

Virginia Career Works Northern Region

Thursday, December 7, 2023

Quarterly Board of Directors Meeting

Summary Notes

Members Present:

Robert Bartolotta
Anthony Cancelosi
Julie Coons
Edward Dupass
George Harben
Roxana Mejia

William Mountjoy
Derwin Overton
Steven Partridge
Leanne Rerko
Roopal Saran
Daisy Sauls

Cindy Shao
Karen Smaw
William Trumbull
Hector Velez

Executive Director: David Hunn

Staff: Sabrina Miller, Seema Jain, Rebecca Bennett, Wossenu Weldekiros, Deborah Shaffer, Sheila Jones, Ann Hyslop, Susan Baker, Lauren Parker, Claudia Barrios, Ahsan Ijaz, Jannette Sequeira, Virginia Judd, and Ghezel Kohestani

Observers: Lisa Tatum, Diane McBride, Tatiana Nuth, Trang Montgomery, Greg Vaughn, William Browning, Kimberly Carr, Shelly Rodriguez, Lindsay Washington, Susan Orehowsky, Linda Siam, Sandra Zacarias, Robin Baker, Jennifer Lucio Corsini, Toi Tanton, Michael Bozeth, and Dortha Brown

The meeting commenced at **8:31 a.m.**

Board Member Roll Call: Sabrina Miller conducted roll call and a quorum was met.

Approval of September 7, 2023 Summary Notes: A motion was made by Anthony Cancelosi to approve the Board Summary notes from September 7, 2023 and was seconded by Hector Velez. The Summary Notes were approved unanimously by the full Board of Directors, with no abstentions.

Chairman's Report:

Mr. William Trumbull, the Chairman of the Virginia Career Works Northern Region Board of Directors, welcomed the Board to the meeting.

Mr. Trumbull mentioned the organization being nearly halfway through FY 2024. Our programs and services are progressing well with over 17,600 Center customers served through the first five months, putting our Workforce Area on track to serve over 42,000 jobseekers by June 2024. Just last week, our Team launched the new Talent Up Fairfax Fund, focusing on Fairfax County jobseekers and employers. Mr. Trumbull shared a brief overview of new issues that have emerged during the Fall and then got into the specific Agenda items in the Board Package.

Mr. Trumbull discussed with the board that the prior week, Governor Youngkin was in Northern Virginia, participating on a Talent Ready Workforce Roundtable at the Alexandria Campus of Northern Virginia Community College. The Roundtable included Virginia, Maryland and the District School Superintendents, Community College Presidents, Dr. Sands from Virginia Tech, and multiple CEOs of large regional companies. The event was sponsored by the Greater Washington Partnership, chaired by the Northrup Grumman President and CEO, and was celebrating a recent JP Morgan Chase grant award of \$5.3 million to the GWP. The VCWN Executive Director was invited to be part of the Roundtable discussion. There was much focus and discussion on education - business partnerships, internships, work experience and work-based learning opportunities. There is a press release and photograph included in the Board package.

Mr. Trumbull then updated the board on the WIOA Training Expenditure Requirement. Our Team learned recently that the Governor and Labor Secretary will be proposing legislation later this year to increase the WIOA Training Funding percentage to 50% (from 40%), to be effective July 2024. The definition of training will be expanded to include time spent by WIOA case managers for job placement of WIOA jobseekers. **In 2015, our local workforce area was one of the most vocal opponents of this initial legislation.** The Governor's FY 2025 – 2026 Budget will be released shortly, and VCWN will need to see much more detail on how the definition of training expenditures will be outlined in the policy documents. Given the anticipated Federal funding reductions and this potential new State expenditure policy, our local area will likely be forced to reduce staffing levels funded through the WIOA grants. Staff discussed specifics later in the meeting and would consider a legislative position for the Fairfax County Board of Supervisors.

This past September, the SkillSource Group Board Chairman, Christopher Rieley, in collaboration with Ms. Rebecca Moudry, the Director of the Fairfax County Department of Economic Initiatives published a new workforce editorial in The Washington Business Journal, highlighting a new Fairfax County initiative called Talent Up Fairfax. Members can access this editorial online at www.bizjournals.com In the Search function, type in "Talent Up Fairfax" to access this free editorial. In the September 15th edition of the Washington Business Journal, the Virginia Career Works Northern Region will be highlighted in a new Workforce Directory, to be highlighted to the region's employers who read the Washington Business Journal.

Mr. Trumbull then discussed how we have been tracking how the Appropriations Subcommittee for the U.S. House of Representatives approved an FY 2024 Budget proposal that recommends significant funding reductions to the WIOA programs, including substantial cuts to the WIOA Adult Program, and complete elimination of the WIOA Youth Program and the Senior Community Service Employment Program. Over the Summer, Mr. Hunn signed a letter expressing our Board's concerns to Congresswoman Jennifer Wexton. The Board heard how the Congress has not been able to reach agreement on any budget issues for the new fiscal year and these workforce funds are caught up in these disagreements. No new answers yet, but hopefully some breakthroughs in the new calendar year.

Finally, a quick note that the Virginia Career Works Northern Board administrative offices will move in Fall 2024. The Fairfax County Economic Development Authority is moving into a new

building at 8270 Greensboro Drive in Tysons and our Board offices have been invited to also move with the FCEDA. The new building brochure is in the Board package.

Mr. Trumbull then asked for Committee Report Updates, as follows:

The SkillSource Group, Inc. (SSG) Board of Directors: Hector Velez reported for the SSG Board of Directors. Since the Virginia Career Works Northern Board meeting in September 2023, the SSG Board of Directors met and acted on the following items:

- Reviewed and approved the Updated FY 2024 Budget for SkillSource, the Virginia Career Works Northern and the WIOA One Stop Operator. This Board will be asked to ratify the updated and revised FY 2024 Budget and includes new funding for the Talent Up Fairfax Fund, continued funding from the United Way of the National Capital Area for the Prince William Financial Empowerment Center and continued funding for the GRADUATE Program with the City of Manassas.
- The Board also continued to review and approve multiple Incumbent Worker Training contract proposals, supporting local employers with skills upgrades.
- In November, the SkillSource Group Board approved and accepted the FY 2023 Annual Audit and Uniform Guidance, completed by our outside audit team, GRF. This Audit was clean, with no Findings or Recommendations, and has been posted online and with Federal and State finance authorities. The Audit Team is finalizing our 2023 Form 990 for submission to the IRS – the 990 will be reviewed and approved by the SSG Board later in December and will be shared with this Board online.

Youth Committee: Leanne Rerko reported for the Youth Committee.

- The Youth Committee last met on September 12, 2023.
- As of August 31, 2023, the Northern Virginia WIOA Youth Program was at 149 enrollments, with 3 In-School Youth enrollment.
- The Committee was apprised of the outcomes around the 2023 summer Educating Youth through Employment (or EYE) program – 140 youth were placed into internships and 124 completed successfully.
- The Committee also reviewed the letter sent by Virginia Career Works – Northern to Congress on the FY 2024 Appropriations Funding Level.
- Lastly, the Committee reviewed the PY 2022 obligations and expenditures, as well as the performance report for the fourth quarter; the Northern Virginia WIOA Youth program met or exceeded all of the five performance measures.

Quality Assurance Committee: Robert Bartolotta reported for the Quality Assurance Committee.

- The Quality Assurance Committee last met on October 12, 2023.
- The Committee approved four (4) new Eligible Training Providers and their programs and approved expanded course offerings for three (3) current Eligible Training Providers.

- The Committee also approved cost increases for several programs for two (2) current Eligible Training Providers.
- Lastly, the Committee reviewed the Individual Training Account (ITA) obligations for FY 2024 – as of September 30, 2023, nearly 116 training vouchers had been issued and \$309,000 had been obligated in WIOA training funds.

Necessary Board Actions Aligned with Approved 2021 – 2024 Strategic Priorities

Become a Thought Leader for Workforce Development

Ratification of Updated FY 2024 SkillSource Group Budget

Seema Jain discussed the fourth draft of the FY24 Budget that shows a balanced budget with total revenues equal total expenses, at \$12.91 million. The increase in Net Assets With Donor Restrictions is expected to offset the decrease in Net Assets Without Donor Restrictions, resulting in no deficit or surplus.

Program	Increase / (Decrease) in Net Assets
United Way Financial Empowerment Center (UWFEC)	16,823
NVITE	(15,454)
Ticket to Work	(17,161)
TANF4	(3,490)
Ticket to Work	(7,161)
Unrestricted Program	(5,039)
Indirect cost	14,322
Total Increase / (Decrease) in Net Assets	(0)

This budget version incorporates the following changes:

- Addition of the new Talent-Up Fairfax grant. The total grant funding for 17 months is \$2,310,000, and the FY24 portion is estimated at \$1,524,217.
- Additional transfer of \$230,00 from the WIOA PY22 Dislocated Worker program to the Adult program, increasing total transfer requested for PY22 to \$710,000 (for two years FY23 and FY24). Total FY24 WIOA transfer from the Dislocated Worker program to the Adult program for both PY22 and PY23 is \$780,000.

- Updating the FY24 SCEP budget as approved by the National Council on Aging, updating the NVITE grant with actual carryover funds from FY23, and updating the EYE and DARS SEAL grants with more accurate expenses.
- Increasing estimated Ticket to Work revenue to \$170,000 from \$160,000 based on actual FY23 results.
- Miscellaneous staff time allocation adjustments across grants and programs.

A motion to approve the fourth pass of the FY 2024 ***SkillSource*** Budget, was made by Hector Velez and seconded by Edward Dupass. The motion was unanimously approved by the full Board of Directors.

Approval of Proposed Virginia Career Works – Northern Legislative Recommendation to The Fairfax County Board of Supervisors

David Hunn shared a draft letter with the board regarding the Virginia General Assembly adding new language in the Virginia Code (Chapter 4.2 section 2.2-2472.2) requiring Virginia local workforce development boards to annually allocate no less than 40% of its annual Federal Workforce Innovation and Opportunity Act (WIOA) Adult and Dislocated Worker Formula Funding towards jobseeker training costs. In 2020, the Virginia Secretary of Labor amended the regulatory guidance for implementing this policy to allow local workforce boards to include portions of staff salary and benefits costs necessary to prepare the jobseeker for training to be included in this formula calculation.

In January 2024, Governor Youngkin is expected to propose new General Assembly legislation to amend the Virginia Code to increase the WIOA Training Expenditure Requirement to 50% of a local workforce area’s WIOA Adult and Dislocated Worker annual funding allocation.

Each year Congress appropriates Federal funding for the Workforce Innovation and Opportunity Act Title I Adult, Dislocated Worker, and Youth programs. Each State receives a formula-based allocation from this Federal appropriation for each WIOA program. Funds are then allocated to the State’s local workforce areas, by formula, to deliver workforce and training services as determined by the WIOA Grant Recipient (Fairfax County Government) and the Local Workforce Development Board (Virginia Career Works Northern).

The VCW Northern Region includes Fairfax, Loudoun and Prince William Counties and the cities of Fairfax, Falls Church, Manassas, and Manassas Park, representing over 2.1 million residents and tens of thousands of employers.

The total costs necessary to operate the local workforce system are covered within the WIOA funding allocated to the local workforce board, to include Center staff salaries and benefits, One Stop Operator costs, jobseeker training, supportive services for jobseekers, local workforce board administrative costs, and marketing and outreach expenses.

The Virginia Career Works Northern Region has achieved the State's 40% WIOA Training Requirement, as follows:

2017 2018 2019 2020 2021 2022

Yes Yes No No Yes Yes (Projected)

The Virginia Career Works Northern Region Board of Directors requests the Fairfax County Board of Supervisors to oppose this proposed legislation to increase the WIOA Training Expenditure Requirement for Virginia local workforce areas.

- A WIOA Training Spending requirement limits local flexibility to administer WIOA programs to best meet the needs of jobseekers. A higher training expenditure requirement will greatly impact American Job Center staffing levels in Northern Virginia, including Fairfax County employees funded through the WIOA program.
- Reductions and fluctuations in annual Federal WIOA funding to the Northern Virginia workforce area reduces consistent planning and predictability, forcing decisions to reduce staffing levels to meet the State training expenditure requirement. With continued reductions in Federal WIOA funding, a WIOA Training Expenditure increase will require local workforce area staffing reductions in FY 2025 and FY 2026.
- As a State Code requirement, this spending issue becomes an Audit Finding for local governments if the WIOA Expenditure level is not met by a local workforce development area.

A motion was made by Hector Velez to approve the sending of the Proposed Legislative Position Statement to the Fairfax County Board of Supervisors for the 2024 Virginia General Assembly and seconded by Anthony Cancelosi. The motion was approved by the Board of Directors, with Steve Partridge and Julie Coons abstaining from the vote.

Update on New State Workforce Development Agency Implementation

David Hunn shared the transition updates of the new State Workforce Development Agency Implementation. The phase III transitioning programs will be moving to the DWDA ahead of schedule. Along with the scheduled transition of the VEC workforce service programs, the VCCS WIOA Title 1 program will be moving over on January 15, 2024. This officially concludes the transitioning program/staff process.

Expand Talent Pipeline of Youth and Adults for Business

Approval of Updated VCWN Policies – Supportive Services

Seema Jain reviewed the updated Virginia Career Works Northern Region Supportive Service Policy. Ms. Jain highlighted the new language to include : Supportive services for Adults and Dislocated Workers may only be provided when they are necessary to enable individuals to

participate in career services, **post-employment placement**; Also updated, **Transportation assistance may be provided to WIOA participants. Case managers and clients must submit the required forms to justify the need for the supportive service and ensure that the need is tied to client's training, employment goals and/or part of the follow-up services to ensure employability and job retention for recently employed individuals. WIOA may provide transportation services to certain individuals who have been placed in employment for up to 30 days. Exceptions to the time period must be requested and approved in advance and sufficient documentation must be provided to support an extenuating circumstance.**

A motion to approve the revised Virginia Career Works Northern Region Supportive Service Policy was made by Hector Velez and seconded by Anthony Cancelosi. The motion was unanimously approved by the full Board of Directors.

Expand Strategic Partnerships Across Northern Virginia to Accomplish Our Goals

Northern Virginia One Stop Operator Update on Caseload and Service Strategy for FY 2024

Sandra Zacarias from the Fairfax County Department of Family Services, the One-Stop Operator for the Virginia Career Works Northern Region, gave a presentation reporting on the Training caseloads for FY 2024 during the period of July 2023 through October 31, 2023.

Board Business Items

Program Management Reports

David Hunn provided an overview of the Program Management report, which highlighted service and performance data for FY 2024 from July 1, 2023, through October 31, 2023.

Executive Director Items

David Hunn provided an overview on FY 2024 (through October 2023) WIOA Training expenditures, by vendor and OJT Commitments, Northern Virginia Regional Commission Issues New Labor Market Update, the official launch of the Talent Up Fairfax fund, and the Greater Washington Region's Talent Ready Initiative announcement. Mr. Hunn also shared The Virginia Career Works Northern administrative offices will move in September 2024. Finally, he reviewed the *SkillSource* Group Summary of Grants and Contracts Award Matrix

Adjournment

With all Board activities completed, Chairman William Trumbull sought a motion to adjourn the meeting. The motion was made and seconded.

The meeting adjourned at 9:39 a.m.