Division of Rehabilitative Services

Employment Service Organization Steering Committee (ESOSC)

Tuesday, April 12, 2022
10:30 a.m. – 1:30 p.m.
In-Person Meeting Location: 8004 Franklin Farms Drive Henrico, VA 23229

Minutes

Members Present: Shirley Lyons, Chuck McElroy, Alan Hargraves, Joanne Aceto, Chris Lavach, Jason Harper, Stephanie Hoer, Jim Fenerty

Members Absent: Teresa Hall, Megan Bergen

DRS Staff Attending: Kathryn Hayfield, Donna Bonessi, Anita Mundy, Catherine Harrison

Full Committee Call to Order and Introductions

Joanne Aceto called the meeting to order at 10:37 a.m. and welcomed members and guests. Ms. Aceto asked members and expected guests to acknowledge their physical presence. Eight members were present.

Approve Meeting Minutes from January 11, 2022

Joanne Aceto

The Committee reviewed a draft of the meeting minutes dated January 11, 2022. A motion was made by Chuck McElroy to approve the minutes. Jason Harper seconded the motion. All members present voted to approve the meeting minutes.

Approval of Agenda

Joanne Aceto

The Agenda was presented for approval. The Committee members present unanimously approved the Agenda dated April 12, 2022.

Public Comment

Joanne Aceto

The ESOSC offered two occasions during the meeting for public comment. Member of the public, Kim Heath representing Eggleston Services, signed up to address the Committee and asked if DARS is considering a rate increase for ESOs since inflation and expenses to run their organizations have increased considerably. DARS responded that this may be considered, however, all LTESS-EES appropriations are determined by the General Assembly. DARS has not yet received notice of these allocations.

Public notice was posted prior to the meeting with the opportunity for the public to submit written public comment via a variety of means by February 11, 2022. Anita Mundy reported that no members of the public submitted public comment prior to the meeting.
Review of Committee Member Term End Dates and Reappointment Status Intentions  
*Anita Mundy, DARS Provider Program Specialist*

Anita Mundy reviewed the term end dates for current Committee members. All member terms expire 6/30/2022. All members except for one, have submitted or intend to submit applications for reappointment. Teresa Hall, House of Representatives Appointee will not be seeking reappointment. According to the ESOSC Bylaws, current members may continue to serve on the Committee until a replacement is appointed. Anita Mundy will notify Delegate Gilbert of the vacancy.

**LTESS-EES/ESOSC Legislative Updates**  
*Catherine Harrison, Director of the Division of Policy & Legislative Affairs*

Ms. Harrison provided legislative updates to the Committee in the areas of Budget, Guardianship, FOIA, and the Fair Labor Standards Act HB 676 (Hope).

**Budget**
Two budget amendments in Senate conference report impacting ESOs.
1) Expands the scope of the ESOSC to include other services of which ESOs are current or proposed vendors.
2) ESO cost of living adjustment equal to the annual Consumer Price Index provided by the Social Security Administration for 2022.

**Guardianship**
A number of bills related to the JLARC guardianship study, legislation that passed addresses guardian ad litem items, including the notice of the hearing, the guardianship annual report, and a requirement that DARS convene a workgroup to look at visitation requirements.

**FOIA**
HB 444 FOIA – Bill passed that allows for electronic public meetings other than during a declared state of emergency, public body can hold all virtual meetings no more than 25% or meetings, effective September 1, 2022.

**Fair Labor Standards Act HB 676 (Hope)**
Removed provision stating that a person paid pursuant to 14 (c) of FLSA is not considered an employee for the purposes of the Virginia Minimum Wage Act - laid on the table in House Commerce and Energy.

**LTESS-EES Third Quarter Spending Report**  
*Donna Bonessi, Director*

**Employment Services & Special Programs**

Ms. Bonessi provided a breakdown of the 2022 Third Quarter Spending Review. Trends in services by Providers using LTESS funds show a slight increase. Providers using EES funds continues to trend down.
Ms. Bonessi provided a breakdown on Third Quarter Expenditures. There was a combined balance of $1,152,577 at the end of the Third Quarter.

See Expected vs. Actual Expenditures in the chart below.

![Third Quarter Expenditures Chart](chart.png)

Ms. Bonessi provided a breakdown by organization which showed the expenditures for all employment organizations for the third quarter. There is a projected balance of $1.7 million at the close of SFY 2022.

**Use of LTESS-EES Projected Balances Discussion & Recommendation Committee**

The Committee reviewed and discussed the information provided by Ms. Bonessi. Discussion included possibilities of why there has been a decrease in services, if there are additional ESOs that may be approved to provide services, is there training that would be beneficial to ESOs, and could there be economic relief provided to ESOs to compensate for rapidly increasing costs of doing business due to nationwide inflation.

The Committee developed the following recommendations that will be submitted to the DARS Commissioner for consideration:

The ESOSC recommends that DARS use LTESS-EES projected balances to contract with Virginia Commonwealth University to provide a 40 hour supported employment training course to 500 supported employment staff of eligible ESO’s, contingent on the availability of funds. (Motion put forth by Jim Fenerty, motion seconded by Chris Lavach, unanimously approved by members present). (This recommendation will include DARS purchasing a block of slots to be used over the next fiscal year.)

The Committee recommends that a $1,000 per staff stipend be paid to ESO’s whose staff successfully complete the VCU training and obtain an ACRE certification, in order to cover the costs incurred by ESO’s, and contingent on the availability of funds for SFY22 and SFY23. (Motion put forth by Jim Fenerty, motion seconded by Stephanie Hoer, unanimously approved by members present).

The Committee recommends that the DARS Commissioner make a request from the Secretary of Health and Human Services that the balance of LTESS-EES funds at the end of SFY 22 be allowed to carry forward to SFY 23. (Motion put forth by Chuck McElroy, motion seconded by Shirley Lyons, unanimously approved by members present).

The Committee recommends that a second provider recruitment, onboarding, and training fund be made available to reimburse LTESS-EES providers for expenses directly related to recruiting, training, and onboarding direct employment services staff (not to include administrative staff), for expenses
incurred between the dates of September 1, 2021 – April 30, 2022. Should requests exceed available funds, each provider will receive an equal prorated percentage of remaining funds. Any allocation of funds is contingent on the availability of funds for SFY22 (Motion put forth by Jason Harper, motion seconded by Chuck McElroy, unanimously approved by members present).

**LTESS-EES SFY 2023 Allocation Methodology**

Donna Bonessi

Ms. Bonessi requested a recommendation from the Committee that DARS revert back to a 3-year rolling average which bases allocation of funding on actual expenses incurred by each ESO. The Committee agreed with this proposal. Stephanie Hoer made a motion to accept the recommendation, Chris Lavach seconded the motion. All members present voted unanimously to accept the recommendation that DARS will revert back to a 3-year rolling average when determining future LTESS-EES funding allocations.

The Committee recommends that in state fiscal year 2023, DARS revert back to a 3-Year Rolling Average and base allocation of funds on actual expenses incurred by eligible ESOs. (Motion put forth by Stephanie Hoer, motion seconded by Chris Lavach, unanimously approved by members present).

**Commissioner's Update**

Kathy Hayfield, DARS Commissioner

Commissioner Hayfield was present for the majority of the meeting and participated in discussion regarding the recommendations that the Committee would like to put forth for approval. Commissioner Hayfield encouraged the Committee put those recommendations in writing and submit them to her for review.

**Upcoming Agenda Items, and Other Business**

Joanne Aceto, Chair

The next meeting of the Employment Service Organization Steering Committee is scheduled for July 12, 2022.

**Adjournment**

The meeting adjourned at 2:00 p.m.