

Virginia Career Works Northern Region

Thursday June 4, 2020

Quarterly Board of Directors Meeting

Summary Notes

Members Present:

Marc Austin	Susana Marino	Roopal Saran
Robert Bartolotta	Roxana Mejia	Linda Seyer
Anthony Cancelosi	Jennifer Miller	Olivia Shultz
Marjorie Clift-Bowman	Donna Motsek	Karen Smaw
Robert Frew	William Mountjoy	Zuzana Steen
George Harben	Steven Partridge	Joseph Terry
Patricia Hughes	Staci Redmon	William Threlkeld
Mohamed Hussein	Christopher Rieley	Ed Trumbull
		Hector Velez

Executive Director: David Hunn

Staff: Ann Hyslop, Seema Jain, Sabrina Walker, Nancy Nguyen, Mark Chernisky, Sheila Jones, Claudia Barrios, Lauren Parker, Eliza Chappell, Angela Harris, Rebecca Bennett, and Karla Quiroz

Observers: Lisa Tatum, Trang Montgomery, Dai Nguyen, Tatiana Nuth, Jamie Hudson, Lori Epp, Kimberly Carr, Lisa Vivian, Alex Cooley, Myra Mobley, Kayla May, Desiree Roberts, Shelly Rodriguez, and James Reamy.

Board Member Roll Call: Sabrina Walker conducted roll call and a quorum was met. The meeting commenced at **8:37 a.m.**

Approval of March 5, 2020 Summary Notes: A motion was made by George Harben to approve the Board Summary notes from March 5, 2020 and was seconded by Joseph Terry. The Summary Notes were approved unanimously by the full Board of Directors, with no abstentions.

Chairman's Report:

Chris Rieley, the Chairman of the Virginia Career Works Northern Region Board of Directors introduced himself as a Senior Vice President with the Bank of Clarke County, with offices in Reston, Virginia. He noted that this is our first-ever Board of Directors Meeting held online. The COVID-19 Pandemic has required State officials to authorize this type of public meeting and he hoped that participants our preparation and the Zoom technology of benefit. We will follow the printed Agenda and pay attention to comments from any members of the public, should they be participating.

Rieley noted that all of us have been stunned by the rapid decline and changes to our Northern Virginia Labor Market since our last Board of Directors meeting in early March 2020. Following

the Governor's Orders, all the Virginia Career Works Northern Centers closed to the public in mid-March and remain closed today. As our part of Northern Virginia remains in Phase One, there is no date for when the public may be able to access our Centers yet. Of course, our colleagues at the Virginia Employment Commission have been overwhelmed with hundreds of thousands of applications for Unemployment Insurance since early March. We have invited a labor market expert, Alex Cooley, to provide an update on our labor market conditions shortly.

Since his announcements at the last Board meeting, several Board Members have stepped up to volunteer on a variety of Committees, and he wished to share more opportunities for Board Members to have more involvement in this Board's activities:

1. Our Board's 3 -Year Strategic Plan will end at the calendar year, so I wish to engage a Working Group to collaborate with our WIOA Consultant, Ms. Lori Strumpf, to begin meeting and researching a new three year Plan, ranging from 2021 – 2024. Our past work together has allowed to work smartly, so I am expecting no more than 3 meetings at roughly 2 hours each meeting. I also expect those meetings will start this summer and will likely all be virtual meetings. Contact me or David Hunn if you wish to participate on this key Working Group.
2. Our Board Committees, the Quality Assurance, Program and Planning, the Disability Services Subcommittee and the Youth Committee continue to seek Board Member involvement. If you have an interest in a Committee's work, please let Seema Jain and Sabrina Walker know and they will keep you advised of the next Committee meeting schedule.

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

Quality Assurance Committee: Donna Motsek reported for the Quality Assurance Committee.

- The last meeting of the Quality Assurance Committee convened on April 14, 2020.
- The Committee reviewed and approved programs of two (2) new training providers and one (1) existing provider.
- The Committee was also updated on the status of the Equal Opportunity monitoring for all Eligible Training Providers. Per State policy guidelines, all Eligible Training Providers are now required to submit an Equal Opportunity Policy Adherence form during initial application or annual renewal. VCWN staff worked with each training provider to collect the necessary documents and determine if the State-mandated criteria for Equal Opportunity Policy adherence was met. Only four (4) ETPs were Unresponsive.
- The Committee was briefed on the COVID-19 operating status of all Virginia Career Works Centers and Area #11 ETPs. This update was also shared with State officials.

The SkillSource Group, Inc. (SSG) Board of Directors: George Harben reported for the SSG Board of Directors. Since the Virginia Career Works Northern Board meeting in March 2020, the

SSG Board of Directors and its Executive Committee have met in March, April and May 2020 and have acted on the following items:

- The Board accepted new funding of \$396,000 from Governor Northam called the Rapid Response COVID-19 Supports for Employers. A *SkillSource* Group Working Committee collaborated with staff to review over 210 proposals and award these funds to local employers in March and April to help support their employees. This Board will be provided a full Report on this grant later at today's meeting.
- The Board accepted a new contract award totaling over \$195,000 for two years from the Fairfax County Comprehensive Community Funding Pool to continue employment center operations at the Fairfax County Jail, within their Alternative Incarceration Branch. The only Employment Center within a local jail within Virginia that is administered by a workforce board, this Center has been in place since 2008 and has served over 900 inmates during this time.
- The Board expanded the current *SkillSource* Group leave policy to be compliant with recent Congressional action for the Pandemic Coronavirus (COVID-19) Leave Policy.
- The Board has reviewed and approved multiple draft of the FY 2021 Budget for The *SkillSource* Group, Inc. This Board will be asked to ratify an Interim FY 2021 Budget at today's meeting.
- The Board has awarded the WIOA Youth Program Operations contract, following a public RFP process, to the Fairfax County Department of Family Services. This contract award commences on July 1, 2020 and will be eligible for four additional one-year contract awards.
- The *SkillSource* Group Board of Directors will next meet on June 26th.

Summary of Current Northern Virginia Labor Market Conditions: Alex Cooley from the Northern Virginia Economic Development Strategic Partnerships and Workforce Innovation gave a presentation on the 2020 1st Quarter, State of the Workforce. Including information on the impacts of the global pandemic, COVID- 19.

Necessary Board Actions Aligned with Approved 2017-2020 Strategic Priorities

Become a Thought Leader for Workforce Development

Ratification of Revised FY 2020 Budget and Interim FY 2021 Budget for The SkillSource Group, Inc., and the Virginia Career Works Northern Region

David Hunn reported that The FY 2021 *SkillSource* budget reflects approximately \$6.4 million revenues and \$6.5 expenses, with a resulting Decrease in Net Assets of \$113,710.

The State has not provided any guidance on FY 2021 WIOA allocations. The assumptions built into this budget are that WIOA Program Year 2020 allocations are 9% less for WIOA Adult and Youth programs from PY 2019; the WIOA Dislocated Worker program is assumed as unchanged. Since it is anticipated that the WIOA Adult and Dislocated Worker FY20 budgets will be fully expended, carry-in is projected at the FY20 budgeted One-Stop Set Aside or, collectively, \$172,000.

The FY21 budget reflects 10% WIOA Administration (maximum allowable) and transfers of \$405,000 from the Dislocated Worker to Adult program. **The WIOA Adult & Dislocated Worker Training rate stands at 34.88%, as compared to the State-required 40%.**

Additional personnel and fringe budget assumptions include:

SkillSource Group

- 16 FTEs with nearly 2 funded directly by WIOA, including portions of the CFO, Accounting Manager, Accounting Clerk, Deputy Director, and Program Coordinator.
- 1% preliminary cost of living increase
- 2% performance bonus pool
- 0% health insurance increase
- 0% life & disability insurance increase
- 34% calculated fringe rate, which includes continued 10.4% retirement plan contribution and maximum \$520 annual match

One-Stop Operator (Fairfax County Department of Family Services)

- 17 FTEs with 10.5 for the Adult and Dislocated Worker programs and 7.5 for the Youth program (a reduction of 1), and 1 FTE for the WIOA Title V Older Worker funding

Since most grants are cost reimbursable, the Decrease in Net Assets is driven by unrestricted activities. Ticket to Work revenue has been projected to be \$325,000 and Interest is estimated at FY20 budget level. Unrestricted expenditures include 55% of CEO, 15% of the former TANF Program Manager and 6% of the Deputy Director. All staff formerly funded through the Virginia Department for Rehabilitative Services will be funded through Ticket to Work unrestricted revenues. **There are no staff reductions proposed in this Draft Budget for the SkillSource Group or the One Stop Operator.**

Grants and awards incorporated in the interim FY21 budget include:

- National Council on Aging to serve older workers through the WIOA Title V Older Worker program, known as the Senior Community Service Employment Program. (1 DFS FTE)
- Renewed annual 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 who reside in Fairfax, Prince William and Loudoun in securing employment, often through paid work experience. (1.2 SSG FTEs)

- Renewed annual award from the Virginia Department of Health and Human Services Employment Supports for Lifelong Achievement (ESLA) to assist current and former TANF clients, as well as parent(s) below 200% of the Federal poverty guidelines who reside in Fairfax or Prince William to prepare, secure and maintain employment. (1.25 SSG FTEs)
- Assumed continuation award from the Consolidated Community Funding Pool (CCFP) to coordinate and facilitate work experiences for Fairfax County inmates in the Pre-release program. (.83 SSG FTE)
- Projected renewal of the annual award from Virginia Career Works – Bay Area Consortium to operate the Youth program at 90% of the prior year. (1 SSG FTE)
- Carry-in funding from Go Virginia (.4 FTE)
- Carry-in funding from the Governor’s Employment Equity Initiative through 12/31/20 (.17 FTE)
- Carry-in funding through 9/30/20 from the Virginia Department for Rehabilitation and Aging Services Disability Employment Initiative (DEI) to enhance and facilitate One-Stop services for individuals with disabilities and for the Job Seeker Advocate to bridge the gap between education, skills training and employment. (1.58 SSG FTE)
- Carry-in funding through 12/31/20 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. (.15 FTE)

Educating Youth through Employment (EYE) is budgeted to continue in FY21 with breakeven financial results. (.1 FTE). The Woodbridge and Alexandria Center budgets are incorporated at breakeven, with the *SkillSource* portions represented in the line item Comprehensive Center Costs. (1.96 FTEs.). Indirect costs are estimated based on historic activity and are allocated as required by the Negotiated Indirect Cost Rate Agreement with the US Department of Labor. The budgeted rate is 10.06% on a provisional rate of 12.77%.

A motion was made by Steven Partridge and seconded by Robert Bartalotta for the Board’s ratification of the second draft assumptions for the FY 2021 Interim SkillSource Budget. The SSG Board of Directors will approve at the June 2020 meeting. The motion was unanimously approved by the full Board of Directors, with no abstentions.

Anticipated FY 2020 WIOA Training Expenditure Rate – State Code Mandate

David Hunn gave an update on the State-mandated 40% Training Requirement as of April 30, 2020 with and without the addition of case management to the calculations. He noted that Virginia Career Works Northern is not on track to meet the 40% WIOA Training Expenditure requirement, given the State’s decision not to revise the WIOA Expenditure formula requirements.

Expand Talent Pipeline of Youth and Adults for Business

Update on New WIOA Youth Program FY 2021 Request for Proposals

Seema Jain gave an update on the Request for Proposals on the Workforce Innovation and Opportunity Act (WIOA) Youth Services in Northern Virginia Workforce Area #11. The contract period for the current WIOA Youth Program award ends in June 2020. SSG issued a renewal RFP for new WIOA Youth Program services which was available from February 14, 2020 and originally due March 31, 2020. The RFP was distributed to a list of interested bidders. An advertisement was placed in the Washington Post during the weekends of February 22, 2020, February 29, 2020, and March 8, 2020. The RFP was also posted on the website for the National Association of Workforce Boards (NAWB). A Pre-Proposal Conference was held on February 27, 2020.

Due to the COVID-19 pandemic, *SkillSource* extended the deadline for the RFP to April 17, 2020. One proposal was received in response to this RFP, from Fairfax County Department of Family Services. A RFP Review Committee, comprised of SSG staff, the VCWN Youth Committee Chair, and VCWN Board Members, reviewed the proposal and awarded high marks to the proposal from the Fairfax County Department of Family Services, and unanimously voted for the *SkillSource* Board to approve that the contract award be made to Fairfax County DFS.

As SSG has not yet received its PY20 WIOA Formula funding allocations, the total funding amount for FY 2021 will be negotiated with County officials based on WIOA funding availability.

The *SkillSource* Board of Directors approved this contract award for the FY 2021 WIOA Youth Program Operator for Virginia Career Works – Northern to Fairfax County Department of Family Services at its May 2020 meeting

Update on Re-Start of WIOA Youth Program Pay for Success Initiative

Seema Jain reported to the Board on new guidance from the U.S. Department of Labor's Employment and Training Administration, that they were willing to reconsider their decision to terminate Area #11's Pay for Performance (P4P) Project. DOL notified the State that pending re-submission of a new proposal, DOL would provide a decision on whether the project could be relaunched. Area #11 worked with VCCS to submit the proposal to DOL in May 2020 and is awaiting DOL's decision.

Approval of New WIOA Policies for the VCW Northern Region

Seema Jain reported on new and updated WIOA policies for the VCW Northern Region.

Work Experience Policy - This policy is an update to the prior WEX policy to conform with recent guidance from the U.S. Department of Labor about the appropriate use of stipends and incentives.

Young Adult Incentive Policy – This new Board policy establishes the process to provide reasonable incentives to young adults who participate in the WIOA Youth Program and

successfully complete training or educational programs to encourage participation in such activities.

Supportive Services Policy – This new Board policy establishes the guidelines for the provision of supportive services using WIOA funding, including assistance with transportation, assistance with the purchase of uniforms or work-related tools, and other reasonable expenses.

A motion was made by Zuzana Steen and seconded by William Trumbull for the Board’s approval of one (1) updated policy and two (2) new policies. The motion was unanimously approved by the full Board of Directors, with no abstentions.

Expand Strategic Partnerships Across Northern Virginia to Accomplish Our Goals

Outcome of Governor’s WIOA Rapid Response COVID-19 Supports for Employers

Seema Jain reported on the Governor’s WIOA Rapid Response COVID-19 support for Employers outcomes. On March 17, 2020, Virginia Governor Ralph Northam announced new measures to combat the Novel Coronavirus (COVID-19) outbreak, including the release of Workforce Innovation and Opportunity Act (WIOA) Rapid Response funding to support Northern Virginia employers to remain open during this emergency. These funds intended to assist companies with less than 250 employees to avert layoffs and may be used to clean facilities and support other operational needs. These strategies and activities are designed to prevent, or minimize the duration of, unemployment resulting from layoffs due to COVID-19. The *SkillSource* Group, Inc. was awarded \$396,208, representing 26% of the State’s population base and funds are available through August 31, 2020. Funds were able to be utilized towards mainly costs for employees to telework, as well as cleaning and sanitization supplies and services

SkillSource initiated an application process, that included a 1-page application form with a budget line-item form for companies to identify where grant funds would be utilized. Applications were considered in the order in which they were received. To broaden decision-making beyond *SkillSource* Group staff, a Grant Review Panel comprised of Board Members from Virginia Career Works - Northern and the *SkillSource* Group, Inc. met virtually to make funding decisions on the applications received. After approval, *SkillSource* and the Employer entered into an Employer Agreement that outlined the roles and responsibilities of each party. Payments are made to employers on a reimbursement basis, after submission of an invoice and receipts.

SkillSource and the Grant Review Panel have reviewed over 200 of the nearly 450 applications received and awarded funding to 72 employers. Most awards did not exceed \$10,000 in funding. As of the end of May 2020, *SkillSource* has expended \$192,208 or 49% of the award allocation.

Northern Virginia One Stop Operator Update on Caseload and Service Strategy for FY 2020

Tatiana Nuth from Fairfax County Department of Family Services, the One Stop Operator for the Virginia Career Work Northern Region, gave a presentation reporting on the Employment and Training caseloads, job placements and related outcomes for fiscal year 2020 through April 2020.

Board Business Items

Program Management Reports

David Hunn provided a brief overview of the Center Program Management report, which highlighted service and performance data for the fiscal year through April 2020.

Executive Director Items

David Hunn provided a brief update on WIOA Training expenditures, by vendor. He also reported on the new FY 2019 Return on Investment Report prepared by Chmura Economics. Finally, he briefly reviewed the pending grants and contracts under consideration by ***SkillSource***.

Adjournment

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

The meeting adjourned at 10:24 a.m.