



**Northern Middle TN Workforce Board Finance Committee
October 29, 2020
9:00 a.m. Virtual via Zoom
Workforce Essentials
523 Madison Street, Clarksville, Tennessee**

Members Attending	Members Absent	Staff & Guests Attending
Mark Peed	Kristi Spurgeon	Marla Rye
Keith Carnahan	Charles Story	Ginger Fussell
John Alexander		Freda Herndon
Howard Bradley		John Watz
Dan Caldwell		Andrea Dillard
David Rutledge		Renee Hollis
Seth Thurman		Barbara Unruh
John Zobl		Kristopher Subler
		Paul Webb

The Finance Committee of the Northern Middle Tennessee Workforce met virtually on October 29, 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. Seth Thurman moved to approve and was seconded by Keith Carnahan. The minutes passed unanimously.

Marla welcomed the group and informed the committee that the primary objective of today's meeting was to review the procurement for the One-Stop Operator and Career Services Providers. However, she stated that Ginger had prepared a brief quarterly finance report and that we would begin with her review.

Fiscal Budget Report:

Ginger opened her report with a review of the first quarter expenses, which totaled over \$3.4 million. She stated that MCHRA had a terrific quarter with the highest level of expenditures since their grant started. MCHRA expended 42% of their six-month budget. She also reviewed the MCHRA's enrollments for the quarter, which totaled 557 or 83% of their quarterly goal. She also complimented MCHRA on achieving a high MPRC for September. Ginger turned her attention to the Campbell Strong Workforce Partnership, where expenditures continue to run below budget. She informed the board that close to 70% of the budget had been expended, and enrollments

remained strong.

Marla then asked if John Watz could give a brief update on the CSWP since Ginger was covering the program. John explained that the grant had been extended to September 30, 2021. John stated that there was an effort underway to make the CSWP a permanent funding stream. Senator Marsha Blackburn and Congressman Mark Green are in full support of the program and would like to see it develop into a permanent program with earmarked funding. Marla stated that Senator Blackburn was instrumental in getting the grant extended for an additional year.

After John's brief update, Ginger stated the MPCR for each funding stream and announced an overall rate of 45.76%. Ginger explained that the state had created a new policy on monitoring, which is currently in draft form. She updated the Northern Middle monitoring format, so it aligns with the state. Ginger reported on the monitoring outcomes for both MCHRA and CSWP. She mentioned that the NM staff are specifically monitoring and tracking obligations and expenditures of MCHRA as we get towards the end of the six-month extension.

COVID Grant Review:

Marla explained that the Board had received around \$900,000 in CARES Act funding from the United Way of Greater Nashville. This grant focused on two different activities. One was to purchase 750 laptops for Adult Education students that are having to attend class virtually. The second part of the grant was \$375,000 for layoff aversion for small businesses. She reviewed the type of expenditures that we had reimbursed, including technology and PPE. We have had 54 applications from across the 13 county region and are in the process of getting those funds distributed now.

She stated that the Tennessee Department of Labor and Workforce Development also received CARES money that was subcontracted to the Board. We had 38 employer inquiries, of which we have had about ten applications. This funding totals \$370,000, which has to be expended by December 31, 2020.

Marla also briefed the committee on New Skills November, a training program for individuals impacted by COVID. Marla concluded with a summary on the National Dislocated Worker grant, stating that we had 90 individuals enrolled on the grant and were paying their wages in positions, which would negate the spread of the virus.

Procurement:

Marla explained that at our last meeting, the Board authorized a six-month extension for MCHRA with the stipulation that the staff conducts a procurement for a one-stop operator and career service providers. A third party procurement administrator, Thomas P. Miller and Associates, was selected to assist the Board with the procurement. Marla stated Kris Subler from Thomas P Miller was going to give an overview of the procurement process. Kris reviewed the process and explained how they derived their recommendations, including the scoring process. He stated this was the best way for the Board to procure providers because it avoided any conflict of interest with the staff.

Marla shared the procurement recommendation report with the committee. She stated that two proposals were received for the one-stop operator, which were EDSI and Mid Cumberland. TPM recommends Mid Cumberland Human Resource Agency with a score of 95.7% as the OSO. Marla reminded the committee that state policy prohibits that an organization serves as both the OSO and CSP now. TPM recommended EDSI as the Adult and Dislocated Worker service provider. Marla stated that they are a national company and are based out of Dearborn, Michigan. Marla checked references of EDSI and even reached out to counterparts across the US to ask about EDSI, which all were positive. Marla explained that Board staff conducted an interview of EDSI yesterday and that John Alexander had participated in the interview for the Board.

Marla reviewed the youth procurement, including the five proposals that were received. She explained that two of the proposals were ruled invalid by Thomas P. Miller. Eckhard and Oasis had significant deficiencies in their proposals. She reviewed the other three proposals and explained that the state of Tennessee recently underwent a federal monitoring review, and they recommended that we have multiple providers to address the needs of the youth in the 13 county region. Nashville makes up 40% of the workforce area, and they have the largest percentage of at-risk youth. Marla stated that she believes that Nashville should have its own provider because of the size. The Metropolitan Action Commission (MAC) proposed to serve Davidson County and requested \$1,000,000. However, Marla stated that she believes that we should negotiate the contract to \$800,000, and that would leave \$1.7 million to serve the balance of the 12 counties. John Zobl stated that it would be efficient to have the same provider serve adults, dislocated workers, and youth in the counties. This would cut down on the administration expense of multiple contractors.

Marla asked for questions. Mark Peed asked whether or not MCHRA had the option of choosing which contract they wanted. Marla explained that they asked each contractor to rank their preferences in the procurement, and MCHRA failed to complete this section on the form. EDSI did select CSP as their first choice. Keith Carnahan stated that it was unfortunate that MCHRA did not rank their preferences. However, their score as OSO was significantly higher than the other proposals, especially when you compared how close the CSP scores were. Mark Peed asked about the dollar value of each proposal. Marla reviewed the financial proposals and said that she wished the scores from Thomas P Miller weren't so close so that it would be an easier decision. Mark stated that MCHRA had ample time to improve their performance but didn't show great improvement according to Ginger's data until they knew they could lose the contract. Peed asked about EDSI's implementation time. John Watz said he was comfortable with their implementation plan. Marla stated that EDSI had never operated in Tennessee and would have a significant learning curve. Marla expressed concerns over their staffing plan and did they have the manpower to operate in TN. She said this was not an easy decision, but the Board had expressed displeasure with MCHRA. Mark asked was it time to change, or did we want to continue to build on what we had? Howard Bradley made a motion to approve the recommendations of Thomas P. Miller with the budget negotiations that Marla recommended for the youth Contract where EDSI would get \$8.3 for Adult, Youth, and Dislocated Worker, and MAC would receive \$800,000 for Youth in Nashville, and MCHRA would receive their \$447,100 for the OSO award. David Rutledge made the second. Mark Peed called for discussion. Keith Carnahan recommended that all the contracts have a termination for cause stipulation, including poor performance. Marla noted that it would be in the standard contract. Mark called for a vote, and the motion passed unanimously.

Marla reminded the members that she would take their recommendation to the Executive Committee on November 2. The Executive Committee would consider their recommendation, along with the other committees and finalize the selection of providers on the 2nd.

She thanked the committee for their valuable time, and with that, Mark Peed adjourned the meeting.