



APPROVED
February 8, 2024

Northern Middle Tennessee Workforce Board

Finance Committee

Meeting Minutes

August 4, 2023, via Zoom at 9:00 a.m.

Members Attending	Members Absent	Staff & Guests Attending
Mark Peed	Keith Carnahan	Ginger Fussell
David Rutledge	Dan Caldwell (proxy to John Zobl)	Marla Rye
Kristi Spurgeon	Paul Webb	Andrea Dillard
John Zobl	Sho Samuels	Meagan Dobbins
		Sherry Maynard

The Finance Committee of the Northern Middle Tennessee Workforce Board met virtually on August 4, 2023, at 9 a.m.

With a quorum present, the meeting was called to order by Mark Peed. David Rutledge moved to approve the minutes, and John Zobl seconded. The minutes passed unanimously.

2022-2023 Budget Review

Ginger Fussell reviewed the budget. Quarter 4 expenditures were \$4.3M, approximately \$1M higher than last quarter. Last quarter was approximately \$1M higher than its previous quarter. The successful final two quarters of the year compensated for the lagging first two quarters of the year to bring us to a higher year of spending and grant utilization compared to our prior year. Fiscal Year To Date expenditures for the year were \$12.5M, approximately \$1.5M over last year. Current quarter expenditures are strong, particularly in the Adult and Youth fund streams. Considering our reduction in funding for the upcoming year, NM staff have begun conversations with EDSI, our largest provider, to pace themselves in obligating their reduced 23-24 pass-through.

Last quarter, we informed the Board that we would get Summer Youth funding, but we did not know the amount. The funding that impacted the current year budget was approximately \$539k, while the second phase, which began July 1 of 2023, will be an additional \$1.7M. In addition to the \$539k increase, we requested and received additional funding on the COVID National Dislocated Worker grant, which ended June 30. EDSI was able to utilize \$123k of the additional funding. The \$15.2M budget reported at the May meeting grew in Q4 to \$16.2M. We will request approval of this increased budget. Grant utilization in 2022-23 was the highest in three years at 77%.

NM utilized 97% of grant funding expiring June 30, 2023. 100% of WIOA formula funding was used. The most significant portion of the unused funding, related to an additional funding request on the COVID National Dislocated Worker grant of \$400k, was made late in the year. EDSI was able to utilize \$123k of that funding.

Career Service Provider Review

MPCR increased from 53.27% last quarter to 54.92%, which remains strong compared to the 40% required. This success is driven by the positive outcome of high percentages of expenditures spent directly on participants as intended. However, a less favorable driver is the fact that there has been staff turnover throughout the year out in the field, which has lowered the overhead costs of our largest provider, EDSI. Contract-to-date (30 months) EDSI met or exceeded all dollar-driven goals except In-School Youth. EDSI exceeded the Adult/DW MPCR at 57%. They met the Youth MPCR at 50%. They exceeded their Work Experience goal at 27% but did not meet their In-School Youth goal at 29%. Contract-to-date (30 months) MAC met or exceeded all dollar-driven goals except In-School Youth. They met the Youth MPCR goal at 50%. They exceeded their Work Experience goal at 38% but did not meet their In-School Youth goal at 38%.

Annual CSP billing increased by \$1.8M compared to last year. Of that amount, \$1.1M relates to the current year pass-through of the COVID National Dislocated Worker grant to EDSI. Quarter 4 CSP billing, which includes COVID NDWG, increased \$777k compared to last quarter and was \$829k higher than Quarter 3 of the previous year, which did not include COVID NDWG. Ginger reviewed the billing progress and pointed out that EDSI spent 94% of their 30-month contract budget. MAC spent 89% of their 30-month contract budget, and MCHRA spent 84% of their 12-month contract budget. Marla explained to the committee that the OSO contract with MCHRA is now a regional contract between Northern Middle and Upper Cumberland. George Phillips will remain as the One-Stop-Operator for both regions.

Ginger updated the committee regarding the three smaller youth contractors. The contractors each received \$100k Youth awards. The three new youth providers contributed \$98k in billing during Quarter 4, \$220k cumulatively. At the end of their 12-month contracts, the providers collectively utilized 73% of \$300k in awards. JTG had the best outcomes fully utilizing their funding and meeting all three dollar-driven goals. Liberty's Station had high concentrations of paid work experience but utilized only 38% of its funding. Monroe Harding utilized 82% of their funding but did not meet MPCR or ISY targets. Andrea explained that the youth who had not completed the program were transitioned over to EDSI to finish the program. JTG was able to exit all of their participants except for two who were transferred to EDSI.

2023-2024 Budget Projections

The 2023-24 budget, initially presented in May based on year-end projections of carryover, has been adjusted to reduce carryover and add Summer Youth funding. The net increase of \$1.5M is the combination of approximately \$800k reduction in carryover offset by the addition of approximately \$2.3M in Summer Youth funding. Ginger explained that last quarter, the Board granted an extension of our authority to request \$500k from last year of DW to Adult re-purposing. We are making that request to the state currently. Considering the amount of Adult needs to be anticipated, NM staff are asking for flexibility to request the re-purposing of \$1M from DW to Adult through June 30, 2023, for a combined

total of \$1.5M. Marla added that there are about 2,000 active participants, and 75% of them are adults, which is why the flexibility to transfer the money is needed.

Monitoring Update

The EDSI staffing situation has improved somewhat; however, case management has suffered due to the staff turnover. Priority has shifted to the training of staff to improve customer service. The current focus is on reducing caseloads for quality of service. Technical assistance and initial monitoring efforts related to the new Summer Youth Program have been given, which for Phase II follows guidelines outside of the usual WIOA guidelines. The smaller youth contractors programmatically completed grant close-out. Most youth were closed with positive outcomes. Only a few were transferred to EDSI's caseload. A contract has been finalized with MCHRA to conduct regional OSO services for Northern Middle and Upper Cumberland. TDLWD's PAR and Program Integrity Units are currently monitoring Northern Middle. On-site visits were conducted on August 1 and 2; the remaining procedures are in progress.

Action Items

Ginger reviewed the requested action items. An approval is requested for the 2022-23 Budget Revision, bringing the total to \$16.2M, adding \$539k from the Summer Youth Phase I and \$400k from the COVID NDWG. Authorization is requested to re-purpose an additional \$1M DW for Adult to 6/30/24. And approval is requested for the 2023-24 Budget Revision, bringing the total to \$14.4M (+\$1.5M net = - \$800K Carryover + \$2.3M Summer Youth). David Rutledge asked if the entire MPCR improvement is due to staff turnover. Ginger stated that the increase is a combination of staff turnover and increased performance. Marla added that the CDL training participants have risen and contributed to the rise in MPCR. David Rutledge moved to approve the action items. Kristi Spurgeon seconded. With no further discussion, the items were approved.

Program Update

Marla updated the committee about the Summer Youth Employment Program. There are just under 350 participants in the program. 125 are in phase one, and over 200 in phase 2. Northern Middle has around 60% of youth enrollment throughout the entire state. It is hoped this will affect the Labor Force Participation Rate. The youth are employed in government jobs as well as private industries. More 14, 15, and 16-year-olds applied than other youth.

Adjourn

Marla reminded the committee of the Board meeting on August 9 at Highland Crest Community Center. With no further questions, Mark Peed adjourned the meeting.