



Finance Committee REVISED PACKET

Meeting Agenda for June 13, 2023 – 11:30 a.m.

Virginia Career Works Richmond West, 4914 Radford Ave, Suite 101, Richmond, VA 23230

- I. Welcome and Call to Order (Chairman Auchmoody) – 5 minutes
- II. Public Comment – 5 minutes
- III. Minutes from March 17, 2023 – 5 minutesPage 1
- IV. Review of Spending to Budget - 15 minutes Page 4
- V. Budget for PY23/FY24: July 1, 2023 – June 30, 2024 - 30 minutesPage 5
- VI. Discussion of Non-Profit Options – 15 minutesPage 7
- VII. Other Matters
- VIII. Adjourn



**Finance Committee
Meeting Minutes for March 17, 2023**

Members Present	Member Absent	Staff Present
William Auchmoody	Eric Stamper	Brian Davis
Trey Hayden		Carla Cosby
Larry Lyons		
Paul Junod		
Bret Schardein		

- I. Welcome and Introductions – Mr. Davis called the meeting to order; no Finance Committee chair is currently designated.
- II. Public Comment – No public comments were presented.
- III. Discussion of Committee Charge / Meeting Schedule / Chair –
Mr. Davis noted that the Finance Committee Chair must be from the business sector. It is the Board’s plan to create leadership succession.

A governance agreement was established between the CLEOs and Board; at least one CLEO serves on the committee. Actions taken by committee are not binding until the full Board acts. The exception is the Executive Committee; it has full authority to act as the full Board. Other committees are advisory. Committee chairs and two at-large members serve on the Executive Committee.

Brian reviewed the Finance Committee’s charge. It has responsibility for drafting, review and adoption of the budget, contract awards, audit reports and recommendations, etc.

The Finance Committee meets quarterly or at least twice a year and may also hold called meetings as needed. Meetings convene to share budget information, review spending, etc. and are generally held in December or February.

Brian noted that all meetings cannot be held virtually. Meeting virtually twice a year may be considered. The committee will meet at least two weeks before the next Board meeting.

Any contract awards in excess of \$50,000 requires action by the Finance committee. This action is noted in the CLEO's bylaws.

IV. Review of Spending to Budget

The budget will be developed in the spring. The budget term runs July 1 thru June 30. Annually, the federal government allocates WIOA federal dollars to states. The state then distributes funds to the 14 local workforce areas. Each year of funding has a 2-year shelf life. At the end of the second year, those funds go away.

The total budget current year's budget, \$6.2 million is comprised of remaining revenue and new revenue. The largest portion of the budget is earmarked to support customers then Board staff, salary and fringe, and rent.

The five funding streams were reviewed; adult, dislocated worker, youth, administrative – federal and non-federal. Ten percent of adult, dislocated worker, and youth funds can be earmarked for administrative purposes. Contributions from the jurisdictions and rent revenues offset the rent line. Partners pay their share for common space.

A budget is also on file with Henrico County. Henrico County fronts all costs each month. CRWP submits detailed expense reports to the state monthly for reimbursement. Some items are lumped in a contract line. Budget adjustments can be made if needed.

Henrico county provides in-kind support for legal services, human resources, general facilities support, etc. at no cost. In each year's budget, \$200,000 is available at the beginning of year to spend until funds are appropriated.

V. Discussion of potential raise for contract employee

Mr. Davis shared that direct Board staff are county employees and do not provide services. Service providers must be procured thru the public procurement process. Henrico County serves as the grant recipient and fiscal agent.

Contractors propose their own financial structure and provide breakdown of what employees are being paid. The request is to move contractor staff salaries up. Brian noted that not all contractor staff, Equus and Ross, are receiving a living wage. The Finance Committee recommends an 8% increase for contractor raises.

VI. Funds Transfer

During COVID, unemployment was 11%, it is now under 3%. The individuals that would

have qualified for dislocated worker services are now registering as adults. Additional funding is needed to support adult services.

Tyson Foods will lay off 632 people. There may be an influx of dislocated workers seeking services. The impact of Tyson's layoff is unknown at the time. The Rapid Response Coordinator will meet with Tyson on Monday. After the meeting, will have additional information to determine employee and monetary needs; whether employees want to get credential, certification, etc.

It is estimated that as much as \$150,000 may be needed. To date, \$75,000 is needed for Equus' invoice. Finance is requested to approve use of funds up to \$75,000 to support the increase in adult services. Brian added that the State holds rapid response funds for events like this. If funds are depleted, State funds are accessible. Mr. Larry Lyons moved to approve the request to amend the \$150,000 request for funds to \$75,000; Mr. Trey Hayden seconded the motion. The motion carried.

VII. Ross Additional Funds Request for Out-of-School Youth Contract

Ross requests \$132,000 to support continuity of services for current enrollees and funds for services through June 30. The contract goal was to serve 100 people; they are currently at 95 people. A portion of the funding supports work experience.

Mr. Larry Lyons moved to approve Ross request for \$132,000 to continue services through June 30th; Mr. Bret Schardein seconded the motion. The motion carried.

VIII. Monitoring Updates

The state will perform a program monitoring review. As a part of that review, will look at governance level and fiscal documents. The monitoring review was clear.

IX. Other Matters

Community Health Worker Grant is to employ community health workers. Grant ended 8/30/22. State completed its review, there were no findings or issues.

Audit. Henrico County's independent auditor, Cherry Bekaert reviews federal funds annually. There were no fiscal issues or findings.

X. Adjourn. The meeting adjourned at 1:20 pm.

Agenda Item IV. - PY22/FY23 Spending to Budget Report as of June 5, 2023

Description	Preliminary Budget	Revisions	Revised Budget	Expenditures	Remaining
Board Staff Salary/Fringe	768,815		768,815	649,457	119,358
Operations	105,291	188,348	293,639	359,094	(65,455)
Outreach	88,700	(41,618)	47,082	-	47,082
Miscellaneous	146,730	(146,730)	-	-	-
Workforce Center Rent	661,337		661,337	661,862	(525)
Special Events	70,000	(10,000)	60,000	42,948	17,052
Adult/DW Services	2,400,000		2,400,000	1,528,496	871,504
One Stop Operator	400,000		400,000	287,882	112,118
Youth Out of School Services	1,060,000	162,000	1,222,000	937,172	284,828
Youth In-School Services	405,000		405,000	87,812	317,188
Enhanced Cleaning (Maid Brigade)	7,500		7,500	7,400	100
Virtual Enrollment/Data System	90,000	(20,000)	70,000	70,000	-
IT Support	50,000		50,000	50,000	-
Total	6,253,373	132,000	6,385,373	4,682,123	1,703,250

Remaining Revenue Balances for Carry-forward if All Obligations Fulfilled:

	Adult	Dislocated Worker	Youth	Admin	Non-federal	Total
Balances	80,182	483,138	206,910	205,419	211,743	1,253,372

**Capital Region Workforce Development Board Finance Committee
Agenda Item Summary – PY23 Budget **REVISED****

What is it?

Local workforce areas operate on what is considered a federal program year (PY) that runs from July 1 to June 30 of the following year. We are currently in what is considered program PY22, and a new budget needs to be in place for PY23, which starts on July 1, 2023 and runs through June 30, 2024.

Under Workforce Innovation and Opportunity Act (WIOA) regulations the Workforce Development Board and Chief Local Elected Official’s consortium share budget development authority. As with any budget, the document is a blueprint based on the best information available at the time. Modifications are not uncommon once the program year progresses. The Finance Committee represents both groups.

What do Committee Members Need to Know?

The majority of the workforce area’s budget is funded through a federal allocation from the US Department of Labor (DOL). Each year the DOL takes the total amount of funding made available by Congress for WIOA and distributes funds to states using a formula that factors unemployment, excess unemployment and poverty. The same formula is then used by the state to determine local funding awards.(90% of adult, dislocated worker and youth funds are earmarked for program use, while up to 10% from each stream can be used for administrative purposes.

Revenue:

The Capitol Region is tentatively set to receive **\$4,820,971 based on revised numbers received June 9, 2023. This represents a 2.5% overall decrease from the current year amount of \$4.9 million.**

Additional revenue of **\$421,948** is projected to be available from non-federal sources such as general fund contributions from each of the region’s eight member jurisdictions, as well as rent from agencies and organizations that occupy space in our three workforce centers.

Staff is also estimating a conservative carry-forward amount of **\$1.6 million** in funds from the current year. Actual amounts won’t be known until the present program year closes out.

The total revenue available for the PY23 budget is projected to be **\$6,863,502.12**.

Expenses:

The proposed budget has planned expenditures of **\$6,103,147**, which would leave an unbudgeted balance of \$760,355.12.

What do Committee Members need to do?

Consider staff’s proposed budget and any modifications and report to CLEO and Board for action.

CRWP PY23/FY24 Preliminary Budget v.3	Total	Adult	Dislocated Worker	Youth	Administration	Non-Federal
New Revenue	\$ 5,242,919.12	\$ 1,598,477.08	\$ 986,000.00	\$ 1,754,397.04	\$ 482,097.00	\$ 421,948.00
Projected Carry-in	\$ 1,620,583.00	\$ 200,000.00	\$ 500,000.00	\$ 600,000.00	\$ 202,926.00	\$ 117,657.00
Total Revenue	\$ 6,863,502.12	\$ 1,798,477.08	\$ 1,486,000.00	\$ 2,354,397.04	\$ 685,023.00	\$ 539,605.00
Expenses						
Board Staff Salary/Fringe	\$ 897,855.00	\$ 348,256.00	\$ 164,302.00	\$ 281,480.00	\$ 57,304.00	\$ 46,513.00
Board Operations	\$ 110,000.00				\$ 110,000.00	
Outreach					\$ 15,000.00	
Miscellaneous	\$ 150,000.00		\$ 17,000.00	\$ 36,000.00	\$ 50,000.00	\$ 47,000.00
Workforce Center Rent	\$ 713,392.00	\$ 120,227.00	\$ 46,527.00	\$ 116,973.00	\$ 79,182.00	\$ 350,483.00
Special Events	\$ 110,000.00			\$ 30,000.00	\$ 30,000.00	\$ 50,000.00
Service Contracts						
<i>Adult/DW</i>	<i>\$ 2,000,000.00</i>	<i>\$ 1,100,000.00</i>	<i>\$ 900,000.00</i>			
<i>One Stop Operator</i>	<i>\$ 300,000.00</i>	<i>\$ 141,000.00</i>	<i>\$ 51,000.00</i>	<i>\$ 108,000.00</i>		
<i>Youth (Out-of-school)</i>	<i>\$ 1,350,000.00</i>			<i>\$ 1,350,000.00</i>		
<i>Youth (In School)</i>	<i>\$ 350,000.00</i>			<i>\$ 350,000.00</i>		
<i>Enhanced Cleaning</i>	<i>\$ 7,500.00</i>				<i>\$ 7,500.00</i>	
<i>Virtual Enrollment/Data System</i>	<i>\$ 64,400.00</i>	<i>\$ 30,268.00</i>	<i>\$ 10,948.00</i>	<i>\$ 23,184.00</i>		
<i>IT Support</i>	<i>\$ 50,000.00</i>				<i>\$ 50,000.00</i>	
Totals	\$ 6,103,147.00	\$ 1,739,751.00	\$ 1,189,777.00	\$ 2,295,637.00	\$ 398,986.00	\$ 493,996.00
Balances	\$ 760,355.12	\$ 58,726.08	\$ 296,223.00	\$ 58,760.04	\$ 286,037.00	\$ 45,609.00

Agenda Item VI.

**Capital Region Workforce Development Board Finance
Committee**

Agenda Item Summary – Non-profit establishment

What is it?

As previously discussed, the workforce board is solely dependent on government funding. The Board's Vision 2024 Strategic Plan call for efforts to diversify the Board's funding portfolio to expand resource capacity and acquire private funding that has more flexibility to meet various needs without the prescriptions of government dollars.

What do Committee Members Need to Know?

At present the Workforce Board has no legal status as an organization and all structural matters flow through Henrico County as the grant recipient entity. Past efforts to organize the Board itself as an independent non-profit were not successful. The County is however fully supportive of an associated non-profit being established to support the work of the workforce board. This is done in our peer regions of Northern Virginia and Hampton Roads. The added benefit for our region would be a "best of both worlds" scenario where we continue to reap the benefits of attachment to Henrico County for operational soundness that others do not receive, while gaining the ability to secure philanthropic and private funding.

The Governance Committee on June 7, 2023 endorsed an approach to establish a working group to advance the effort, which would include Board members and others with content experience. Both Finance and Governance would be briefed along the way.

What do Committee Members need to do?

Endorse the Governance Committee's recommendation and report to the full Board on June 22, 2023