

**Northern Middle Tennessee Workforce Board
Meeting Minutes
February 14, 2024, In-Person & via Zoom at 11:30 a.m.**

Members Attending	Members Absent	Staff & Guest Attending
Anne Fugate	David Rutledge	Mayor Bob Rial
Chris West	Ginger Jarrett	Mayor Randall Hutto
Cory Johns	James Harper	Mayor Wes Golden
Dan Caldwell	Keith Carnahan	Lee Harrell
Freda Herndon	Tony Adams	Andrea Dillard
George "Bo" Callis		Natalie McLimore
Jordan Osborne		George Phillips
Kristi Spurgeon		Dianna Web
Mark Peed		Lydia Bennett
Nathan Garrett		Ginger Fussell
Paul Webb		Marla Rye
Richie Brandon		Tanya Evrenson
Selittia Johnson		Laura Travis
Seth Thurman		Sherry Maynard
Sho Samuels		Liz McLaughlin
Greg Jones (Proxy D. Caldwell)		Daniel Jayroe
John Zobl (Proxy C. West)		Tonzia Buor
		Phillip Wallace
		Kerwin Thompson

The Northern Middle Tennessee Workforce Development Board met in person at TCAT Clarksville and with a virtual option on Wednesday, February 14, 2024, at 11:30 a.m.

The meeting was called to order by Chris West. Attendance was taken, and a quorum was declared. Chris asked for a motion to approve the minutes. Mark Peed made the motion. Seth Thurman seconded. With no further discussion, the minutes were unanimously approved.

Marla thanked everyone in attendance and recognized the new Board members, Freda Herndon, Nathan Garrett, and Jordan Osborne. Marla spoke about what is currently happening in our Northern Middle Workforce Area (NMWA). The NMWA has an unemployment rate of 2.5%, Tennessee is 3.5%, and US is 3.7%. There are about 30,000 on the unemployment rolls in the NMWA. Houston County is at 4.2% but is in the top 10 of the highest unemployment rates. Bledsoe County has the highest unemployment rate at 4.8%.

The Labor Force Participation Rate (LFPR) for the NMWA continues to excel, and the overall rate is 65.8%. The state of Tennessee is at 59.2%, and the national rate is 62.2%. Four counties in the Northern Middle Area are significantly lower than the state rate. Those counties are Montgomery, Stewart, Houston, and Humphreys Counties.



The Board staff has participated in several prospect meetings for economic development. Mayor Bob Rial of Dickson County, who joined the meeting virtually, had several economic development meetings in his area. Mayor Randall Hutto, who also joined the meeting virtually, has been working with two new employers in Wilson County. Simpson Ties in Sumner County has announced 37 new jobs. Summit Behavioral Health in Williamson County has announced 125 new jobs. Freightwise in Williamson County has announced 48 new jobs. Tech Labs in Nashville has announced 71 new jobs.

Natalie McLimore discussed rapid response activities in which she has been involved. Since December, 453 layoffs have been sent through the WARN system at the Tennessee Department of Labor and Workforce Development. Rapid response activities include meeting with those affected by the layoff and providing information on available services, including unemployment insurance. Many of those getting laid off speak different languages, and it can be a challenge to find employers equipped to handle that. Cargill in Nashville laid off a line of 111 workers; five different languages were spoken among them. Interpreters were used to communicate with them. APL in Lebanon is laying off 51 employees. Rapid response activities will happen there on April 30. GH Armour in Stewart County is laying off 40 employees. AmeriClean in Smyrna is laying off 80 employees.

Natalie also discussed how LG Chem, LG Electronics, Hankook, Daejin, and other foreign businesses invest over \$3.5B in Tennessee's economic development. Korean companies are among the top ten foreign investors.

Partner Focus

Business Engagement Plan


Elizabeth Black, Assistant Director of Training and Strategic Support in the TOSS Unit of the Department of Labor, spoke to the Board regarding the Business Engagement Plan. The plan aims to create a comprehensive agency-wide mindset redefining business engagement and providing a framework for state-wide execution. There are some areas to improve on when engaging with businesses and employers. Last summer, Commissioner Thomas' office did a survey assessing the current business services system, and a few areas of needed improvement showed up. Findings included insufficient system alignment and coordination, absence of strategically aligned vision, need for improved communication, inadequate service delivery, necessity for effective customer relationship management, and need for skill development and training. In response to these needs, pillars of success were developed. They are sector-based service delivery, business cycle framework, LWDBs as asset mappers, employer case management, enterprise alignment, AJC network, and training & development. Elizabeth then reviewed each of the pillars of success and discussed the strategies and goals of each one. Next, she talked about how to move forward with this plan. The plan is currently being communicated, and training is provided. The business cycle tool kit is being created and will then be implemented in the AJCs. Marla added that we need to keep the employers at the forefront of everything we do. She expressed that she felt this plan would promote consistency in service delivery.

Next, Mayor Wes Golden welcomed the Board to Montgomery County. Then Laura Travis welcomed everyone to TCAT and spoke briefly about the school.

Strategic Priorities

Manage Board funds to Support Career Pathways

Ginger Fussell reviewed the budget. She told the Board that Quarter 2 expenditures were \$2.9M, approximately \$477k lower than last quarter. This is approximately \$1.4M lower than the 4th quarter of the prior year. With budget reductions, and even without budget reductions, we could not maintain the pace of grant utilization we had at the end of last calendar year. Aggressive spending by EDSI in the prior months has resulted in a tighter budget this current fiscal year. It should be noted that EDSI does have



funding remaining to serve participants, just not at the high per-participant level as previously utilized. Fiscal Year-to-date expenditures were \$6.4M, approximately 43% of our 23-24 budget. We are midway through the year. Youth fund stream expenditures are outpacing the contract period. Northern Middle staff continue conversations with EDSI, our largest provider, to pace themselves according to their remaining budget. It should be noted and EDSI has been advised that Youth can continue to be served with work experience opportunities funded by the Summer Youth program, which does not end until August 2024.

New grants have increased our 23-24 budget by \$411k. The budget was reduced by \$41k to reflect the actual RESEA amount. A new apprenticeship grant was received with a budget of \$156k. A consolidated business grant of \$266k was received. And a national apprenticeship grant of \$30k was received. These changes amount to an increase of \$411k in our total budget, bringing the total to \$14.8M. In previous meetings, the Board granted staff the flexibility of requesting Dislocated Worker (DW) to Adult repurposing. Looking forward, we are requesting an action item for flexibility to request an additional \$1M repurposing (shifting) from DW to Adult through September 30, 2024. This amount should extend through the end of this year and into the start of the next year.

MPCR decreased from 49.82% last quarter to 46.82%, which remains strong compared to the 40% required. We are not surprised at the decrease because four counties are participating in the Labor Force Participation Rate (LFPR) project aimed at putting people directly to work. Looking forward, we expect that MPCR may continue to decrease since EDSI's remaining participant cost budget will be lower due to the aggressive 1st quarter.

Ginger then updated the Board regarding billing trends of the Contract Service Providers (CSPs). Their billing decreased by \$632k compared to the last quarter. It's been determined that combined contractor billing needs to average \$1.8M per remaining quarters to fully utilize base contracts. The seasonal Summer Youth contract has approximately \$1M (total) remaining to be spent by an end date of 8/31/24 and is a separate grant from their regular billing. With time progression at 86%, EDSI spent 86% of their contract budget. MAC spent 80% of their contract budget. Full utilization of CSP contracts is a favorable outcome. The One-Stop-Operator, Mid-Cumberland HRA spent 42% of its 12-month contract budget, with 50% of the contract period elapsed. As MCHRA's contract represents an overhead expense, lower utilization is a favorable outcome.

Contract-to-date (36 months) EDSI has met or exceeded all fiscal/dollar-driven goals except in-school youth. Adult/DW's minimum participant cost rate (MPCR) is 56%, which has exceeded their goal. The fiscal year MPCR is 51%. Their Youth MPCR is 51%, and their fiscal year youth MPCR is 55%. They met their work experience goal at 26% contract-to-date, but their fiscal year work experience MPCR is 23%, which does not meet their goal. Contract-to-date, in-school youth is 29%, which does not meet their goal, but in the fiscal year, in-school youth MPCR is 30%, which does meet their goal.

Contract-to-date (36 months) MAC met or exceeded all fiscal/dollar-driven goals. They met their Youth MPCR at 50% and the fiscal year goal at 53%. They exceeded their work experience goal at 42% and their fiscal year work experience goal at 51%. They met their in-school youth goal at 39% and fiscal year in-school youth goal at 42%. Both contractors have been told that we are relaxing the in-school youth requirement to 30%. Marla added that the state currently has a waiver that expires in June 2024, which states up to 50% of youth funds can be spent on in-school youth. After June it will go down to 30%. It's reasonable to lower the standard in case there is no waiver for next year.

Ginger went on to talk about monitoring. EDSI is not fully staffed at this time. Because of EDSI's aggressive participant spending in the 4th quarter of the fiscal year ending 6/30/23 and the 1st quarter

of the fiscal year ending 6/30/24, a limited budget for participant support remains in this fiscal year 23-24. This has caused a shift toward a direct placement model in counties not part of the LFPR project. This has also caused them to be behind in their enrollment goals. They still have funding to spend on participants; it can't be at the same level as the beginning of the fiscal year. Things are still operating smoothly with the one-stop-operator.

The Northern Middle Board has undergone multiple audits and reviews from July 2023 through December 2023. The Tennessee Department of Labor's PAR Unit completed its annual monitoring and issued its report with no findings. The Tennessee Department of Labor's Program Integrity Unit completed an on-site monitoring visit; the report is pending. The Program Integrity Unit also continues to complete desk reviews periodically. Northern Middle's fiscal year 22-23 external financial audit was issued with no findings, all unmodified (clean) opinions, and low-risk auditee qualification. Ginger expressed appreciation to the Thurman Campbell Group, PLC, for their years of audit services. A new audit firm will be procured for the year ending 6/30/24, as TCG will no longer be conducting governmental audits.


Ginger reviewed the requested action items. The first action item is to accept the 23-24 budget revision to include the addition of \$411k, bringing the budget total to \$14.8M. The second action item is the flexibility to request the state's permission to repurpose an additional \$1M of dislocated worker funding to adult (admin or program) through September 30, 2024.

Marla updated the Board regarding the procurement process. The original intent was to release the procurement by February 14, 2024. The state has engaged KPMG to study the American Job Centers, which will report to the state workforce board and commissioner and make recommendations about centers that may need to close and restructuring that needs to occur. It's difficult to release an RFP when it isn't clear what strategic direction will be taken. Marla said it would be beneficial to hear the results of the study before releasing the RFP and wait until the Summer Youth Program ends on August 30, 2024, to end the current contract in order to provide consistency through the youth program. Marla proposed releasing the RFP on April 1 and having a contractor selections by July 1. However, if new contractors are selected, the implementation date would be October 1, 2024. This allows time with a new contractor for training and transition.

The action third item is the flexibility to extend CSP contracts, if needed, up to an additional 90 days (through September 30, 2024) at a pro-rated budget for efficiency in CSP procurement and a transition that would better align with the Summer Youth program end date of August 31, 2024. Mark Peed moved to approve the action items as listed. Richie Brandon seconded the motion. With no further discussion, the Board approved the action items unanimously.

Connect People with Career Opportunities

George Phillips presented the OSO report. The Local Area Update shows that there have been lower enrollments this quarter than there were in the previous quarter. This quarter, 181 participants were enrolled, and in the last quarter, 469 were enrolled. This is related to the budget issues discussed previously. There has been a decrease in the Wagner Peyser enrollments for new employers and new job orders. There was a 13% increase in Wagner Peyser participants. Vocational Rehabilitation continues with their progress. AJC traffic counts continue to decrease with the comprehensive centers and the affiliates. However, Dickson County shows the highest traffic count among the affiliates. The Northern Middle Workforce Area has an unemployment rate of 2.5% compared to the state at 3.5% and the nation at 3.7%. Every county in the area has seen a drop in unemployment from the previous quarter. Even though Houston County is in the top 10, they dropped 0.3% from the previous quarter. Challenges going forward continue to be staff turnover and low enrollments.




Andrea Dillard gave an update about the career service providers' performance. EDSI exceeded its enrollment goal in the first quarter but did not meet its enrollment goal for the second quarter. Due to the aggressive enrollment in the first quarter for adults and dislocated workers, their budget was overspent, and now they must change their tactic and enroll individuals using the work first model and focus their efforts on placing participants directly in a job. This would also increase the Labor Force Participation Rate. EDSI is meeting its exit rate, positive exit rate, and placement wage goals. Their cumulative enrollment rate does not meet the 50% goal. MAC did not meet its enrollment goals for the second quarter. Due to them exceeding their enrollment goals during the first quarter, their YTD enrollment is still above their goal. They are on track to meet all of their set goals.

Danielle Ellis spoke to the Board regarding EDSI's plan to meet their enrollment goal with their remaining enrollment money. She stated that the second quarter was slow, and the holidays probably affected enrollment. She felt that over-enrollment during the first quarter would help them meet their cumulative goal. She said that making the change to place people in jobs first rather than sending them to training has made it harder to find participants. Since making the change to placing people in jobs first, they have had to change their marketing strategies, and she feels this has been successful. Danielle reported that Montgomery County saw just under 100 job seekers at their last hiring event. She said the teams have implemented new strategies to keep these participants engaged and screen them for WIOA eligibility. She said they are looking at successful job centers such as Dickson County and trying to replicate their process in other counties. Danielle said they were training their career advisors to have conversations regarding job placements and to be able to articulate how the program can be helpful even if training is limited. She said their funding challenges have been a lesson learned, and they are going back through their funding to take a closer look for funds that can be repurposed. She believes her team is enthusiastic and creative with the new changes.

Improve Efficiency & Effectiveness of Programs

Andrea Dillard began her report by reminding the Board of the revisions they have made to their ETPL policy, which requires the providers to have a completion rate of 60% and a job placement rate of 60%. The training providers were made aware of these policy changes. During a review, they must meet one of these goals during their first year, and then they can be renewed for a second year. However, they must meet both goals by the end of the second year. If they meet both goals at the end of their first year, then they can be renewed for two years. After CDL training companies were allowed to submit additional data that was not in VOS, it was found that two of the six CDL companies were not meeting both standards, and they were deactivated. One company was allowed to provide additional data, and the executive committee allowed them to be reinstated for a probationary period. The board staff would meet with them quarterly to ensure they were moving in the right direction.

Andrea informed the Board that the Innovations Committee did not have a quorum and could not vote regarding the ETPL. She gave the Board a full report. Existing providers are requesting eight new programs be added to the list. All programs are for in-demand fields and have a bright outlook. Some exceed the WIOA amount, but career coaches must ensure that the participant has other funding resources to cover the extra cost. Although the Beat Production and Recording Arts Technology program from Remington College-Nashville Campus has a bright outlook, this particular field is not one of our seven targeted sectors. Four programs missed their renewal period and requested reinstating on the list. The last program on the list as pending approval from THEC. This program is related to the Titans project and provides the training individuals need to work on the Titans project. Skilled Workforce has provided the information to THEC to be added to the ETPL. THEC has verified that all information has been submitted and is under review. They want to start their first class on April 8. Andrea requests approval today for this program so classes can begin on April 8 pending THEC approval. Since we are in the music



area, Chris West felt it would be beneficial to approve this program. She asked if anyone knew what the anticipated demand would be. Andrea stated that it is an in-demand field locally and nationally. She felt that we are in the right area for this to be a good program to approve. Seth Thurman made a motion to approve the ETPL as presented. Corey Johns and Sho Samuels seconded. With no further discussion, the Board unanimously approved the list.

Andrea went on to speak about the training grants. A percentage of WIOA funding was allocated for Incumbent Worker Training with employers. Of the \$300,000 allotted for IWT, \$93,746.88 has been utilized for four employers. The Apprenticeship Training Grant has \$148,216 available, and the entire amount has been obligated. The amount already expensed is \$69,970.54.

A new grant started with \$252,287 allocated, and so far, six employers have been awarded a Consolidated Business Grant, which has obligated \$135,799. More employers who are in targeted areas can be served with this grant. There is still funding, and any employer who has submitted their full application has been awarded training money. The State Apprenticeship Expansion Formula Grant has \$28,500 to be used, which has been awarded to an employer in the electrical field. Marla then encouraged the board members and the mayors present to refer businesses that are interested in upskilling their employees so the money would be utilized. Andrea said she would give them a flyer to use when speaking to businesses.

Train Workforce to Fill Employer Needs

Marla explained that the federal performance scorecard is based on how many are going to work, staying at work, and getting credentials. To be successful, we must meet the goal at 90%. The end of the first quarter was finalized and all goals were met at 100%. The second quarter goals are all at 100%, but the quarter isn't finalized yet. The third quarter predictive report shows the employment rate for the second quarter after exit for adult and dislocated worker are met at 90%, and employment rate for fourth quarter after exit for adult, dislocated worker, and youth are met at 90%. There is still time for these goals to be met at 100%. The other goals are met at 100%.

The CSP Procurement plan was already reviewed, but Marla reminded them that a contractor would be selected by July 1 and that full implementation would be complete by October 1.

Marla told the Board that the Northern Middle staff are in the middle of regional and local planning to recertify the Workforce Innovative Opportunity Act. A regional meeting was just held, and some great ideas were brought up. The plan will be receiving a copy of the draft plan in March and she welcomed board member comments. She stated the full plan will be brought to the Board at the next meeting.

No requests for public comments were submitted for this meeting.

Adjourn

Chris West reminded the Board that the next meeting would be May 8, 2024. With no other discussion, the meeting was adjourned.

