



APPROVED
JULY 29, 2021

**Northern Middle Tennessee Workforce Board
Finance Committee
Meeting Minutes
May 6, 2021, via Zoom 10:00 a.m.**

| Members Attending | Members Absent | Staff & Guests Attending |
|-------------------|----------------|--------------------------|
| Mark Peed | Dan Caldwell | Marla Rye |
| Paul Webb | Charles Story | Ginger Fussell |
| Keith Carnahan | | Andrea Dillard |
| Howard Bradley | | Christel Brown |
| John Alexander | | |
| David Rutledge | | |
| John Zobl | | |
| Kristi Spurgeon | | |
| GC Hixon | | |
| Carol Puryear | | |

The Finance Committee of the Northern Middle Tennessee Workforce Board met virtually on May 6, at 10 a.m. via zoom conference.

The meeting was called to order by Chairman Mark Peed. Mark asked for approval of the minutes. Howard Bradley moved to approve and was seconded by Paul Webb. The minutes passed unanimously.

Marla began the meeting and started with a Career Service Provider Performance Review from Andrea.

Career Service Provider-Performance Review

Andrea informed the committee that EDSI provides services for Adult and Dislocated Workers in all 13 counties and youth services for 12 counties. Their goal is to provide services for 455 Adults and DW by the end of June, and as of the time of this report, they were at 231, which is about 51% of their goal. Their goal for Youth is 112, and as of the time of this report, they were at 46, which is 41% of their goal. They are just under 50% of their total goal for all areas. It is felt that staffing is an issue that hinders them from meeting their goals. Another possible hindrance was the lack of leadership in Tennessee working alongside their employees. Their management came in from other states. However, their enrollment numbers have been increasing.

Next, Andrea updated the committee on MAC's performance. They are responsible for Youth in Davidson County. Their goal is to provide services to 115 youth by the end of June. At the time of this report, they are at 15, which is 13% of their goal. Things that could be hindering their progress are the pandemic's effects, which resulted in the schools being virtual.

Both contractors have turned in a written corrective action plan and continue to meet via zoom with Andrea and Marla to talk about what is needed. Mark Peed asked if there was a chance the contract providers would meet their goals. Marla expressed that she felt EDSI could get there as she sees them moving in the right direction but has deeper concerns regarding MAC. Marla encourages the board to speak candidly with the providers during the upcoming board meeting. She also informs them that the state has a policy that takes effect on July 1 where there will be funding consequences for not meeting the enrollment target. Mark adds that the board needs to know what the contract says their options are for consequences.

2020-2021 3rd Quarter Report

Ginger opened her report by letting the board know that fiscal year-to-date grant expenditures were at \$9.8 million. \$3.4 million was spent in quarter one, \$3.9 million spent in quarter two, dropping to \$2.4 million spent in quarter three. Quarter two was higher because of the CARES funding, so a \$600,000 drop-in expenditures for quarter three was expected. However, the \$1 million decline due decreased contract provider activities was not expected. Ginger reminded the board that she would be presenting the new fiscal year base budget. She reviewed how last year's budget began with only the core activities and grew with additional grants and funding as the year progressed. She mentioned that she would ask for approval of a revised budget which would reflect \$440,000 of additional funding, and noted that \$300,000 was re-purposed from Dislocated Worker to Adult.

In a graph comparing spending from last year to this year, Ginger pointed out contractor spending in prior year quarters, compared to current year, then noted a drastic drop from quarter two to quarter three of the current year. Quarter three of last year, expenditures were \$1.6 million, but this year only \$816,000. Of the \$816,000, \$147,000 was spent by MCHRA, our outgoing contractor. EDSI has spent 7% of their 18-month contract, with time elapsed being 17%. MAC has spent 5% of their contract. Ginger said that there is every indication that EDSI's billing in April would increase.

Next, Ginger reported contractor attainment of the Minimum Participant Cost Rate (MPCR), a state goal. Providers must meet a goal of 50%. EDSI is at 12% for Adults, 23% for Dislocated Workers, and 14% for Youth. MAC is at 17% for Youth. There is a work experience goal of 25% for Youth. EDSI is at 0%, and MAC is at 9%. There is a goal of 40% for In-School Youth. EDSI is at 1%, and MAC is at 4%. Ginger expressed that she felt EDSI would meet the MPCR goal of 40% in April. Meeting the April goal would not mean they would meet the cumulative goal, though. The overall MPCR was at 44.87% last quarter, which is over the required 40%. This quarter we are now at 39.97%, a drop of 4.9 percentage points. If all of the activities were considered, including Campbell Strong and Disaster Relief Grants, our MPCR would be at 56.90%. This is a drop of 2.48% points from last quarter.

Ginger explained to the committee that Campbell Strong's existing contracts would expire on September 30, 2021. There is a discussion of new funding. Ginger still has to close out the project, which is a \$7.7 million dollar project. At the end of the third quarter, we were at 86.6%, spending 91% directly to participants, 81% of the enrollment goal.

Ginger went on to give a monitoring update. EDSI and MAC, our incoming career service providers, have weekly contractor meetings where they report staffing updates and discuss strategies. Expectations are communicated, and the dashboard is discussed. A corrective action plan with timelines has been requested and obtained. The focus is CSP staffing, training for service delivery, performance objectives, eligibility, ETPL, invoicing, and systems reconciliations. Mid-Cumberland HRA is the outgoing career service provider. Disallowed costs have been communicated to them with expected action. Adjustments are ongoing. They continue as the One-Stop-Operator. Northern Middle implemented a monitoring tool, and have provided responses requested. Campbell Strong has had low total expenditures resulting in remaining funds at the end of the two-year contract period. A twelve-month no-cost extension with increased enrollment goals was granted. Northern Middle requested State technical assistance regarding the completion of the project and continued funding.

2021-2022 Proposed Budget

Ginger presented the 21-22 initial budget revenues and expenses to the committee at \$11.9 million. Carol Puryear motioned to approve the additional \$440k in the 20-21 Financial Report and Budget Revision. David Rutledge seconded the motion. It was a unanimous vote of approval. David Rutledge made a motion to approve the 21-22 initial budget. Paul Webb seconded the motion. This was also a unanimous vote of approval.

Special Funding Request

Marla informed the committee of some changes with Northern Middle Key Performance Indicators. Each area has target goals to meet. Measuring will now be on a fiscal calendar beginning on July 1, 2021, with the year containing four quarters. Goals will now be "hard targets," and failure to achieve the hard targets will affect the LWDB performance and potential funding.

Andrea updated the committee on four policies that will be presented to the board for approval. Three of them are policy updates, and one is a new policy. The Adult Priority of Service policy is a requirement of WIOA. The state made changes, so our policy is getting updated to state which clients get priority if funding is running low. The point of entry definition was added and included people contacting the AJC through virtual means. The Grievance and Complaint Resolution policy was updated to include forms to use when filing a complaint and a timeline as to when they are due. The Supportive Service policy has been updated to address allowability of sales tax by a career service provider if they are not tax exempt. The Trade Adjustment Assistance (TAA) Co-Enrollment is a new policy. This policy allows a client to fill out supplemental paperwork in order to be co-enrolled in TAA and WIOA, which is now a requirement and saves the client from filling out two separate stacks of paperwork for each program at separate times. John Alexander asked if we are above the 75% threshold consistently. Andrea responded that we are normally above that threshold, and the adults that are served usually have some barrier attached to them. Seth called for a motion to approve the policies to go to the full board meeting. John Alexander

made the motion, and Paul Webb 2nd the motion. With no further discussion, the committee voted for the motion unanimously.

Marla then reported about the McGruder Center Access Point, which she visited with Andrea and John Alexander. This is a family resource center in Nashville in an area that has the highest rate of incarcerated individuals across the nation. This center has asked to be an access point for the American Job Center, meaning there would be individuals at this center during certain days or times so clients could have access to services there. They would also have electronic access as well. This center already has specialized training, classes, and apprenticeships with companies. Howard Bradley made a motion to approve this request. David Rutledge seconded the motion. All committee members voted in favor of the motion.

With that, Mark Peed adjourned the meeting.