



Approved
October 29, 2020

Northern Middle TN Workforce Board Finance Committee
June 4, 2020
9:00 a.m.
Workforce Essentials
523 Madison Street, Clarksville, Tennessee

The Finance Committee of the Northern Middle Tennessee Workforce met on June 4, 2020 at 9 a.m. via zoom conference.

The meeting was called to order by Chairman Mark Peed. Marla Rye called roll to document attendance. Mark asked for approval of the minutes. David Rutledge moved to approve and was seconded by Seth Thurman. The minutes passed unanimously.

Marla updated the committee on the impact of COVID-19 in our workforce area. In Tennessee, there has been 561,000 claims so far and it continues to increase daily. This is also reflected in the state unemployment numbers, Northern Middle went from a 2.6% unemployment rate to 14.8%. Marla gave an update on AJC operations. She explained that we are the only area that is in phase two. Marla stated that most of the areas are still in the planning and appointment phase. Northern Middle opened the doors to the public on May 26, and are seeing clients in the centers. The next step will be on June 8th, when we will receive clients at full capacity. She states we need the doors open now more than ever. It is our job to serve and help individuals who have lost their jobs.

Budget Report:

Ginger reported Quarter 3 total expenditures for Northern Middle. Our total expenditures increased by 173,000 in quarter three. They had increased about half a million in quarter two over quarter one. Ginger reported that time elapsed is 75% and we are lagging on expenditures at only 57.5%. She stated that the expenditures for the Workforce Board are staying on track with the budget.

Ginger reported that the OSO expenses continued to run higher than expected in quarter three. At the last meeting, Mid Cumberland began making changes to their staffing and we saw an impact of that in April. The expenditures continued to run higher than we expected and we raised that area of concern in our monitoring report to an elevated status.

Ginger explained that Campbell Strong is continuing to be very successful. The expenditures are only 45.8% but the enrollments are 80.6%. Marla stated that the US Department of Labor gave indication that because of COVID they were going to look at extending the contract. The Department of Labor has submitted to the feds to see if we could have one more year on the Campbell Strong Workforce Partnership grant. Marla explained that the grant would be extended at no cost until September 30, 2021.

Ginger reported on positives for the fiscal budget. She stated that through quarter three we were able to maintain MPCR of 43.27% that is without CSWP numbers included. Another positive is that we had a excellent report card from the state. They send out monthly reports, and despite a challenging year, we were able to utilize all of the funding without deobligation. Ginger mentioned that Campbell Strong faced some challenges with COVID, which included them having to relocate some of their staff, but they were able to maintain enrollments.

Ginger stated that we had another positive which was the monitoring visit from the state. The report was issued without findings this year.

She then began explaining the areas that need some improvement. Ginger stated one of the challenges during this time is enrollments. WIOA enrollments were affected by closing the centers for COVID-19. Ginger reported that MCHRA Adult & DW as well as Youth has declined in quarter three and the MPCR has dropped significantly in the month of April. Ginger mentioned this is concerning for quarter four, as it related to MPCR. We are hoping that having the centers reopening it will increase those numbers.

Ginger reported that Mid Cumberland billing is an area of concern. She stated an average is expected of \$826,000 a month. The chart shows that March and April declined, which directly effects the MPCR. Ginger created a chart to show how we compared to last year, and in quarter three, we were lagging the prior year by \$347,000. In April, you can see the impact of COVID. Just looking at the month of April comparing last year to this year we have declined \$221,000.

Ginger stated that Northern Middle had a PAR monitoring and there were no findings. She also mentioned that Mid Cumberland had an external audit for the fiscal year ending June 30, 2019 and had no findings either. Ginger reported areas of concern for the quarter three monitoring report. She stated one concern was the staff turnover and position vacancies that are potentially impacting the delivery of services. We have had challenges with timely direct participant payments and in tracking expenditures against obligations.

Ginger informed the committee that we have received our allocation notices. Our allocations compared to last year have declined around \$700,000. Ginger explained the proposed budget. She stated that this budget is approximately \$1 million dollars less than the one that we approved last year. She explained this budget is at the \$15 million dollar. She noted that the carryover for this budget is 5.4 million which is higher than last years. We have calculated based on the direction of the committee last year, about 15% carryover.

Marla explained to the committee that the Tennessee Department of Labor has a national emergency grant. This grant will allow us to take individuals that have been unemployed because of COVID and reemploy them in cleanup and recovery efforts.

Ginger stated that we need budget approval for the 20-21 year. Seth Thurman motioned to approve and Dan Caldwell seconded the budget was passed unanimously. Marla recommended to the committee that we extend MCHRA contract for Career Service Provider for six months. She stated this would give them time to make improvements and if they want to bid on this area again they can. Mark Peed asked if MCHRA was giving any reasons on why they aren't meeting their goals that were agreed on originally? Marla stated they are using

COVID as a reason they aren't able to enroll clients if they aren't coming into the building. Marla explained that we could go ahead and procure this fall and if Mid Cumberland improves, then they could re-apply for this workforce area.

John Watz gave the committee an update on the Regional and Local Plans. He stated in April we received guidance from the state concerning the formulation of both plans. Both of these plans are due to the state by June 30th. The regional plan consist of Northern Middle, Upper Cumberland, and Southern Middle. In April these areas met virtually to divide duties and responsibilities to complete the plan in a timely manner. The areas put together a draft plan and it was sent to the Department of Labor in early May. They gave us feedback on the regional plan, and we made adjustments and began to finalize. This draft plan will be posted on the Northern Middle website for public comment. John explained that at the same time, Northern Middle has also been working on the Local Plan. He continued that both of the plans have to be submitted to the state no later than June 30th. Marla asked if there was any questions or comments about the local or regional planning process.

Marla reminded everyone of the upcoming Northern Middle meeting on August 12, 2020. Chairman Peed asked for questions. With none, the meeting was adjourned.