

**Northern Middle Tennessee Workforce Board
Full Board
Meeting Minutes**

May 11, 2022, In-Person & via Zoom 11:30 a.m.

Members Attending	Members Absent	Staff & Guest Attending
Greg Jones	Dan Ryan	Ginger Fussell
G.C. Hixson	James Harper	Andrea Dillard
Dan Caldwell	Keith Carnahan	Marla Rye
Lynn Seifert	Richie Brandon	Renea Rosson
Mark Peed	Seth Thurman	Shaughn Goggin
Tylesha McCray	Tony Adams	Freda Herndon
Chris West		Liz McLaughlin
Anne Fugate		John Alexander
Carol Puryear		George Phillips
Charles Story		Danielle Ellis
David Rutledge		John Watz
Bo Callis		Jessica Hooper
Jennifer Hobbs		Arti Finn
Kristi Spurgeon		Adam Henderson
Paul Webb		Jimmy Johnston
Tylesha McCray		Adina Chumley
		Sherry Maynard
		Phillip Wallace
		Richard Nelson
		Bob Bibb

The Northern Middle Tennessee Workforce Development Board met in person at the Sumner County American Job Center and with a virtual option on Wednesday, May 11, 2022, at 11:30 a.m.

The meeting was called to order by Chairman Zobl. Attendance was taken, and a quorum was declared. Chairman John Zobl asked for a motion to approve the minutes. Lynn Seifert made the motion to approve. John Alexander seconded, and the minutes were unanimously approved. Marla then started the meeting by recognizing mayors and board members who participated in workforce activities since the last Board meeting.

Serving Justice-Involved Individuals

Marla then turned the meeting over to Arit Finn and Adam Henderson, representatives from the American Prison Data Systems (APDS). They are working on a Governor's re-entry initiative and are providing tablets to inmates for learning and workforce development purposes. Their vision is reduce recidivism through workforce training and placement into living wage employment. Through assessments and performance data APDS develops an individualized education plan and certifies career readiness for its learners. Success is driven by employer engagement and partnerships. APDS expressed interest in working with the Northern Middle Board to assist with employer involvement.



Career Service Provider (CSP) Performance Review

Andrea Dillard provided an update regarding the CSP Performance reviews. She began with MAC's quarterly benchmarks. For the quarter ending on March 31, MAC passed most of its benchmarks at 100% except for MPCR. MPCR was a struggle in the beginning, but they are improving. They did not pass the required number of participants to exit the program.

Next, Andrea reviewed EDSI's benchmarks. For the quarter ending on March 31, they have passed a majority of their benchmarks at 100%. They passed their Adult/Dislocated Worker benchmarks at 90%. They are still behind on their exits and in-school youth benchmarks. Andrea pointed out that both EDSI and MAC have passed and exceeded the work experience requirement of 25% for the first time. For their cumulative scores ending on March 31, EDSI has passed all of their benchmarks except for work experience and in-school ratio. They still have another quarter to bring up that score.

Andrea then reviewed the Federal Performance Standards for program year 2021. This retroactive scoring chart counts individuals who were being exited in 2020 during the onset of COVID. Our situation was highlighted by the number of people were leaving employment and our change in service providers. It is believed that these two factors could account for the deficient (red) areas, which means we failed that particular target goal. In the estimated goal for Quarter 3, we are only failing the 4th Quarter After Exit Employment Rate. Some areas for concern are the consistency of operations, retention, monitoring concerns, and making sure all goals are met for next year.

Andrea stated that it would be recommended that the One-Stop Operator Contract be extended by one year and the CSPs be extended for six months. This would allow the CSP to continue to improve their numbers and be monitored through December 31, 2022. Chairman Zobl asked about the 4th quarter measures and Andrea stated that it might take up to a year for the measure to improve.

EDSI

Danielle Ellis reported that staffing and turnover had been their biggest challenge. She reported that training was one of the biggest reasons staff left in the beginning. They changed their training format and added onboarding to their new hire experience. They have also added staff that they feel have contributed to current successes. John Zobl asked Danielle if they are keeping track of how their changes are impacting their retention and if training is still an issue. Danielle reported that they are monitoring the situation. While they are having an easier time finding talent, keeping them has become the problem because many who leave do so for remote work and higher-paying jobs in different industries. John Zobl then asked Danielle to create a report of the changes made in each center or county. Mark Peed asked what the current starting salaries are. Danielle reported that all career coaches and staff make \$40,000 or better. She also stated that they are also limited by the budget they are working with. Paul Webb asked about the possibility of reducing profit to increase the pay of staff. Marla added that they were in talks with the state about limits imposed on spending that are hurting the program. Danielle pointed out that leaving a job for more money is not necessarily an EDSI problem but a national issue at this time.

MAC

Tanya Evrenson gave the report regarding MAC's performance. She stated their enrollment goals had been achieved for the year. She feels that their connection with the community and schools is paying off. They are now being contacted for help with job services. Tanya reported that in-school youth cannot



be exited from the program until they graduate from high school. Once they graduate, they can continue with assistance or be exited to a job. Tanya mentioned they had plans to meet with the Metro Public Schools and Nashville Chamber to begin planning for the paid work experience for next year. She also mentioned other agencies and businesses they have partnered with for paid work experiences and work-based learning experiences.

Next, Tanya updated the Board about their out-of-school youth. They attend community events and partner with local programs to recruit out-of-school youth and make others aware of what they offer this age group.

Tanya expressed appreciation to the board staff for their continued technical assistance with the VOS program and their continued training. She also mentioned that they continue with internal monitoring every quarter to make sure their files are in good shape. Tanya reported that she is still fully staffed but is concerned that they may leave for a higher-paying job.

Strategic Priorities

Manage Board funds to Support Career Pathways

Ginger Fussell gave the fiscal report. She reported on the Northern Middle activities three quarters into the fiscal year. Quarter 3 was down by \$190k. Over \$7.3M was spent during the nine months ending March. Quarter 3 saw a \$162k decrease in formula grant fund utilization and a \$28k decrease in other grant activities. Our volume of fund utilization is not at preferred levels. However, for the dollars spent this quarter, performance measures indicate contractor improvement in balancing their expenditure goals. There is \$206k in additional grant funding, which is comprised of \$61k additional for apprenticeships, \$60k for layoff aversion, \$35k for re-entry, and \$50k pending approval for Youth career exploration. The Board previously approved the re-purposing of \$2.0M Dislocated Worker funding for Adult program services. \$1.5M has been formally approved and almost utilized. We've requested an additional .5M pending state approval. The budget increase of \$206k; results in a revised budget of \$15.9M for FY21-22. Our contracts are two-year contracts, issued annually. Formula contracts totaling approximately \$7.3 will expire this June, and we are on pace for all of that funding to be fully expended. With that said, we have a large carryover remaining of grant funding which will expire in 2023. The strategic session we had a few weeks ago gave us innovative ideas for better funding utilization going forward.

Next, Ginger reported on the Contract Service Provider Billing. Quarter 3 contractor billing was \$1.5M, down \$121k compared to last quarter. Looking at the previous two years, our highest quarters approximated \$1.8M, which is a level that our current funding will sustain if our contractors rise to that level. With 83% of the contract period elapsed, EDSI has spent 73% of their base contract, and MAC has spent 62%. This contract aims to serve participants, so we would like this to be higher and more comparable to the 83% time elapsed. On the other hand, MCHRA, as the One Stop Operator, has spent 71% of its contract over the same time period. OSO expenses, while necessary, are considered overhead costs. Therefore, expenditures less than budget is a positive for Northern Middle.

Ginger updated the Board about the MPCR. Northern Middle calculates the minimum participant cost rate (MPCR), which is measured based on our fiscal year, to be 47.38% through March, meeting the



state's goal of 40%. This is primarily driven by the career service providers' appropriate balance of direct participant spending. Both contractors have spent at least 50% of their funds on participants. For this fiscal year (which doesn't include the first six months of their contract), EDSI has exceeded the 50% goal at 53.59% for Youth and 54.09% for Adult/DW. MAC is at 44.48% for Davidson County Youth. Looking contract-to-date which is 15 months out of an 18-month contract, EDSI is at 49% for Youth and 48% for Adult/DW, improving 1% in each category. MAC maintained a 41% MPCR again this quarter.

Youth spending is tracked in two additional categories: qualifying work experience activities with a goal of 25% and In-School Youth activities with a goal of 40%. EDSI achieved the work experience goal at 27% for Q3, is at 22% FYTD, and is at only 16% contract-to-date. EDSI's Q3 ISY jumped to 31% in Q3 (significant improvement beginning February) after lagging in previous quarters, is at 16% FYTD, and is at 12% contract-to-date. MAC achieved greater success in these categories. MAC exceeded the work experience goal at 73% in Q3 (which included a prior quarter correction), 42% FYTD, and 35% contract-to-date. MAC exceeded the ISY goal for the quarter at 57%, is at 43% FYTD, and is at 36% contract-to-date.

Ginger then presented the base budget for next year since there will not be another meeting before the beginning of the fiscal year. The forward-looking budget reflects an estimated carryover of \$5.9M (higher than usual) and new year allocations of \$9.3. Factoring in additional grants such as National Dislocated Worker grants and RESEA, the anticipated available funding for FY 22-23 is approximately \$13.4M. Approximated \$9.1M of that will be contracted to Career Service Providers and a One-Stop Operator, and \$1.2M will potentially be spent for National Dislocated Worker Grants, with the balance going toward Board administered expenses and infrastructure overhead costs. The budget will be updated in August.

Ginger reported that Northern Middle continues desk review of EDSI and MAC monthly, analyzing contract progress and performance. Bi-weekly contractor meetings continue. EDSI staffing continues to churn as discussed earlier. Monitoring of MAC identified eligibility documentation issues. Technical assistance was provided. Ultimately, one \$250 disallowed cost resulted. Various training, technical assistance, and monitoring activities were conducted by Northern Middle staff during the quarter. Northern Middle challenged the One-Stop Operator to more enhanced oversight of partner accountability in supporting KPI goals. TDLWD's Performance Accountability Review (PAR) unit is currently monitoring Northern Middle.

Finally, Ginger presented the actions she is requesting: 1.) Approval for the 2021-22 Q3 Financial Report 2.) Acceptance of the 2021-22 Revised Budget Approval of \$15.9M (+ \$206k) {current year} 3.) Approval of 2022-23 Initial Budget Approval of \$13.4M {upcoming year} 4.) Recommendation to award MCHRA's One-Stop Operator contract through 6/30/23 and prorate original budget for 12 months extension 5.) Recommendation of EDSI and MAC Career Service Provider contract extension through 12/31/22 and proration of 6 months which will be added to generate an 18-month budget.

Marla added that \$100,000 had been added to the 22-23 budget for a recruitment campaign based on the suggestions from the Strategic Planning Meeting. Ginger was asked if the other areas across the state were experiencing the same issues we have. Ginger stated that some areas are doing better and

other areas are not. Their population makeup is different, and that could have an impact on performance. Marla stated that the total dollars for each area are known, but how they spend that is not known. Marla felt that performance-wise, all areas are experiencing challenges and are struggling with their service provider performance.

John Zobl asked for a motion to approve the 2021-22 Q3 Financial Report, the 2021-22 Revised Budget Approval of \$15.9M (+ \$206k), and the 2022-23 Initial Budget Approval of \$13.4M. Mark Peed made the motion. John Alexander seconded the motion. With no further discussion, the Board unanimously approved.

John Zobl then asked for a motion to approve MCHRA's One-Stop Operator contract through 6/30/23 with a 12-month pro-ration of their previous 18-month budget. John Alexander made the motion. Mark Peed seconded. GC Hixson asked if the challenge to the OSO was an area of concern. Ginger stated that it was not an area of concern but more of an area to focus on as part of the monitoring efforts. The motion was unanimously approved.

Finally, John Zobl asked for a motion to approve EDSI and MAC Career Service Provider contracts through 12/31/22 with a six-month pro-ration of the previous 18-month budget. GC Hixson made the motion. Chris West seconded the motion. The Board approved unanimously.

Marla then updated the Board regarding RFP released for youth services. Three proposals were received from JTG, Amelia's Closet, and Monroe Harding. JTG and Amelia's Closet did not have two years of financial audits, and the policy stated that they do not meet the threshold where it is required. Monroe Harding had a technicality and submitted their proposal 38 minutes late. The procurement was for \$100,000 in order to award up to four grants. It was suggested to award them \$25,000 in quarter increments to limit risk. Paul Webb suggested a financial review or financial statement prepared by a CPA to give us assurance. John Zobl asked for a motion to approve that the Board staff work with the three providers to resolve the compliance issues and work with the three youth providers. Mark Peed made the motion. Chris West seconded. Mark confirmed that the contracts are not paid upfront. They are paid afterward, so the Board isn't at risk. The Board voted unanimously to approve the motion.

Connect People with Career Opportunities

George Phillips reported that COVID restrictions had been lifted in all of the AJCs. It is hoped that this will increase the foot traffic. Title I total enrollments are trending upward. New employer registration for Wagner-Peyser was up significantly. Foot traffic in all the centers has gone up. Every county in the area has low unemployment rates. RESEA and TAA co-enrollments are the biggest challenge going forward, and this is what the OSO has been challenged to take oversight of.

Train Workforce to Fill Employer Needs

Freda Herndon updated the Board regarding the ETPL report. She stated that action is needed. There is one new provider who applied with THEC approval and ten new programs that have been requested that need Board approval. There is one that's an existing program that was removed due to no enrollment that they have asked for Board approval for a cost increase. John Zobl asked for approval for the ETPL, as Freda recommended. John Alexander made the motion. Mark Peed seconded. With no further discussion, it was approved. See presentation materials for list of providers and programs.



Improve Efficiency & Effectiveness of Programs

Marla informed the Board that the by-laws need to be approved every two years and are currently in up for renewal. The date at the top of the by-laws was updated, but no substantive changes have been made. They are posted on the website. John asked for a motion to approve the by-laws. GC Hixson made the motion, and John Alexander seconded. It was approved unanimously.

Marla then asked the Board for approval of the Northern Middle Local Workforce Development Plan. It was posted for public comment, and a copy was emailed to the Board members. Feedback was received and responded to. Others replied that they had no issues with the plan. John Zobl asked for a motion to approve the plan for submission. GC Hixson made the motion to approve the plan. Mark Peed seconded. With no further discussion, it passed unanimously.

Finally, Marla reported to the Board about the Strategic Planning session on April 6, 2022. The purpose was to come up with action items that would make the American Job Centers relevant again. Four action items were prioritized. One of them is to increase recruitment and marketing, which is why \$100,000 was added for this in the budget. Another main concept was to innovate service delivery. Other ideas were proposed at this meeting. New service delivery strategies will take the cooperation of the Department of Labor to make them happen. Increasing employer engagement is another action item idea. John Zobl suggested another planning session with the Department of Labor in order to fine-tune these ideas and come up with the next steps.

Adjourn

Marla reminded the Board that the next meeting would be on August 10, 2022. With no other discussion, the meeting was adjourned.

