



# Northern Middle Tennessee Workforce Board Inc.

APPROVED  
MAY 1, 2025

## Northern Middle Tennessee Workforce Board

### Finance Committee

### Meeting Minutes

January 30, 2025, via Zoom at 9:00 a.m.

Members Attending	Members Absent	Staff & Guests Attending
Dan Caldwell (Acting Chair)		Marla Rye
Kelly Tyler		Andrea Dillard
David Rutledge		Ginger Fussell
Paul Webb		Meagan Dobbins
Kristi Spurgeon		Alyssa Spaulding
Shoshana Samuels		Elizabeth Carmichael
Selina Moore		Caroline Vickrey
John Zobl		
Mark Peed		

The Northern Middle Tennessee Workforce Board Finance Committee met via Zoom on January 30, 2025, at 9 a.m. With a quorum confirmed, Dan Caldwell, acting chair, called the meeting to order. Paul Webb moved to approve the minutes, and David Rutledge seconded. With no further discussion, the minutes were unanimously approved.

### Audit Report

Marla introduced Elizabeth Carmichael, the audit manager at Stone, Rudolph, & Henry, who conducted Northern Middle's audit. Elizabeth, in turn, introduced Caroline Vickrey, who was in charge under her supervision. Elizabeth noted that transitioning auditors is always challenging and commended NM for their grace and professionalism throughout the process. She explained that the Audit Report includes three components. The first reviews the financial statements, and the auditor's opinion is that the financial statements fairly present, in all material respects, the financial position of Northern Middle as of June 30, 2024. This is an unmodified opinion, which is the highest level of assurance an auditor can provide. The second section reviews internal control, policies, and procedures. The auditors did not identify any deficiencies considered material weaknesses, and thus there were no findings. Elizabeth praised Ginger Fussell for her highly detailed approach and extensive knowledge. The third section tests compliance with specific grant requirements, focusing on eligibility and allowability of expenses. The auditor's opinion concluded that the Board complied, in all material respects, with the applicable compliance requirements as of June 30, 2024, with no findings reported. Marla thanked Elizabeth, Caroline, and Ginger for their work. John Zobl asked Elizabeth if she had any recommendation for improvement, and she suggested that the Board formally approve financial statements in addition to budget-to-actual report prepared on a grant basis, similar to the process used for approving meeting minutes. Paul Webb made a motion to accept the audit report as presented, and Shoshana Samuels seconded. With no further questions, the motion was approved. Paul Webb also commended Ginger and her team for another clean audit, noting his appreciation for the many additional steps they manage compared to the for-profit sector. The rest of the Committee seconded his sentiments.

### **2024-2025 Budget-to-Actual**

Ginger Fussell delivered the budget report, noting that the second quarter included several transitions with the launch of the pilot programs. She reminded the Committee that the first quarter had a sluggish start, and while second quarter expenditures appeared \$98K lower at \$ M, \$395,000 of the decrease was due to the seasonal nature of the Tennessee Youth Employment Program. In reality, formula grant expenditures increased by \$323,000. Although the quarter was not as robust as hoped, it is important to recognize that the Davidson County location moved, and three pilot projects were initiated during the quarter. Overall fiscal-year-to-date expenditures totaled \$4.3 M, approximately 32.6% of the revised 2024–2025 evolving budget. While formula grant utilization is on the upward trend, none of the major funding streams had reached 50% expended within the first six months; the Adult program came closest at approximately 42%. Ginger stated she does not anticipate any issues fully utilizing program grant funds expiring in June 2025. However, she expressed concern that if utilization does not grow, there could be a more significant carryover into the following year, which could impact grants expiring in June 2026.

Ginger reported that NM has been awarded a Rural Healthcare grant, increasing the 2024–2025 budget by \$119,000. Marla explained that the governor allocated approximately \$6.5M to the Tennessee Department of Labor to fund healthcare grants in rural areas. NM applied for a grant to upskill advanced EMTs to paramedics in Cheatham, Dickson, Robertson, and Stewart counties—areas struggling to retain paramedics. They will develop an apprenticeship program that covers tuition at Volunteer State Community College for advanced EMTs who commit to working for their county. This will be the first paramedic apprenticeship program in Tennessee. The initial \$119,000 in seed funding will be expended between now and June 30, 2025, to purchase equipment needed for the program at Vol State, and an additional \$238,000 will be awarded for the period of July 1, 2025, through June 30, 2026. Ginger continued that the Rural Healthcare grant would be the only amendment to the current budget, raising the total to \$13.1M. The first action item will be to approve the \$119,000 increase and the 2024–2025 financial report. For the second action item, she requested approval to seek state permission, if necessary, to re-purpose up to \$1M in administrative and/or programmatic Dislocated Worker funds for Adult program use through June 30, 2025. Although she is uncertain whether this flexibility will be needed, she recommended securing Board approval in advance.

### **MPCR**

Ginger Fussell updated the Committee on the MPCR, noting that it has increased to 28.54% but remains below the 40% goal. Although NM must reach 40% by July 1, 2025, policy requires a corrective action plan if the MPCR falls short for three consecutive quarters. Ginger reported that each contractor has shown improvement across all fund streams since the first quarter, and contractors have indicated January to be a stronger month. Several factors have impacted the MPCR, the most significant being that \$384,000 in Youth Employment Program expenditures do not currently count toward the MPCR under existing policy. If these expenditures were included, the MPCR would rise to 36.04%. Additionally, the broader labor force participation rate initiative, which prioritizes placing individuals directly into employment rather than training, has reduced direct participant expenses. Other transitions, including the Davidson County AJC relocation and the launch of three pilot projects on October 1, also affected the MPCR.

Marla announced that the state Workforce Development Board has hired Amy Maberry as the new Executive Director. As part of her onboarding, Amy has been reviewing all existing policies and procedures to identify areas for revision and simplification, a process Marla applauded. One of the revisions includes changes to the MPCR policy, which has been released for public comment. Under the

proposed revision, TYEP funds and a few state discretionary grants will now be included in MPCR calculations. Marla noted her only objection is that incumbent worker training funds are still excluded. She argued that employers should be considered customers, just like job seekers, and that funds used to serve employers should count toward the MPCR. Marla plans to submit public comment on this issue and expressed concern that if incumbent worker training is not counted, the Board may need to reconsider the investment in such programs. However, she believes continuing to support incumbent worker training is the right thing to do and hopes to persuade the state to reconsider.

Ginger concluded that although neither EDSI nor Mac have met their 50% MPCR requirement for the fiscal year so far, they are both meeting the MPCR contract to date. She remains hopeful that now that the demonstration pilots are fully operational, the pilot locations will contribute more significantly in the next quarter.

### **CSP Trends**

Ginger Fussell then reported on CSP billing trends. Billing decreased by \$243,000 compared to the previous quarter; however, EDSI is now billing for two fewer counties, as Sumner and Montgomery are no longer under their contract. The non-contracted billing for those two counties had totaled approximately \$100,000. Additionally, the first quarter included Tennessee Youth Employment Program (TYEP) billing, which was not as active in the second quarter. CSPs are now in the 48th month of a 54-month contract, with 89% of the term completed. EDSI has spent 86% of its contract budget, while MAC has spent 87%. The one-stop operator, Mid Cumberland, has spent 42% of its budget with half of their contract year completed. She reiterated that contractors are meeting their dollar-driven goals on a contract to date basis, but not for the fiscal year. Marla countered that while Ginger is correct, the state only judges based on the fiscal year. Both contractors have met work experience and in-school youth goals.

### **Monitoring**

Over the past six months, Northern Middle has undergone extensive monitoring. Now that the financial audits have been completed, Ginger Fussell plans to shift focus to monitoring contractors for the first half of the year. Biweekly meetings with EDSI and MAC continue to reinforce expectations and address concerns regarding fund utilization and MPCR achievement. Program staff have issued findings and observations to EDSI, provided technical guidance, and requested corrective action plans related to case management. EDSI completed the required actions by the deadline. They have met or exceeded their Adult/DW and Youth enrollment goals but are behind in exits and placements. MAC fell slightly short of their enrollment goals and is also behind in exits and placements. Northern Middle staff are also holding weekly meetings with TNDOL to track the progress of current pilot projects. At the start of the meeting, the Committee reviewed the results of the external financial audit conducted by Stone, Rudolph, and Henry, which resulted in unmodified opinions and no findings. Additionally, the PAR audit has been released, with no findings and two observations, which were previously presented to the Board.

### **Action Items**

The floor was opened for questions. Dan Caldwell asked whether they should delay repurposing Dislocated Worker (DW) funds in light of the announcement that Bridgestone will close its LaVergne plant. Ginger Fussell responded that there is ample DW funding available, and emphasized that she has only requested the flexibility to move funds if needed. She clarified that she does not plan to repurpose funds unless it becomes necessary. Marla further explained that although Adult and Dislocated Worker funds are two separate streams, they are 100% interchangeable with state approval, allowing flexibility to move funds as needed and to move them back if circumstances change. Marla also noted that there

have been several recent job loss announcements, and Natalie McLimore is currently organizing rapid response efforts. Paul Webb advised that staff should be prepared for changes related to the automotive industry with Bridgestone and Nissan. David Rutledge motioned to accept the action items listed in the 2024-2025 Budget to Actual report and Dan Caldwell seconded. With no further questions, the motion was passed unanimously.

### **CSP Procurement**

Marla reminded the Committee that EDSI and MAC have served as the contract service providers for four and a half years. State procurement policy allows contract extensions for up to five years, so it is time to procure a new service provider. Marla believes it would be prudent to meet with county mayors and economic development agencies (ECDs) across the region to gather feedback on the services received from the American Job Centers and to discuss what changes they would like to see before beginning procurement. She expressed openness to considering different models in larger counties with existing workforce arms. Additionally, given the success of the Montgomery County project, she is willing to explore the possibility of the Board running programs in the rural counties. She asked Committee members to gather input from their respective County Mayors and ECDs as part of the preparation process.

Shoshana Samuels supported the idea and asked if Marla could point to a rural county model that could serve as an example. Marla answered that there were not any that she knew of. She added that it is much easier to run programs in rural communities if you hire local. Because of this, several other workforce boards are looking to run the programs themselves. Thomas P. Miller had previously been contracted to conduct an independent third-party procurement, but Marla expressed dissatisfaction with their performance and intends to conduct the procurement in-house, which is permissible under policy. Mark Peed advised Marla to build a backwards timeline, noting that there are realistically only four to six weeks available to meet and consult with people before procurement must begin. Marla agreed and stated that they would need to start outlining the process soon. Paul Webb asked if staff could prepare a set of questions for Committee members to use when speaking with their County Mayors and ECD staff; if so, he offered to speak with Mayor Anderson.

Paul then asked whether the Rural Healthcare Grant program planned with Vol State is limited only to that institution or if Columbia State could also participate. Selina Moore responded that while Columbia State was not directly awarded the grant, it is partnered with several other grantees and will be involved in the program. Marla added that Vol State is the primary paramedic and EMT provider for the NM region, which is why the Board partnered with them, and that Columbia State primarily serves the Southern Middle region, making its involvement less direct.

### **Adjourn**

Marla commending everyone for attending the Committee meeting and introduced Selena Moore as the newest Board member, replacing Ryan Jolley. Selena has been with the Tennessee Department of Labor and Workforce Development for 20 years and also serves on the Southern Middle Tennessee Workforce Board. She reminded the Committee that the Board meeting will be on February 12, 2025 at the Montgomery County AJC. Then, with no further questions, the meeting was adjourned.