

**Fairfax County Board of Supervisors  
Economic Initiatives Committee (EIC)  
J. Hamilton Lambert Conference Center (Room 11)  
April 8, 2025**

**Meeting Summary**

**Board Members present:** EIC Chairman Supervisor Daniel G. Storck, Board of Supervisors (BOS) Chairman Jeffrey C. McKay, Supervisor Kathy L. Smith, Supervisor James R. Walkinshaw, Supervisor James N. Bierman, Supervisor Rodney L. Lusk, Supervisor Walter L. Alcorn, Supervisor Andres F. Jimenez, Supervisor Dalia A. Palchik

**Board Members absent:** Supervisor Pat Herrity

EIC Chair Storck called the meeting to order. He presented the minutes of the March 25 meeting and were approved without comment.

Opening Remarks

EIC Chair Storck stated that the meeting was a follow up to the March 11 EIC meeting on the topic of the federal government downsizing and the workers being laid off. This morning the Supreme Court reversed a lower court order halting the reinstatement of 16,000 probationary employees who were laid off. This meeting is meant to provide some valuable information on the current and future impacts on Fairfax County and how the Board of Supervisors can address needs and issues.

Since Chairman McKay was not present at the beginning of the meeting Supervisor Storck introduced DEI Director Rebecca Moudry to introduce the topics and the speakers. She started with Stephen Tarditi, Director, Market Intelligence, Fairfax County Economic Development Authority, to speak about the federal reductions economic impact analysis on Fairfax County, followed by David Hunn, President and CEO, SkillSource Group, Inc. and Executive Director, Virginia Career Works Northern Region, to speak on the worker perspective of the crisis as well as the workforce outlook for the region. She also mentioned that Congressman Beyer would join later in the meeting to give a federal update on the situation by phone.

Federal Reductions Economic Impact Analysis for Fairfax County

Tarditi began by reviewing data on the federal workforce from the March 11 meeting. There are over 80,000 Fairfax County residents who work for the federal government, which represents about 13% of the total resident workforce. According to the Bureau of Labor Statistics (BLS), about 14,000 federal government workers have been separated so far. Tarditi did mention that the BLS data lags and underrepresents the current situation as there have been recent layoffs from HHS and the Department of Veterans Affairs that are not included.

In terms of federal contractors, there are 2 WARN (Worker Adjustment and Retraining Notification) notices from Leidos and MITRE that affect 471 employees. MITRE had contracts with IRS, FEMA and DHS that were halted. Overall, there are 86 federal contractors that have had 149 contracts cancelled so far. Tarditi explained they are part of the ripple effects from the

federal workforce reductions. With respect to real estate, there are still only 2 lease cancellations though the number of cancellations nationwide has grown to over 650.

The Fairfax County Economic Development Authority engaged a senior economist from Strategic Impact Advisors in February to develop the economic impact study to analyze the impacts of the federal reductions. The study considers scenarios in reductions of the federal workforce of 10%, 20% and 30%. The study also includes the impact on federal government contract employees using a Brookings Institute ratio of 2.48 per federal government worker. The study assumes the worst-case scenario for each percentage reduction in the workforce with the job losses being permanent. Finally, the model used in the study is based on Census information on resident employment and dollars spent and local taxes.

In terms of potential losses of federal civil service jobs and federal contractor jobs in the 20% scenario, there would be a total loss of about 57,000 workers, which is approximately 9% of the total workforce. In comparison, Tarditi stated that the peak unemployment rate during the COVID-19 pandemic was 10.3%. The economic ripple effect at the 20% layoff scenario would be a loss of the resident workforce of over 82,00 jobs (13% of total resident workforce) and total output loss of over \$20 billion (6% of GDP). The last GDP reduction was in 2019-2020 and amounted to only .1%. Tarditi ended with the tax revenue impact, which would amount to nearly \$220 million at the 20% federal job loss level.

### Discussion

Supervisor Storck stated that the discussion on economic impact study would proceed before Chairman McKay's report on the meeting of the Virginia General Assembly's Emergency Committee on the Impacts of Federal Workforce and Funding Reductions that was taking place today. Supervisor Jimenez thanked FCEDA for the data and the timeliness of them in light of the growing concerns of constituents. Supervisor Walkinshaw inquired as to which companies were required to submit WARN notices, and how federal agencies do it. Tarditi responded that companies with over 100 employees are required to report WARN notices to the state to include the notice date and the impact date. He added that of the 149 contracts that were cancelled 57% were with small businesses who do not submit WARN notices.

Supervisor Storck asked how the current information should be seen as more data comes out. Tarditi commented that the unemployment figures for February will be reported in mid-April, but the bigger impacts will not be seen until the June unemployment data are released. FCEDA is tracking the state jobless claims which have increased but have not spiked upwards. The current number of claims is about 18,000, up from 15,000.

Supervisor Palchik asked if the data could also include impacts on the services sector and other sectors not directly related to the federal government. Tarditi responded that those sectors are factored into the ripple effect. Supervisor Storck followed by asking what would impact the current estimated job loss percentage of 15% to go either higher or lower. FCEDA Executive Vice President Alex Iams responded that large reductions in defense and homeland security would impact the current estimate. Supervisor Storck said that clarity in the trend would certainly help in making decisions on the budget discussions.

Supervisor Lusk commented that it would be a challenge to recreate such a large number of jobs for those who federal workers laid off. He remarked that the corresponding tax revenue losses at the 10%, 20% and 30% would be the equivalent of a 3 cent, 6 cent and 10 cent reduction in the Fairfax County tax rate. He asked if there has been a difference in prospecting companies to come to Fairfax County since the beginning of the reductions. Iams remarked that FCEDA had been seeing an increase in activity as companies have repositioned themselves during the federal downsizing. Tarditi added that this amount of activity has not been seen since just before the pandemic and the subsequent economic shutdown. Moudry commented that there has also been an increase in the activity on the FairfaxCORE site for small businesses looking for resources. She also said there has been an increase in every Accelerate Breakfast series, with the last round having 100 applicants for just 5 slots. It is also the case with the Fairfax Founders Fund, which is currently accepting another round of applicants until April 21.

Supervisor Bierman pointed out the Pulse Survey in the packet and referred to the finding that all but 68 of the 330 respondents said there would be some challenge with the federal government situation and asked if the findings were representative of the entire federal market. Moudry provided background on the survey which went out to contacts to find out how they are doing and if there are or will be any challenges, including tariffs. The large majority of respondents were small businesses and most represented the professional and scientific services industries and reflected the Fairfax County economy. She stressed the sample size was not large enough to generalize about the federal government sector.

#### Report-Out from the Virginia General Assembly Emergency Committee on Impacts of Federal Workforce and Funding Reductions meeting

With Chairman McKay now present at the meeting, Supervisor Storck asked him to report on the General Assembly's Emergency Committee meeting taking place. Chairman McKay thanked the FCEDA for the data that was shared at the meeting. Chairman McKay presented a set of requests to the Emergency Committee that was shared with all of the BOS Members. He remarked that there was a large amount of data presented by others that did differ with Fairfax County's numbers. He expressed concern that state leadership downplayed the numbers presented as well as the urgency of the situation in Northern Virginia.

Chairman McKay emphasized that this situation is the worst that the region has faced in our lifetime. In addition, the federal government will not be helping with recovery as it did during the COVID-19 pandemic. He outlined the immediate asks as follows: 1) childcare subsidies; 2) housing assistance; 3) rental assistance; 4) utility assistance; 4) moratorium on utility cutoffs; and 5) and support for community-based organizations already seeing spikes in requests and dips in individual and corporate donations. He continued with economic development requests to include: 1) helping the dislocated workers; 2) adapting and growing incentives for emerging sectors such as AI and space; and 3) using the successful TalentUP model on a regional basis.

He stated that it is very rare for the region to ask for state support but this time it is needed here especially since the state is deciding on what to do with the large budget surplus. He shared some stories about the ripple effect including the loss of the public health nurse in the Adult Detention Center who is moving because spouse lost his federal job, and the potential loss of families not only from Fairfax County but from the Commonwealth as they move to more

affordable places in the country. He ended by saying that there are those around the state who do not believe this situation is real even with the data we have collected on the crisis. He did point out that some of the data from the Hampton Roads area was very revealing since there is a large federal and military presence there. Chairman McKay will follow up with Emergency Committee Chair Bulova on the outcomes from the roundtable discussion that he could not attend.

### Discussion

Supervisor Storck asked if the state leaders fully understand the magnitude of this issue here. Chairman McKay said they did not and added that if Fairfax County's economy has a major downturn it will greatly impact Virginia as a whole. Some of the health and human services requests did resonate with others around the state. The Board will need to continue to communicate with the state as the situation continues to unfold and include the data to clearly convey the impacts. It will also be more evident with more families moving to other parts of the United States. The request list will change and grow with the impacts. Supervisor Storck mentioned that the Emergency Committee still has two more meetings with their findings not published until September. Both Chairman McKay and Supervisor Storck thanked staff for preparing the list.

Supervisor Palchik appreciated the list and how it has a long-term approach to mitigating the federal workforce reductions while growing our economy. The losses at MITRE greatly impact its ability to innovate and perform research through its labs. Supervisor Bierman inquired about the reaction of Fairfax County's requests in regions like Hampton Road where there are many federal workers. Chairman McKay said they were very interested in what was presented, though their impacts are not large as of today. Moudry did say that there was no roundtable discussion while she was there, and commented the committee was just listening and provided no feedback. Chairman McKay recommended that the Legislative Committee turn the asks into formal requests. Moudry stated that a colleague is attending the afternoon session so Board Members will receive a summary of that portion of the meeting.

### Worker Perspective and Workforce Outlook

Supervisor Storck mentioned that Congressman Beyer was still planning to call in to the meeting but understood that Congress has been in session today. Chairman McKay added that there will be an NVRC meeting with county leaders and mayors next week that may include Congressman Beyer and Congressman Connolly. Supervisor Storck then introduced David Hunn for the next presentation.

David Hunn provided some background on SkillSource Group and Virginia CareerWorks Northern region, which is one of fourteen workforce boards in the Commonwealth. It represents Fairfax County, Loudoun County and Prince William County as well as the cities of Falls Church, Fairfax, Manassas and Manassas Park. There are 5 employment centers, which are located in Annadale, Alexandria, Leesburg and Woodbridge. They serve dislocated workers as well as those looking for training and support services. They also work remotely and virtually to approximately 45,000 jobseekers this year, not counting those federal workers recently displaced. The Fairfax County Department of Family Services serves as the contractor to

provide staffing at the centers as well as the detention centers in Fairfax and Prince William Counties.

With respect to the current federal reductions, Hunn remarked that the Supreme Court decided that the plaintiffs in the case decided this morning did not have standing so they ruled in favor of the administration. However, there is a similar case in Maryland that may have a different decision. He continued by saying that the number of displaced federal workers coming to the centers has been a little over 500 throughout the state. He has not seen any data from either the District of Columbia or Maryland to see the trends in those jurisdictions for comparison. He had hoped there would be a couple of former USAID contractors to come to the meeting to share some insights, but one person already has a new job.

Hunn affirmed Chairman McKay's observation that the state believes that everything is under control and there is no crisis as a result of attending the State Workforce Board meeting on March 28. He stressed the importance of the timeliness of the data as they were looking at January data at that meeting. He concluded that the lack of walk-in traffic at the centers has more to do with the pending lawsuits than it does with job placements. He added that a WARN notice is issued by federal agencies when a reduction in force (RIF) is announced. In Maryland the National Institutes of Health issued a RIF that affected 2,900 employees. There is a 60-day period between when a RIF is announced, and a WAR notice takes effect.

Hunn presented the landing web page specifically for displaced federal workers and contractors. It will expedite the registration process for those who need services. He does not foresee any assistance from the U.S. Department of Labor to help process applications for these displaced workers. At the state level, the Governor would have to declare a Rapid Response so a national emergency grant application could be submitted to the U.S. Department of Labor.

During the COVID-19 pandemic there were over 60,000 displaced workers visiting the 5 workforce centers. However, since the restructuring of the Virginia Employment Commission, displaced workers have the option to look for jobs and seek resources virtually. He questioned whether it could effectively respond to a large number of unemployment claims.

Virginia Career Works worked very closely with the Secretary of Labor to work with WMATA on an outreach campaign to federal workers. Ads will be included on Metrorail trains, Metro stations and platforms, and Metro buses going into Washington. The campaign will begin in 7-10 days and last about 12 weeks.

### Discussion

Supervisor Palchik asked whether Chairman McKay has any involvement with the Rapid Response communication going to the Governor. She also recommended looking at the Connector buses and shelters for potential advertising. Hunn commented that Virginia, Maryland and the District of Columbia have worked on a joint Rapid Response in previous years that went to the U.S. Department of Labor. The funding would end up going to each state separately. Supervisor Jimenez thanked Hunn and others for their efforts and recommended looking at movie theaters, faith-based organizations and the Board offices as other outlets for advertising. Supervisor Alcorn emphasized the importance of a coordinated marketing and

communications strategy that incorporates other current economic development efforts. Hunn pointed out that the QR code in the ads goes to the FCEDA website in addition to the Virginia Career Works site. Supervisor Alcorn announced that the number of job listings is up to 48,000 in the region, an increase of about 6,000 jobs from a few weeks ago,

Supervisor Bierman commented that many of the displaced federal workers are still trying to get their jobs back through the lawsuits that have been filed. He added that it could explain why there have not been very many people coming to the job centers at this point. However, it is important to continue to inform the state of the situation here as it worsens. Chairman McKay interjected with the fact that it is difficult to know how many employees have resigned because the way they have been treated in the downsizing process. He also said that some agencies have reinstated contracts to find out that the contractor has been downsized. It is difficult to evaluate the data because of the chaotic nature of the situation, which is leading to a great deal of fluctuation in the numbers.

Moudry informed the Board that Hunn had invited a recently displaced worker to the meeting to share her experience but was concerned to do it in a public forum while seeking another job. Hunn described that person as a Fairfax County resident as a former USAID contractor who is now a client of Virginia Career Works using their services. She made need to leave her apartment in June unless she can find a position soon. The other client is a resident in Prince William County who was a full-time federal government budget analyst who now works for a company doing financial management. Moudry concluded by saying that some displaced workers may have a harder time finding a compatible job in the private sector as their skills may not align with those needed. Hunn thanked the Department of Family Services case worker for assisting the woman from Fairfax /County.

Supervisor Storck stated that Congressman Beyer is still occupied on the floor of the U.S. House of Representatives and that the current discussion can continue until he joins via telephone. His input is valuable because he has had many conversations with federal government employees during the past few weeks.

Supervisor Storck asked County Executive Hill if there were any changes in the proposed budget that could be made to address the impacts from the federal workforce downsizing. CEX Hill responded by saying that the focus should be on retooling, upskilling and helping with job opportunities. He mentioned that Supervisor Smith and he attended a workforce development fair at Mount Olive Baptist Church where 600 displaced workers attended at a venue that holds 500 people. He observed the large amount of talent but in an environment with few openings in local governments. However, it will be key to have training and development to broaden the skills sets to fill open positions. He also said that the BPOL revenue numbers will be reported next month and will tell County leadership how the small business environment is in this situation. Although 94% of Fairfax County businesses are those under 50 employees, 75% of the workforce is employed with large businesses. His team will continue to monitor the situation and be ready to retool the budget when the numbers get higher. He concluded by saying that all Fairfax County residents, including the displaced workers, will be taken care of.

Chairman McKay thanked CEX Hill and stressed the importance of keeping the reserves fully funded in the budget in the event of a crisis. He repeated that the federal government, except through the recommended Rapid Response via the state, will not be assisting Fairfax County with any funding. The County will have to proceed alone, but will be in a position to respond.

EIC Chairman Storck thanked all of the speakers. He said that key investment partners need to be identified regionally to determine the strategic pivots to move Fairfax County's economy forward. They include AI, space, and quantum technologies. He announced Congressman Beyer's next regional job fair with 50 companies at George Washington Middle School in Alexandria on Saturday, May 3. There will also be a regional job fair hosted by Fairfax County and Virginia Career Works Northern with 70 companies on May 9 at the Fairfax County Government Center.

Congressman Beyer was unable to call in to the meeting. The next EIC meeting will take place on Tuesday, July 8, unless it is determined that the situation caused by the federal government downsizing necessitates a meeting before then.

The meeting was adjourned.