



Finance Committee

Meeting Agenda for June 5, 2025 – 12 p.m.

Virginia Career Works Richmond West, 4914 Radford Ave, Room 102, Richmond, VA 23230

(Enter through Main Center Suite 101)

- I. Welcome and Call to Order (Chairman Auchmoody) – 5 minutes
- II. Public Comment – 5 minutes
- III. Minutes from June 11, 2024 – 5 minutes
- IV. Overview of Federal Funding Landscape and Current Situation -15 minutes
- V. Preliminary Budget for PY25/FY26 – 30 minutes
- VI. Contractor Independent Audits – 10 minutes
- VII. Other Matters
- VIII. Adjourn



Finance Committee Minutes for June 11, 2024

Members Attending: William Auchmoody, Eric Stamper, and Trey Hayden.

Absent: Larry Lyons and Bret Schardein

CRWP Staff attending: Brian Davis and Carla Cosby

- I. Welcome and Call to Order—Chair Auchmoody called the meeting to order at 4:00 pm.
- II. Public Comment – No persons were present for public comment.
- III. Minutes from November 17, 2023 – Mr. Trey Hayden moved to approve the minutes as presented; Mr. Eric Stamper seconded the motion. The motion carried.
- IV. Review of Spending to Budget, Current Year. Mr. Davis reviewed year to date spending against the adopted budget and noted that overall activity is in line with what might be expected. No action was required.

As a result of the creation of the new state workforce agency, local workforce areas were informed that the year-end closeout is accelerated and due on June 4 as opposed to the middle of July in normal years. For the period of transition, actual numbers were submitted for May and estimated numbers for June. If needed, Henrico County will provide any financial support as needed during transition.

V. Proposed PY24/F25 Budget.

For the new year, there will be 12% reductions in youth and adult funds and a modest increase in dislocated worker funds, resulting in an overall 9% reduction.

Dollar amount reduction equates to \$400,000 from the current year. After reviewing the budget as presented, Mr. Davis noted the following to consider:

- Adult and dislocated worker funds are transferable within their programs
- With regards to youth funds, it is unlikely the area can continue to support in school efforts and will likely need to start phasing out programs. In order to start the transition, some administrative funds will be allocated to cover where youth funds are not available.

In response to Mr. Eric Stamper's question about Board Operations increase, Brian noted that staff cell phone, Office 365 charge back, mileage, laptops, Board presentation materials, food, etc. are in this line.

Mr. Eric Stamper made the motion to accept the preliminary budget as proposed; Mr. Trey Hayden seconded the motion. The motion carried. The budget will go to the full Board for approval.

VI. Adjourn. There being no further business, the meeting adjourned.

Capital Region Workforce Development Board Finance Committee Agenda Item Summary – Preliminary Budget for the Program/Fiscal Year Starting 7/1/2025
<p><i>What is it?</i></p> <p>The Workforce Innovation and Opportunity Act (WIOA) establishes an annual operating period called a Program Year (PY), which runs July 1 to June 30 of the following year. The PY is identified by the year in which it starts, as opposed to a Fiscal Year being identified by the year in which it ends. We are about to enter PY 25, which is also FY 26. Local Workforce Development Boards (WDBs) are required to have a budget developed and endorsed for review and approval by the consortium of local elected officials (CLEO) prior to July 1 of each year.</p>
<p><i>What do Committee Members Need to Know?</i></p> <p>The primary basis of the local WIOA budget is federal adult, dislocated worker and youth program funds allocated by the US Department of Labor and passed through the Commonwealth of Virginia. Allocations are typically released in April or May, using a formula established in law based on unemployment, excess unemployment and poverty. Once state funding levels are released, the state in turn applies the same formula to determine local allocations among the 14 workforce areas in Virginia. 15% of each funding stream is retained by the state, and an additional 25% of dislocated worker funds are held for what are known as rapid response activities to support mass layoffs or closures.</p> <p><u>Timing:</u></p> <p>The state allocations were not released by DOL until May 17, 2025. The state technically has up to 30 days to determine and release the local funding amounts. This means it is most likely that we will not know our new-year funding levels until after the WDB meets on June 12, 2025. (The CLEO meets on June 20, 2025 so there may be certainty by that time). Typically, each year's budget has been able to be developed using actual new year funding amounts, and using estimates for only the carry-forward money that may be available after current-year close out.</p> <p><u>In this year, we must estimate both carry-forward and new year funding levels.</u></p> <p><u>Reductions:</u></p> <p>In December of 2024, the DOL issued planning estimates for WIOA advising states to anticipate a 10% reduction for the year starting 7/1/25. Factoring that, WDB staff started working on an initial budget with an 11% reduction, also in part because an initial budget is required to be on file with Henrico County as the federal grant recipient by April of each year.</p> <p>The actual state allocations released on May 18, 2025 after Congressional appropriations resulted in 10% reductions for Virginia in adult and dislocated worker funds, and 11% in youth.</p> <p>The assumption of an 11% reduction across the board appears a sound level for the Finance Committee and WDB to work with as an initial base. In addition to new year reductions, staff is estimating less carry-forward funds being available. Factors for reduced carry-forward include:</p> <ul style="list-style-type: none">- Trends over 4 years of disproportionate enrollment and spending to support adults as opposed to dislocated workers based upon customer demand.- On the youth side, a trend for additional spending year-over-year since COVID when a decision was made to fund in-school efforts in addition to just out-of-school. This has been compounded by a state administrative requirement to accelerate the spending thresholds for work experience activities at a rate faster than the federal law requires.

Proposed Budget Framework:

For purposes of setting a preliminary budget for the new year, staff is estimating a total revenue of **\$5,140, 808**, which is down 23% overall from the prior year. The estimated amount of new federal funding is **\$3,931,956** (11% reduction) and \$747,084 carry-forward (56% reduction). On the non-federal side, there is more certainty, and levels are listed as **\$461,768** for the new year with \$114,425 carried from the current year.

Expenses are initially suggested at **\$4,840,093**, which would leave a reserve balance of \$300,715. (Over half of which is in non-federal funds). Of note, despite revenue projected to be down 23% overall, staff has been able to minimize reductions in the adult/dislocated worker and one stop operator contracts to 13% and 14% respectively. This is largely because of the ability to transfer funds between the adult and dislocated worker streams.

Two vacant positions that had been budgeted at the Board level have been eliminated to shift those dollars to services. (One vacancy is retained for a fiscal manager in the event that the current hourly incumbent elects to retire in the fiscal year).

Unfortunately, the youth funding picture does not afford the flexibility found between adult and dislocated worker funds, and this coming year will have to serve as the “reset” that had been predicted. (Of note, one of the current-in-school youth providers voluntarily opted to not seek a renewal of a contract currently set at \$199,000. That factor explains the noted 58% reduction in the in-school youth line).

What do Committee Members Need to Do?

Review the attached document for discussion and consideration. In forwarding the Committee recommendation, staff suggests that any excess funding made available that is not included in estimates be held in the reserve line until the Committee, Board and CLEO can re-assign it.

Proposed PY25/26

Working Budget for Finance Committee Meeting on 6/5/25

Description	Total	PY24	% Change		Adult	Dislocated Worker	Youth	Administration	Non Federal
Estimated New Revenue	\$ 4,393,724	\$ 4,943,881	-11%		\$ 1,230,727	\$ 976,022	\$ 1,367,756	\$ 357,451	\$ 461,768
Projected Carry-in	\$ 747,084	\$ 1,718,000	-56%		\$ -	\$ 531,777	\$ -	\$ 100,882	\$ 114,425
Adult/DW Transfer	\$ -				\$ 450,000	\$ (450,000)	\$ -	\$ -	\$ -
Total Projected Revenue	\$ 5,140,808	\$ 6,661,881	-23%		\$ 1,680,727	\$ 1,057,799	\$ 1,367,756	\$ 458,333	\$ 576,193
Expenses									
Board/Staff Salary and Fringe	\$ 835,786	\$ 805,918	3%		\$ 289,764	\$ 133,735	\$ 230,326	\$ 130,133	\$ 51,828
Board/Operations	\$ 70,000	\$ 140,000	-50%					\$ 50,000	\$ 20,000
Board/Customer Support	\$ 14,550		New					\$ 9,550	\$ 5,000
Workforce Center/Operations	\$ 108,000	\$ 80,000	35%					\$ 98,000	\$ 10,000
Workforce Center/Rent	\$ 667,657	\$ 748,231	-11%		\$ 140,083	\$ 25,864	\$ 118,972	\$ 70,775	\$ 311,963
Special Events	\$ 20,000	\$ 80,000	-75%					\$ -	\$ 20,000
Service Contracts									
Adult/DW	\$ 1,800,000	\$ 2,080,000	-13%		\$ 1,440,000	\$ 360,000			
One Stop Operator	\$ 300,000	\$ 350,000	-14%		\$ 172,785	\$ 37,215	\$ 40,000	\$ 50,000	
Youth (Out-of-school)	\$ 851,600	\$ 1,200,000	-29%				\$ 851,600		
Youth (In School)	\$ 125,000	\$ 299,659	-58%				\$ 125,000		
Enhanced Cleaning	\$ 7,500	\$ 7,500	Same					\$ 7,500	
Virtual Enrollment/Data System		\$ 64,400			\$ -	\$ -	\$ -		
IT Support	\$ 40,000	\$ 50,000	-20%					\$ 40,000	
Total	\$ 4,840,093	\$ 5,945,008	-18%		\$ 2,042,632	\$ 556,814	\$ 1,365,898	\$ 455,958	\$ 418,791
<i>Balances</i>	<i>\$ 300,715</i>	<i>\$ 716,873</i>	<i>-58%</i>		<i>\$ (361,905)</i>	<i>\$ 500,985</i>	<i>\$ 1,858</i>	<i>\$ 2,375</i>	<i>\$ 157,402</i>
					\$ -	\$ 139,080			

Capital Region Workforce Development Board Finance Committee Agenda Item Summary – Contractor Independent Audits
<p><i>What is it?</i></p> <p>In addition to adherence to the Workforce Innovation and Opportunity Act (WIOA)-specific federal legislation and regulations, because there are federal dollars involved, there are a multitude of other federal regulations that apply to the Workforce Board and its contractors, which are conveyed as conditions in a service provider contract.</p>
<p><i>What do Committee Members Need to Know?</i></p> <p>One such federal requirement that applies to federal funding is adherence to the Office of Management and Budget (OMB) circulars and Uniform Guidance.</p> <p>Within the Uniform Guidance is a requirement that contracts with an award amount higher than established thresholds are required to have an independent audit conducted annually. This requirement is carried forward in contracts issued by Henrico County on behalf of the Workforce Development Board.</p> <p>Prior to October 1, 2024, the Capital Region had awarded two contracts that triggered the independent audit requirements because they were in excess of \$750,000:</p> <ul style="list-style-type: none">- Equus Workforce Solutions (\$2,080,000)- Ross Innovative Employment Solutions (\$1,200,000) <p>Extracts of relevant pages of the two audit reports are attached for Finance Committee review. In both cases there were no control or compliance issues noted. (The full reports will be available at the meeting on June 5, 2025 should a member wish to review in their entirety).</p> <p>It should be noted that the Uniform Guidance was modified in October of 2024. For any awards issued after October 1, 2024, the independent audit threshold is increased from \$750,000 to \$1,000,000.</p>
<p><i>What do Committee Members Need to Do?</i></p> <p>Review the attached documents. No action necessary.</p>

**Equus Workforce Solutions
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued [*unmodified, qualified, adverse, or disclaimer*]: Unmodified.

Internal control over financial reporting:

· Material weakness(es) identified?	_____ yes	<u> X </u> no
· Significant deficiency(ies) identified	_____ yes	<u> X </u> none reported

Noncompliance material to financial statements noted	_____ yes	<u> X </u> no
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Contract Expenditures under Federal Awards

Internal control over contracts awarded under federal programs:

· Material weakness(es) identified?	_____ yes	<u> X </u> no
· Significant deficiency(ies) identified	_____ yes	<u> X </u> none reported

Type of auditor’s report issued on compliance [*unmodified, qualified, adverse, or disclaimer*]:
Unmodified.

Any audit findings disclosed that are required to be reported in accordance with contract terms & conditions	_____ yes	<u> X </u> no
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Identification of pass-through entities federal programs under which contracts were awarded:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
17.258	WIOA
93.558	TANF
93.575	CCDF
10.551	SNAP
21.019	CARES
97.141	SSP

Section II - Financial Statement Findings

No findings reported.

Section III – Contracts Expenditures under Federal Awards Findings and Questioned Costs

No findings or questioned costs reported.

Equus Workforce Solutions

Schedule of Contracting Entities - For Information Purposes Only

For the Year Ended June 30, 2024

Pass-Through Entity (Contracting Entity)	Program (Contract) Description	Program (Contract) ID	Award Period	Award Amount
Advocates for Human Potential	MA NEW BEDFORD ACCESS TO RECOVERY	30808	10/01/22-09/29/24	428,286
Atlanta Regional Workforce Development Bd	GA ATLANTA REGION AD/DW	30454	07/01/21-06/30/25	3,561,465
Atlanta Regional Workforce Development Bd	GA ATLANTA REGION ONE STOP	30452	07/01/21-06/30/25	487,500
Berks County PA	PA BERKS CO SMMR YOUTH	30186	04/01/21-06/30/25	1,813,741
Berks County PA	PA BERKS COUNTY	30110	07/01/19-06/30/25	5,761,473
Berks County PA	PA BERKS COUNTY UNITED WAY	30832	11/01/22-06/30/25	1,489,679
CA Riverside County	CA RIVERSIDE ONE STOP	30469	07/01/21-06/30/24	350,000
CA Riverside County	CA RIVERSIDE STEPS	30741	07/01/21-06/30/23	71,155
Capital Area Workforce Development	NC RALEIGH - ARP HOSPITALITY CENTER	30836	10/14/22-12/31/24	347,643
Capital Area Workforce Development Consortium	NC RALEIGH CAPITAL AREA	30243	07/01/21-12/31/24	10,300,712
Capital Area Workforce Development Consortium	NC RALEIGH - ARP SB STATE GRANT CENTER	30866	01/01/23-12/31/26	309,500
Capital Area Workforce Development Consortium	NC RALEIGH - CAREER GRANT CENTER	30748	09/21/21-08/19/24	1,631,433
Capital Area Workforce Development Consortium	NC RALEIGH - ARP GRANT CENTER	30758	01/31/22-12/31/24	250,000
Capital Region Workforce Partnership	VA HENRICO CAP AREA	30210	01/01/21-06/30/25	9,435,681
Capital Region Workforce Partnership	VA HENRICO CAP AREA	30210	01/01/21-06/30/25	9,435,681
Capital Region Workforce Partnership	VA HENRICO CAP AREA ONE STOP OPERATION	30483	07/01/20-06/30/25	1,849,532
Career Source South Florida	FL NORTH MIAMI BEACH	30570	07/01/21-06/30/25	3,289,078
Career Source South Florida	FL NORTH MIAMI BEACH	30570	07/01/21-06/30/25	3,289,078
Career Source South Florida	FL NORTH MIAMI BEACH	30570	07/01/21-06/30/25	3,289,078
Career Source South Florida	FL NORTHSIDE ONE STOP	30571	07/01/21-06/30/25	3,638,635
Career Source South Florida	FL NORTHSIDE ONE STOP	30571	07/01/21-06/30/25	3,638,635
Career Source South Florida	FL NORTHSIDE ONE STOP	30571	07/01/21-06/30/25	3,638,635
Career Source South Florida	SFL CAROL CITY CC	30814	09/01/22-06/30/25	1,808,492
Career Source South Florida	SFL CAROL CITY CC	30814	09/01/22-06/30/25	1,808,492
Career Source South Florida	SFL CAROL CITY CC	30814	09/01/22-06/30/25	1,808,492
Catawba Regional Council of Government	SC CATAWBA 1STP OPER DW	30175	07/01/21-06/30/24	876,854
Catawba Regional Council of Government	SC CATAWBA INDIVIDUAL AND EMPLOYER TRAING GRANT	30911	10/01/23-09/30/24	150,001
Catawba Regional Council of Government	SC CATAWBA UNITED WAY JET	30863	02/01/23-06/30/23	26,608
Catawba Regional Council of Governments	SC CATAWBA 1STP OPER AD	30174	07/01/21-06/30/24	2,043,146
Catawba Regional Council of Governments	SC CATAWBA ADULT/DW ENGAGE, BUILD AND SERVE GRANT	30852	10/01/22-03/31/24	288,423
Catawba Regional Council of Governments	SC CATAWBA OSY	30253	07/01/21-06/30/24	1,630,000
Central Midlands COG	SC MIDLAND CREATE OPPORTUNITY	30930	05/01/24-02/28/25	170,000
Central Midlands COG	SC MIDLANDS - ADULT	30562	07/01/21-06/30/24	4,117,961
Central Midlands COG	SC MIDLANDS - DW	30561	07/01/21-06/30/24	517,693
Central Midlands COG	SC MIDLANDS - OPERATOR	30559	07/01/21-06/30/24	22,261
Central Midlands COG	SC MIDLANDS - YOUTH	30560	07/01/21-06/30/24	2,634,618
Central Midlands COG	SC MIDLANDS RAPID RESPONSE PY24	30931	05/01/24-09/30/25	203,562
Central Midlands COG	SC MIDLANDS WIO ADULT INDIV TRNG	30903	10/01/23-09/30/24	288,470
Central Midlands COG	SC MIDLANDS WIOA ENGAGE, BUILD AND SERVE	30856	01/01/23-03/31/24	157,000
Centralina Workforce Development Consortium	NC CENTRALINA	30252	07/01/21-06/30/24	10,198,499
Charlotte Works	NC CHARLOTTE ONE STOP ARPA	30851	01/11/23-12/31/26	279,000
Charlotte Works	NC CHARLOTTE ONE STOP SCARBOROUGH CRC	30896	10/01/23-06/30/24	65,000
Charlotte Works	NC CHARLOTTE UNITED NEIGHBORHOODS	30855	01/01/24-12/31/24	67,000
Charlotte Works	NC CHARLOTTE WORKS	30422	07/01/21-06/30/24	7,595,997
Charlotte Works	NC MECK WFB YOUTH	30095	07/01/21-06/30/24	2,627,786
Chicago Cook Workforce Partnership	IL CHICAGO CAREER CENTER - CTA MODERNIZATION PROJECT	30689	07/01/21-06/30/23	203,705
Chicago Cook Workforce Partnership	IL CHICAGO CAREER CENTER - QUEST	30871	04/01/23-09/30/24	100,000

ROSS INNOVATIVE EMPLOYMENT SOLUTIONS CORP.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on the Schedule of Expenditures of Federal Awards of Ross Innovative Employment Solutions Corp.
2. No significant deficiencies are disclosed in the Independent Auditors' Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit of Schedule of Expenditures of Federal Awards Performed In Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of the Company, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are disclosed. No material weaknesses are reported.
5. The auditors' report on compliance for the major federal award programs for the Company expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The program tested as major federal programs include:
 - U.S. Department of Health and Human Services
 - Temporary Assistance for Needy Families ("TANF") Federal Assistance Listing Number: 93.558
8. The threshold used for distinguishing between Types A and B programs was \$886,511.
9. Ross Innovation Employment Solutions was determined to be a low-risk auditee.
10. There were no questioned costs.

Summary Schedule of Prior Audit Findings

None

Current Year Findings

None

ROSS INNOVATIVE EMPLOYMENT SOLUTIONS CORP.

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Expenditures	Expenditures to Subrecipients
<u>U.S. Department of Agriculture:</u>			
Supplemental Nutrition Assistance Program			
Passed through Detroit Employment Solutions Corporation	10.561	\$ 61,072	\$ -
Total U.S. Department of Agriculture		61,072	-
<u>U.S. Department of Labor:</u>			
Workforce Innovation and Opportunity Act (WIOA) Programs Cluster			
WIOA Adult Program			
Passed through West Piedmont Workforce Development Board	17.258	540,890	-
Passed through Detroit Employment Solutions Corporation	17.258	828,365	-
Passed through Coastal Worksource Georgia	17.258	275,218	-
Passed through Workforce Midsouth, Inc.	17.258	102,705	-
Passed through Waccamaw Regional Council of Governments	17.258	851,327	-
Passed through Foothills Workforce Development Board	17.258	222,546	-
Passed through GuilfordWorks Workforce Development Board	17.258	1,158	-
Passed through Lowcountry Council of Governments	17.258	398,071	-
Passed through Region 1 Workforce West Virginia	17.258	73,985	-
Passed through Western Piedmont Council of Governments	17.258	357,918	-
Passed through Workforce Development Board Mid-Ohio Valley	17.258	341,820	-
Passed through Berkeley-Charleston-Dorchester Council of Governments	17.258	1,289,956	-
Passed through Yuma Private Industry Council	17.258	1,093,236	-
WIOA Youth Activities			
Passed through Coastal Worksource Georgia	17.259	789,776	-
Passed through Region 1 Workforce West Virginia	17.259	975,101	-
Passed through Capital Area Workforce Partnership	17.259	1,156,358	-
Passed through Detroit Employment Solutions Corporation	17.259	46,976	-
Passed through West Piedmont Workforce Development Board	17.259	390,048	-
Passed through Waccamaw Regional Council of Governments	17.259	426,009	-
Passed through Foothills Workforce Development Board	17.259	314,737	-
Passed through GuilfordWorks Workforce Development Board	17.259	1,158	-
Passed through Lowcountry Council of Governments	17.259	291,715	-
Passed through Berkeley-Charleston-Dorchester Council of Governments	17.259	968,836	-
Passed through Western Piedmont Council of Governments	17.259	562,516	-
WIOA Dislocated Workers			
Passed through West Piedmont Workforce Development Board	17.278	189,834	-
Passed through Region 1 Workforce West Virginia	17.278	73,985	-
Passed through Detroit Employment Solutions Corporation	17.278	339,842	-
Passed through Coastal Worksource Georgia	17.278	261,183	-
Passed through Workforce Midsouth, Inc.	17.278	102,705	-
Passed through Waccamaw Regional Council of Governments	17.278	264,416	-
Passed through Lowcountry Council of Governments	17.278	147,675	-
Passed through Western Piedmont Council of Governments	17.278	198,291	-
Passed through Foothills Workforce Development Board	17.278	88,754	-
Passed through GuilfordWorks Workforce Development Board	17.278	1,158	-
Passed through Workforce Development Board Mid-Ohio Valley	17.278	341,819	-
Passed through Berkeley-Charleston-Dorchester Council of Governments	17.278	91,809	-
Passed through Yuma Private Industry Council	17.258	345,858	-
Total WIOA Programs Cluster		14,547,554	-
WIOA National Dislocated Worker Grants			
Passed through West Piedmont Workforce Development Board	17.277	10,315	-
YouthBuild			
Passed through West Piedmont Workforce Development Board	17.274	109,559	-
Total U.S. Department of Labor		14,667,428	-
<u>U.S. Department of Treasury</u>			
Coronavirus State and Local Fiscal Recovery Funds			
Passed through Detroit Employment Solutions Corporation	21.027	101,458	-
Total U.S. Department of Treasury		101,458	-
<u>U.S. Department of Health and Human Services:</u>			
Temporary Assistance for Needy Families (TANF)			
Passed through Detroit Employment Solutions Corporation	93.558	2,206,486	-
Passed through West Piedmont Workforce Development Board	93.558	217,545	-
Passed through Wisconsin Department of Children and Families	93.558	12,296,368	-
Total TANF Programs		14,720,399	-
Total Expenditures of Federal Awards		\$ 29,550,357	\$ -

See accompanying notes to the financial statements.