

Virginia Career Works Northern Region

Thursday, June 2, 2023

Quarterly Board of Directors Meeting

Summary Notes

Members Present:

Robert Bartolotta
Michael Becketts
Louis Cernak
Julie Coons
Joseph Diaz
Sheila Dixon
Edward Dupass
Debora Harvey

Debby Hopkins
Roxana Mejia
Jennifer Pardo
Bruce Patterson
Leanne Rerko
Christopher Rieley
Todd Rowley
Roopal Saran

Daisy Sauls
Cindy Shao
Karen Smaw
Zuzana Steen
William Trumbull
Hector Velez
Michele Weatherly

Executive Director: David Hunn

Staff: Sabrina Miller, Seema Jain, Nancy Nguyen, Rebecca Bennett, Wossenu Weldekiros, Deborah Shaffer Sheila Jones, Karla Quiroz, Ann Hyslop, Susan Baker, Mark Chernisky, and Eliza Chappell

Observers: Diane McBride, Tatiana Nuth, Trang Montgomery, Annie Tamerjan, William Browning, Kimberly Carr, Shelly Rodriguez, Lily Parker, Susan Orehowsky, Kayla May, Linda Siam, Sandra Zacarias, Toi Tanton, and Dorthea 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 March 2, 2023 Summary Notes: A motion was made by Hector Velez to approve the Board Summary notes from March 2, 2023 and was seconded by Debora Harvey. 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 discussed the Board will be preparing to close out one fiscal year and to finalize planning for the new FY 2024, which will start on July 1, 2023. The VCWN Team and the Virginia Career Works One Stop Operator, the Fairfax County Department of Family Services, has had an excellent year of program expansion, innovative partnerships, and outstanding job placements. Area #11 has met the State's WIOA 40% Training Expenditure requirement for PY 2021 and are well on the way to meeting the PY 2022 goal as well.

Mr. Trumbull asked the Board to consider the outstanding environment of the Northern Virginia labor market – Just this week, Fairfax County Board of Supervisors Chairman Jeffrey McKay wrote to all citizens that the Fairfax County labor market is now stronger than before the onset of the COVID Pandemic. The Fairfax County-resident labor force is the largest it has ever been. Yet Fairfax County employers continue to seek to fill over 70,000 open positions. For the Northern Virginia region, open positions total over 126,000 opportunities.

Mr. Trumbull updated the board on the Governor’s Workforce Reorganization Legislation. Since our last meeting in March, the Virginia General Assembly has completed its work on the Governor’s State Workforce Agency Reorganization legislation, passing companion bills in the House and Senate. Governor Youngkin signed this legislation in mid-April and State and local staff have begun working on schedules and planning efforts for implementing this new Department of Workforce Development and Advancement. Just yesterday, Governor Youngkin held a ceremonial signing event in Chester, Virginia and Board Members received an invitation to participate – Joe Diaz, of Didlake made the trip to Chester and had an opportunity to meet the Governor and Labor Secretary Slater. Mr. Trumbull opened the floor for Mr. Diaz to give his remarks and share photos from the ceremonial signing event. Mr. Trumbull then highlighted that Mr. Diaz’s employer, Didlake, Inc., recently opened their new corporate offices in Manassas – a beautiful new multi-million-dollar, four-story building that will serve their customers and families for decades ahead.

Mr. Trumbull briefly discussed two important issues related to the State Reorganization – the required implementation of the new State Referral Portal and the consolidation of the WIOA Eligible Training Provider Program at the State level. Both items will be discussed with Board action of staff recommendations during the meeting.

In March, the SkillSource Group Board Vice President, Marc Tate, published a workforce editorial in The Washington Business Journal, highlighting the employer services available to all regional employers through the local workforce development board. The article is online at the Business Journal – go to www.bizjournals.com and type Marc Tate into the Search feature. Marc’s article highlighted fellow Board Member, Debora Harvey of the Heavy Construction Contractors Association and a GO Virginia Northern Council member, Mr. Sumeet Shrivastava.

Finally, the Board will be returning to the new Virginia Referral Portal, for which staff submitted an Implementation Plan to the State in late February. The State Workforce Board will approve these Plans in late June and our Team will begin implementation in July. This new process will be a challenge for staff and Center customers – VCWN’s goal is to make it as easy as possible.

Introduction of New Board Members

Mr. Trumbull then introduced a number of new members. He called on each board member and affiliations and invited them to introduce themselves to their fellow Board Members.

- Sheila Dixon – Executive Director, Northern Virginia Black Chamber of Commerce
- Cindy Shao, President and CEO, Asian-American Chamber of Commerce
- Michael Hain, Director of Human Resources, Salamander Resort and Spa

- Daisy Saulls, Director of Projects, and Programs, Equinix (A Data Center Operator in Loudoun County)
- Debby Hopkins, Director of Workforce Initiatives, Apptec, Inc.

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

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

- The Board's Quality Assurance Committee has met twice, in April and May, to respond to a backlog of eligible training provider applications from organizations seeking to provide training services to jobseekers. I want to express my appreciation to Joseph Diaz and Leanne Rerko for helping with this special assignment and working through multiple training provider applications.
- Later in this meeting, the Board staff will be presenting a new State Board Policy, to be approved later in June, which will centralize the review and approval of WIOA Eligible Training Providers at the State level. This change is welcomed by the local Board staff, especially as Northern Virginia has the vast majority of training providers to be reviewed across the entire State. This policy shift, to be effective July 1, 2023, will dramatically change the role of this Committee – our local Board and this Committee will still be responsible for initially reviewing and approving Training Provider applications, but the ongoing work to monitor training providers and to renew providers annually will now be a State responsibility.

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 March 2023, the SSG Board of Directors met monthly and acted on the following items:

- Reviewed and approved initial drafts of the FY 2024 Budget for ***SkillSource***, the Virginia Career Works Northern and the WIOA One Stop Operator. This Board will be asked to ratify the proposed FY 2024 Budget, so I will not get into specific details that will be described later this morning.
- Velez highlighted that the FY 2024 Budget is continuing to fund armed security guards at two American Job Centers in Northern Virginia, Alexandria, and Woodbridge, which include Virginia Employment Commission employees. **The Virginia Employment Commission is providing no funding to support these security guards in this fiscal year and the Agency has not responded to our request to share 50% of security costs in FY 2024.** He noted that the Board would expect to know more later in June.
- For FY 2023 and FY 2024, the Board approved ***SkillSource*** Group to create and hire two new staff positions to support the WIOA Youth Program – a Job Developer and a Youth Ambassador, using WIOA Youth Program funding. This action was taken at the request of the WIOA One Stop Operator in order to expedite the hiring of these new roles and to

begin adding additional WIOA Youth cases to the Northern Virginia program. These roles will be filled shortly and will be at-will positions.

- The ***SkillSource*** Group Board approved multiple Incumbent Worker Training contracts. ***SkillSource*** has significant funding available for more Incumbent Worker Training opportunities in FY 2024 and I encourage all Board Members to share this information with your business colleagues.
- The ***SkillSource*** Group President has announced that the offices in Tysons Corner will be open five days per week, starting on Monday June 5th. SSG staff will continue with a hybrid work environment, both in the office and off-site. The ***SkillSource*** offices will also be used by trainees from the Senior Community Service Employment Program and the WIOA Youth Program, as needed.

Youth Committee: Leanne Rerko reported for the Youth Committee.

- The Youth Committee last met on March 14, 2023.
- As of April 30, 2023, the Northern Virginia WIOA Youth Program was at 147 enrollments, and 100% Out of School Youth enrollments.
- The Committee approved expanding the client eligibility criteria for the WIOA Youth Program to include In-School Youth, which was also approved by the VCWN Board of Directors at its last meeting. The Committee also reviewed the current obligations and expenditures for the WIOA Youth program, and strategies to increase enrollments in the Youth program.
- Lastly, the Committee reviewed the PY 2022 performance report for the second quarter; the Northern Virginia WIOA Youth program met or exceeded all the five performance measures.

Necessary Board Actions Aligned with Approved 2021 – 2024 Strategic Priorities

Become a Thought Leader for Workforce Development

Ratification of Updated FY 2023 SkillSource Group /Virginia Career Works Northern Budget

Seema Jain discussed the updated draft of the FY 2023 ***SkillSource*** budget reflects approximately \$9.901 million in revenues and \$10.075 million in expenses, with the resulting Decrease in Net Assets of \$174,158.

The breakdown of the net loss is outlined in the chart below.

NVITE	-17,264
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UW FEC	-152,951
Unrestricted	-4,405
Ticket to Work	-2,885
Indirect Costs	3,345
Total	-174,158

The decrease in Net Assets With Donor Restrictions reflects the timing difference between revenue and expense recognition for two programs – the Prince William Financial Empowerment Center funded by the United Way of the National Capital Area (UWNCA) grant, and the Northern Virginia IT Employment (NVITE) program through the Greater Washington Community Foundation, and are not an indication of under-performance. SkillSource received \$206,973 from UWNCA in March 2022 to run the Prince William Financial Empowerment Center in the Virginia Career Works – Prince William Center Woodbridge, and the full funding was recognized as revenue in FY 2022. However, many expenses did not incur until the second half of calendar year 2022, which is the first half of fiscal year 2023. SkillSource is currently in a no-cost extension period for January to June 2023 for the UWNCA grant; therefore, all expenses that incurred in FY23 are not covered by any new revenue. To avoid this problem in the future, SkillSource is working with UWNCA to move the next grant award to align with SkillSource’s fiscal year from July to June. In the past, the surplus in this program helped offset the deficits in the Net Assets Without Donor Restrictions.

Other changes incorporated in the updated FY 2023 budget include:

WIOA

- Added \$14,128 in new Dislocated Worker funding awarded on May 25, 2023.
- Increased WIOA Adult training by \$50,000 and WIOA Dislocated Worker Training by \$26,000 due to increases in caseloads.
- Increased transfer amount from WIOA Dislocated Worker to WIOA Adult to \$480,000 to cover the increase in Adult caseloads compared to DW’s and associated expenses.

Additional personnel and fringe budget assumptions include:

SkillSource Group

- Incorporated a 2% performance bonus for staff.

SkillSource staff are continuing to monitor unrestricted expenses, and other factors that may impact the FY 2023 budget.

A motion to ratify the updated FY 2023 SkillSource Group Budget was made by Robert Bartolotta and seconded by Joseph Diaz. The full Board of Directors unanimously approved the motion.

Ratification of Proposed FY 2024 SkillSource Group /Virginia Career Works Northern Budget

Seema Jain discussed the second draft of the FY 2024 Budget shows a balanced budget with total revenues equal total expenses, at \$11.11 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 (UW FEC)	16,845
Ticket to Work	(16,456)
Unrestricted Program	(2,839)
Indirect cost pool	2,449
Total Increase / (Decrease) in Net Assets	(0)

The new PY 2023 WIOA allocations show a reduction of 26% from PY 2022 level, which has been incorporated into this budget version.

This draft of the budget also reflects an increase in the expected WIOA carryover amount from FY 2023; the first draft of the budget assumed carryover amount equal to the set-aside amount from the FY 2023 budget. The carryover is now expected to be equal to the set-aside amount for the first four months of FY 2024, plus estimated unspent training funds from FY 2023.

The FY 2024 budget will assume 10% WIOA Administration (maximum allowable is 10%) and an increase in WIOA Adult and DW training in order to meet the 40% training rate requirement for PY 2023; **the WIOA Adult & Dislocated Worker Training rate is budgeted at approximately 43%.** Transfer from PY23 WIOA Dislocated Worker to Adult is estimated to be \$550,000.

Additional personnel and fringe budget assumptions include:

SkillSource Group

- 18.5 FTEs with 10.5 funded directly by WIOA, including portions of the President and CEO, Vice President and Deputy Director, Director of Budget & Financial Accounting, Junior Accountant, Program Coordinator, Resource Coordinator at the VCW – Cherokee Avenue Center, Ticket to Work Program Senior Director, and Ticket to Work Program Case Manager. Two (2) full-time positions have been added – a WIOA Youth Job Developer and a Jail Center Job Developer (funded by the WIOA Adult program) – as well as one (1) part-time position has been added – a WIOA Youth Program Ambassador.
- 5% preliminary cost of living increase (an increase from 4% in the prior draft of the budget).
- 9% health insurance increase on average.
- 6% life & disability insurance increase on average.

- 30% average fringe rate, which includes payroll taxes, unemployment insurance taxes, health insurance, STD, LTD, life insurance, and a 10.4% retirement plan contribution and maximum \$520 annual match.

One-Stop Operator – Fairfax County Department of Family Services

- Number of staff is currently assumed to be the same as in FY 2023: 23 FTEs with 12 for the WIOA Adult and Dislocated Worker programs, 6 for the WIOA Youth program, 2 for the Senior Community Service Employment Program (SCSEP), and 3 for the Prince William ELEVATE program. COLA is estimated to be at 7.5%.

There are no staff reductions currently proposed in this Draft Budget.

Other changes incorporated into the FY 2024 budget include:

- Renewed award from the National Council on Aging to serve older workers through the WIOA Title V Older Worker program, known as the Senior Community Service Employment Program. (2.0 DFS FTE)
- Two renewed annual awards from the Virginia Department of Health and Human Services Employment Advancement for Temporary Assistance for Needy Families (TANF) to assist current TANF participants in the VIEW program, as well as parent(s) below 200% of the Federal poverty guidelines, who reside in Fairfax, Prince William and Loudoun in securing employment, often through paid work experience. (2.25 SSG FTEs)
- One new award from the Virginia Department of Health and Human Services Employment Advancement for Temporary Assistance for Needy Families (TANF) to assist current TANF participants in the VIEW program, as well as parent(s) below 200% of the Federal poverty guidelines, who reside in Fairfax, Prince William, and Loudoun in securing employment, often through paid work experience. (1.10 SSG FTEs)
- Renewed award as the Supporting Organization for Go Virginia Region 7 (1.65 SSG FTE)
- Renewed award from ICF International through a U.S. Department of Labor H-1B grant award (0.6 SSG FTE)
- Continued funding for the CAREER NEG (through September 2023), the Department of Aging and Rehabilitative Services (DARS) Summer Earn and Learn grant (through December 2023), and the Prince William County ELEVATE grant (through October 2024).
- New funding in July 2023 from the United Way Financial Empowerment Center award, which provides year-round integrated financial services in the Woodbridge Center, and NVITE, which focuses on jobseekers moving into IT training and employment. (.18 SSG FTEs)
- A \$50,000 purchase of a new SkillSource Group Management Information System licenses, funded by WIOA and TANF grants.
- Revising the cost allocation plans for the Virginia Career Works - Prince William and Cherokee Avenue Centers, including charging half of the costs for the security guards and 50% of the costs for the Resource Coordinator positions at both Centers to WIOA.

Indirect costs will be based on the De minimis rate method. The De minimis rate is 10% of the Modified Total Direct Costs (MTDC). MTDC includes direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). There are currently no budgeted unbillable indirect costs.

The SkillSource Group Board of Directors and Finance Committee approved the second pass of the FY 2024 budget during their May 2023 meetings.

A motion to ratify the second pass of the FY 2024 Interim *SkillSource* Budget was made by Louis Cernak and seconded by Joseph Diaz. The full Board of Directors unanimously approved the motion

Approval of FY 2024 Eligible Training Providers for Virginia Career Works Northern Region and New State Policy for Certification of Eligible Training Providers

Seema Jain and Sabrina Miller reviewed the renewal process for Area #11 ETPs. Eligible Training Providers (ETPs) undergo an annual renewal process where they submit Performance Data Reports for each of their approved programs on the VCWN Area #11 list, and staff review performance data for each provider's approved programs to ensure they meet the State-mandated performance measures. For FY 2024, State staff are collecting Performance Data from each provider – this is the beginning of the State taking on a larger role in ETP management, starting July 1, 2023. **A new State policy is under review (draft version is enclosed), that would outline the responsibilities of the State and each local workforce area in reviewing new ETPs and programs and renewing them.** For FY 2024 renewals, the local workforce areas are still responsible for renewing each provider and program in the Virginia Workforce Connection (VAWC) database.

VCWN staff have reviewed performance data provided by the State for each approved program. Data for any program that served less than 6 WIOA customers was suppressed, as it was not considered a large enough number of students to judge program performance on. The State has required that all programs have at least a 50% Completion Rate and a 65% Credential Attainment Rate. For Area #11, all programs that we have data for surpassed the Completion Rate performance measure; however, there were several programs that did not meet the Credential Attainment performance measure. VCWN staff will be meeting with these providers to discuss the performance for these programs and to assess the current performance for the program, and any strategies to improve credential attainment. These programs will be put on a probationary status for FY 2024, and will be reassessed during renewals next year, to determine if performance has improved.

It is important to note that the ETP performance data provided by the State is based on older WIOA Exiter data from July 1, 2018 – December 31, 2020. This data is the most up-to-date that they can

provide to the local workforce areas, but it clearly overlaps with the start of the COVID-19 Pandemic, which severely impacted many ETPs. VCWN will be taking this into consideration, along with the Median Earnings data of jobseekers in these programs, which for some programs, is significant – meaning that even if individuals have not obtained the certification, they have been able to obtain a well-paying job as a result of completing the training.

Based on the performance data provided, VCWN staff recommended those programs be renewed on a probationary status. Performance for each of those programs will be re-assessed prior to FY 2025 renewals. VCWN is also recommending 68 providers and 443 programs, other than the previous, be renewed for FY 2024.

A motion was made by Joseph Diaz and seconded by Louis Cernak to approve sixty-eight training providers and their 443 programs to continue as Area #11 Eligible Training Providers for FY 2024. The full Board of Directors unanimously approved the motion.

Expand Talent Pipeline of Youth and Adults for Business

Implementing the New Virginia Referral Portal Implementation Plan

David Hunn reviewed the final proposed Workforce Referral Portal Implementation Plan to the board. Mr. Hunn provided a map and description of Local Workforce Area and the American Job Centers. He also reviewed the outline of Business Process planning and Timelines. The VCWN Region will incrementally implement the Virginia Referral Portal between March and June 2023, with region's American Job Centers starting Portal utilization and access to its customers within the following schedule:

- Virginia Career Works Prince William Center - March 20, 2023
- Virginia Career Works Cherokee Avenue Center April 3, 2023
- Virginia Career Works Annandale Center May 1, 2023
- Virginia Career Works, Loudoun Workforce Resource Center May 22, 2023
- Virginia Career Works South County (Alexandria) Center June 5, 2023

Customers entering the VCW Northern Centers for services will be directed as follows:

- Portal Sign-In Process
- Portal Registration Process

Lastly, Mr. Hunn reviewed communication, website, social media, Center outreach strategies and Case worker meeting processes to ensure maximum client utilization in the Portal.

Expand Strategic Partnerships Across Northern Virginia to Accomplish Our Goals

Northern Virginia One Stop Operator Update on Caseload and Service Strategy for FY 2023

Tatiana Nuth 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 2023 during the period of July 2022 through April 30, 2023.

Build Sustainable Partnerships with Region's Targeted Industries

Collaboration with Northern Virginia Chamber of Commerce on Regional Work-Based Learning

David Hunn provided an overview of a new Work-Based Learning grant proposal submitted to the Virginia Community College System in partnership with the Northern Virginia Chamber of Commerce.

Collaboration with Dominion Energy on Federal Infrastructure Grant Proposals

David Hunn provided an overview of a new Federal grant proposal that VCWN is working on in partnership with Dominion Energy.

Board Business Items

Program Management Reports

David Hunn provided an overview of the Center Program Management report, which highlighted service and performance data for FY 2023 from July 1, 2022, through April 30, 2023.

Executive Director Items

David Hunn provided an overview on FY 2023 (through April 2023) WIOA Training expenditures, by vendor and OJT Commitments, the Virginia Career Works Northern Board certification, the new partnership development with Lewis Leadership Academy, and the Summer 2023 Educating Youth through Employment Program re-launch. Mr. Hunn also highlighted the SkillSource Group Ticket To Work Program, which exceeded \$2 million in earned revenues and the new SkillSource Group Management Information System to be purchased. 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 was adjourned at 9:55 a.m.