ 349,045	\$ 212,944	Variance
					\$ 242,374

Allocations	26-27 Proposed budget- based on Projected DOL funding			WIOA-RR 5%	Reduction 5%
	Reduction 5%	Increase 10%	Reduction 5%		
Sources	\$ 126,864	\$ 259,111	\$ 129,065	WIOA RR funding	\$ 385,484
Sources Reduction	\$ 2,410,408	\$ 2,850,224	\$ 2,452,228		\$ 7,324,194
Admin 10%	\$ 241,041	\$ 285,022	\$ 245,223	WIOA RR funding	\$ 732,419
Program 90%	\$ 2,169,368	\$ 2,565,202	\$ 2,207,006		\$ 6,591,775
Carry in 25-26	\$ 1,609,939	\$ 787,899	\$ 1,775,821		\$ 4,173,659
Total Funding -Program	\$ 3,779,307	\$ 3,353,100	\$ 3,982,827	Admin/Program Funding	\$ 11,497,853
				Total Funding -Program	\$ 11,115,234
Uses'					
SB 734	\$ 755,861	\$ 670,620			\$ 1,426,481
Youth WEX			\$ 796,565		\$ 796,565
					\$ 8,892,187
Available Funding	\$ 3,023,445	\$ 2,682,480	\$ 3,186,262	Program personnel/services/supplies Funding Total	\$ 8,892,187
Personnel	Temps 1.5				
Salaries / Benefits	\$ 1,439,465.86	\$ 173,307	\$ 1,491,351		
	\$ 1,491,351	\$ 238,419	\$ 247,948	WIOA RR-Staff Employee	\$ 720,383
Non Personnel					
Rent -	\$ 378,903	\$ 117,460	\$ 117,460	5%-WIOA RR	\$ 308,138
IT& Telecom	\$ 303,000	\$ 93,930	\$ 93,930	5%-WIOA RR	\$ 287,850
COWCAP	\$ 156,674	\$ 51,702	\$ 53,269		\$ 143,567
County Counsel	\$ 45,000	\$ 14,850	\$ 15,300		\$ 39,150
Other operating cost	\$ 369,250	\$ 114,468	\$ 114,468	5%-WIOA RR	\$ 350,788
Staff Development/Training	\$ 26,500	\$ 8,745	\$ 9,010		\$ 22,255
Travel -Conference	\$ 12,500	\$ 4,125	\$ 4,250		\$ 10,875
Workers Comp - WDB	\$ 135,000	\$ 44,550	\$ 45,900		\$ 123,450
Copy Machine Rental	\$ 12,000	\$ 3,720	\$ 3,720	5%-WIOA RR	\$ 11,400
Case Management Contracts				Non Personnel	\$ 1,297,472
Adult	\$ 900,000	\$ 900,000			\$ 900,000
DW	\$ 400,000	\$ 400,000			\$ 400,000
Youth CM	\$ 1,500,000		\$ 1,500,000		\$ 1,500,000
One Stop Operator	\$ 135,000	\$ 43,600	\$ 41,850	Case Management Contracts	\$ 2,930,000
Client Related Services					
Youth ITA's	\$ 45,000	\$ -	\$ -		\$ 45,000
Supportive Services	\$ 45,000	\$ 15,000	\$ 15,000		\$ 45,000
Pre Voc Workshops	\$ 25,000	\$ 12,500	\$ 12,500		\$ 25,000
WorkKeys	\$ 30,000	\$ 12,500	\$ 12,500		\$ 30,000
Other client Related Services					
Business Services Enhancements	\$ 250,000	\$ 150,000	\$ 100,000		\$ 250,000
AICC Fron Desk Staff -Salinas	\$ 125,000	\$ 55,000	\$ 55,000		\$ 110,000
Educational Training Coordinator	\$ 130,000	\$ 60,000	\$ 60,000	Client Related Services	\$ 625,000
Other Non Personnel					
Computers Annual lease	\$ 42,000	\$ 13,860	\$ 14,280		\$ 42,000
MIPs	\$ 13,000	\$ 4,290	\$ 4,420	Other Non Personnel	\$ 55,000
Contracts -other					
Brennan - T/A- ETPL	\$ 17,000	\$ 5,610	\$ 5,780		\$ 17,000
Brennan Monitoring	\$ 45,000	\$ 14,850	\$ 15,300		\$ 45,000
PDDG -Webhosting	\$ 52,000	\$ 17,160	\$ 17,680		\$ 52,000
PDDG - Outreach	\$ 35,000	\$ 11,550	\$ 11,900		\$ 35,000
Studies	\$ 75,000	\$ 24,750	\$ 25,500		\$ 75,000
Outreach materials	\$ 75,000	\$ 24,750	\$ 25,500		\$ 75,000
Slingshot Temp Staffing	\$ 45,000	\$ 14,850	\$ 15,300		\$ 45,000
Chmura	\$ 9,000	\$ 2,970	\$ 3,060		\$ 9,000
	\$ 1,782,501	\$ 588,225	\$ 606,050	Contracts -other	\$ 2,135,501
Other				Grand Total	\$ 7,763,356
Totals	\$ 8,705,679	\$ 2,663,434	\$ 2,146,875		\$ 2,953,047
		\$ 360,012	\$ 535,606	Variance	\$ 1,128,832

Allocations	Reduction 10%	Increase 10%	Reduction 10%	WIOA-RR 5%	Reduction 10%
Sources	\$ 253,727	\$ 259,111	\$ 258,129	WIOA RR funding	\$ 770,968
Sources Reduction	\$ 2,283,545	\$ 2,850,224	\$ 2,323,164		\$ 6,938,710
Admin 10%	\$ 228,354	\$ 285,022	\$ 232,316	WIOA RR funding	\$ 693,871
Program 90%	\$ 2,055,190	\$ 2,565,202	\$ 2,090,847		\$ 6,244,839
Carry in 25-26	\$ 1,609,939	\$ 787,899	\$ 1,775,821		\$ 4,173,659
				Admin/Program Funding	\$ 11,112,369
Total Funding -Program	\$ 3,665,129	\$ 3,353,100	\$ 3,866,669	Total Funding -Program	\$ 10,884,899
Uses'					
SB 734	\$ 733,026	\$ 670,620			\$ 1,403,646
Youth WEX			\$ 773,334		\$ 773,334
					\$ 8,707,919
Available Funding	\$ 2,932,103	\$ 2,682,480	\$ 3,093,335	Program personnel/services/supplies Funding Total	\$ 8,707,919
Personnel					
Temp 1.5					
Salaries / Benefits	\$ 1,439,465.86	\$ 173,307	\$ 1,491,351		
	\$ 1,491,351	\$ 238,419	\$ 247,948	WIOA RR-Staff Employee	\$ 720,383
Non Personnel					
Rent -	\$ 378,903	\$ 117,460	\$ 117,460	5%-WIOA RR	\$ 308,138
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Slingshot Temp Staffing	\$ 45,000	\$ 14,850	\$ 15,300		\$ 45,000
Chmura	\$ 9,000	\$ 2,970	\$ 3,060		\$ 9,000
	\$ 1,782,501	\$ 588,225	\$ 606,050		\$ 1,782,501
Other				Contracts -other	\$ 2,129,651
Totals	\$ 8,705,679	\$ 2,663,434	\$ 2,146,875	Grand Total	\$ 7,782,506
		\$ 268,670	\$ 535,606	Variance	\$ 925,413