Northern Middle Tennessee Workforce Board Inc.

Finance Committee
November 4, 2026
9:00 A.M.
Click here for zoom link
Meeting ID: 73 2363 7914
Passcode: 536519
One tap mobile: +16465588656,,87323637914# US

Agenda

Welcome

Call the Meeting to Order

Approval of Minutes

Business Reports:

1. Financial Report
    a. Budget Progression and Sprend Trend
    b. Northern Middle MPCR
    c. CSP Performance
    d. OSO Billing Progress
    e. Monitoring Update
    f. Action Items
2. WIOA Regional Transition

Adjourn

Members:

Mark Peed (Chair)

Ashley Horan

Dan Caldwell

David Rutledge

Paul Webb

Kristi Spurgeon

Sho Samuels

Complete zoom link: https://us02web.zoom.us/j/87323637914?pwd=6vn17KNqWjoOm4sfdkKE0wqHjAyuO3.1

Northern Middle Tennessee Workforce Board Inc.

Northern Middle Tennessee Workforce Board
Finance Committee
Meeting Minutes
August 4, 2026, via Zoom at 9:00 a.m.

Members Attending	Members Absent	Staff & Guests Attending
Mark Peed	Shoshana Samuels	Ginger Fussell
Ashley Horan		Marla Rye
Dan Caldwell		Andrea Dillard
David Rutledge		Meagan Dobbins
Kristi Spurgeon		Alyssa Spaulding
Paul Webb		
Nestor Reyes		
John Zobl		

The Northern Middle Tennessee Workforce Board Finance Committee met via Zoom on August 4, 2026, at 9:00 a.m. With a quorum confirmed and Chair Mark Peed present, Marla Rye opened the meeting and requested approval of the previous meeting's minutes. Mark Peed made the motion, and Paul Webb seconded. With no further discussion, the minutes were unanimously approved. Marla introduced Ginger's financial report and noted that discussion of significant state workforce policy changes would follow.

2025-2026 Final Actual to Budget and Fund Utilization

Ginger reported that Q4 expenditures were significantly higher than the first three quarters, driven primarily by non-formula grants, particularly Tennessee Youth Employment Program funding ending June 30, incumbent worker training, and apprenticeship activity. Formula utilization ended the year at 64.4%, while overall utilization was 62.3%. Annual expenditures totaled slightly more than $8 M against a $12.9 M budget.

Ginger explained that spending was lower than the prior year for several reasons. The previous year's approximately $10.9 M expenditure comparison included a substantial two-year youth grant and an additional $500K received near year-end. The current year also began with an approximately $1.6M budget reduction. Bringing CSP operations in-house eliminated a layer of overhead and reduced operating costs. Management initially limited per-participant spending and emphasized comprehensive assessments before enrollment. Ginger said targeted initiatives could increase formula utilization, particularly in Youth and Dislocated Worker programs, with the latter also affected by economic conditions.

Approximately $10M in contracts expired June 30, with about $337K remaining unspent, or 3.33% of available funding remaining unspent and 96.67% spent. Ginger reported approximately $204K in unused program funds and $132K in administrative funds. No formula program funds were left unspent. Remaining program balances were associated with YEP, YEP VR, and reentry funding. Administrative funds previously transferred into program services were fully utilized. Ginger said the remaining administrative balance reflected operating efficiencies despite efforts to project expenditures and maximize use of the funds. Marla explained that the vocational rehabilitation youth program (YEP VR) enrolled 28 participants against a goal of 32, but participants generally worked five to 10 hours weekly rather than the 20 to 30 hours used in budgeting. Staff planned to enroll more participants in the new year to better utilize available funding. Reentry spending was lower because planned on-the-job training did not materialize, although a significant portion of the grant was expended.

MPCR & CSP Trends

Ginger reported an overall Minimum Participant Cost Rate of 54.47%, exceeding the 40% requirement and increasing from 45.57% at the end of the third quarter. Stronger YEP, incumbent worker training, and apprenticeship expenditures contributed to the increase. Ginger also noted the operating efficiencies achieved through in-house CSP management. She reviewed CSP results, noting an Adult MPCR of approximately 60%, offset by lower Dislocated Worker activity. The combined Adult and Dislocated Worker CSP MPCR was 49%, just below the 50% target. Youth MPCR was 53%, although utilization remained lower than desired. Work experience and in-school youth expenditures were slightly below CSP-level goals, while the overall local area goals were met. Staff would continue monitoring those measures. Mid-Cumberland, the One-Stop Operator, billed 91% of its contract and finished within budget.

2026-2027 Revised Budget

Ginger presented the revised budget of $13.8M following receipt of the final formula allocation. The initial budget assumed a possible 10% reduction, but the actual allocation increased over the prior year, creating an approximately $1.6 M favorable formula difference from the original projection. The revision also included two additional grants that had been applied for and were expected to be awarded. Together with other adjustments, the revised budget increased by slightly more than $1M from the preliminary budget. Ginger presented the revenue and expense budgets and an additional expense presentation aligned with the audited financial statement format.

Monitoring & Policy Revision

Ginger reported continued CSP monitoring and year-end analysis to support planning for the new year. Strategies to improve utilization included targeted youth projects, possible collaboration with the Nurses Middle College, and consideration of additional Adult and Dislocated Worker funding for incumbent worker training. She disclosed that Mid-Cumberland's audit for the year ended June 30, 2025, had not been received. She reported that the state's December 2025 deadline and the federal March 31 deadline had passed. Mid-Cumberland notified the state that additional time was needed because of new program activity, and the state acknowledged the delay and expected the audit by August 30, 2026. Ginger said the required notification procedures had been followed and wanted the committee to be aware of the outstanding report.

Marla reported that PAR monitoring concluded the previous week, with the closeout held the day before the meeting. The review resulted in no findings or observations. She commended Ginger and the fiscal team. Ginger recognized staff responsible for accounts payable, payroll, and participant cost processing, noting the significance of a clean report during the transition to in-house CSP services. Ginger reviewed other state monitoring activity and reported that a May policies and procedures review identified one finding involving the equipment threshold in the property management policy. She also reported that Stone, Rudolph & Henry's annual audit was progressing on schedule, with preliminary work planned before on-site fieldwork in November.

Ginger presented a revision to the property management policy increasing the equipment threshold from $5K to $10K to reflect changes in Uniform Guidance. Staff had noted that some open state contracts still contained the $5K threshold, but the state required the policy update. The revision was limited to the threshold because additional state policy changes were expected. Ginger said staff would return with further revisions if needed after the state issued its updated policy.

Action Items

Ginger requested acceptance of the 2025-2026 financial report through June 30, approval of the revised 2026-2027 budget as presented, and approval of the property management policy revision increasing the equipment threshold from $5K to $10K. David Rutledge made a motion to approve the items as documented, and Dan Caldwell seconded. With no further discussion, the motion was approved unanimously.

AJC Future

Marla reviewed the state's request for 13 federal WIOA waivers and the federal response. She highlighted additional flexibility for youth spending, supportive services after Adult and Dislocated Worker participants exit, and employer services without individual participant eligibility determinations. Other requests addressed One-Stop Operator arrangements and the requirement for a comprehensive American Job Center in each local workforce area. Marla explained that some requests were approved, some did not require a waiver, and a SNAP-related request was denied because the reviewing agency lacked authority to approve it. She focused on the regional planning council waiver and the proposed Workforce System Governance Framework, released after the committee packet was distributed. The policy would be considered by the State Workforce Development Board on August 28 following public comment through August 14. If approved, the framework would establish three regional workforce boards aligned with Tennessee's grand divisions to perform functions currently assigned to local workforce boards. The nine local workforce areas would remain, but local boards would be replaced by advisory councils. Northern Middle, Southern Middle, and Upper Cumberland would form a 40-county Middle Tennessee region. County mayors would continue their oversight and funding responsibilities through interlocal agreements. Each local area's CLEO would serve on a three-member regional CLEO council responsible for selecting the fiscal agent. The policy encouraged using the same organization as administrative entity and fiscal agent. Marla said regional board composition and selection procedures remained uncertain. The policy listed a September 1 effective date, while Marla had been advised that operational implementation would occur July 1, 2027.

Marla then welcomed Nestor Reyes of the Department of Labor, who joined the board July 1. Nestor said the process was in its early stages, encouraged members to follow its development, and commended Marla and the team's work. Marla said the state appeared to be seeking fewer contractors and more consistent services. She had heard that the region might use one service provider and one One-Stop Operator, but emphasized the uncertainty surrounding implementation. Mark asked whether consistency was the main objective and expressed concern that regional contracting could undermine the progress made through in-house service delivery. Marla noted the previous consolidation from 13 workforce areas to nine. She said she had been told that regional boards would include rural representation but had not seen that provision in writing.

Ashley Horan asked whether local offices, including Humphreys County, could be eliminated. Marla said the waiver removed the comprehensive-center requirement and aligned with the Commissioner's emphasis on reducing facility costs. She explained that Northern Middle had already acted to close eight centers while preserving local services through alternative arrangements, including the Waverly location. Marla did not expect local services to disappear but anticipated challenges in coordinating access across 40 counties. Ashley expressed concern about maintaining local identity and responsiveness to each community's economic and workforce needs. David said rural and urban communities both needed adequate attention and questioned whether limited resources could meet both needs under a larger regional structure. He asked whether labor, education, and other board representation requirements would remain. Marla expected the regional board to have a composition similar to the existing local boards. She also noted that retaining three local areas within Middle Tennessee would require three local plans and a regional plan, limiting potential administrative savings compared with formally redesignating the areas.

Mark questioned the implementation timeline and said a 40-county service contract could limit competition to a small number of large providers, potentially displacing locally managed services. Marla anticipated that procurement would need to begin around January for a July 1 start. Ashley questioned whether the short public comment period allowed meaningful review and changes before approval. Mark also expressed concern about the limited review period, disruption after the previous restructuring, and timing near the end of the administration. Marla noted the approaching governor transition and at least

five new county mayors expected in Northern Middle. She emphasized that the structure remained subject to approval and implementation decisions.

She reminded members that the full board would meet August 12 at Scarritt Bennett Center in Nashville, with Commissioner Deniece Thomas scheduled to discuss her vision for the workforce system. Free parking would be available.

Adjourn

With no further business, Mark adjourned the meeting.

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2026 FISCAL UPDATE
2026-27 BUDGET PROGRESSION & SPEND TREND

	($ in 000's)		
Northern Middle LWDA	26-27 QTR 1	Revised FY 2026-27 12 Mo. Budget	% Spent
Infrastructure Funding Agreement	113	750	15.1%
Adult	755	2,967	25.4%
Dislocated Worker Re-purposed for Adult	183	1,000	18.3%
Dislocated Worker for DW	426	3,118	13.7%
Youth	479	3,980	12.0%
Total FY 26-27 Expense vs Budget - Formula Grants	**1,843**	**11,065**	16.7%
Tennessee Youth Employment Program (TYEP) (7/1/26 to 6/30/27)	183	750	24.4%
Tennessee Youth Employment Program - Vocational Rehabilitation (TYEP VR) (7/1/26 to 6/30/27)	7	111	6.3%
Rural Healthcare (7/1/26 to 6/30/27)	27	250	10.8%
SAEF 3.1 State Apprentice (2/1/26 to 6/30/27)	48	60	80.0%
SAEF 3.2 State Apprentice (2/1/26 to 6/30/27)	19	150	12.7%
TN-PROWD (Re-Entry 4/1/25 - 9/30/27)	102	544	18.8%
TN-PROWD III (Re-Entry 4/1/25 - 9/30/27)	0	73	0.0%
Total FY 26-27 Expense vs Budget - All Grants	**2,342**	**13,753**	17.0%

**** Northern Middle's grant utilization in Q1 outpaced each of the first three quarters of the prior year.***
**** Q1 was $863k higher than Q1 of the prior year; $580k lower than Q4 of the prior year.***
**** Formula utilization decreased only $6k from last quarter.***
**** Formula youth continues to be a challenge. The CSP team has developed strategies to address.***
**** TN youth (TYEP) was strong in Q1.***

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2026 FISCAL UPDATE
2026-27 PENDING GRANTS/ NEW FUNDING

Additional Grants Applied for Pending Approval:	(in 000's)
ABC Apprenticeship Grant	110
Rural Healthcare Transformation Grant	775
Tennessee Talent Initiatives:	
Nissan National Guard Partnership	400
Montgomery County IDB/CDL Training	321
Total	1,606

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2026 FISCAL UPDATE
Minimum Participant Cost Rate (MPCR)

TDLWD Minimum Participant Cost Rate (MPCR) - Preliminary Through September 2026

MPCR = 62.96%

	Adult/DW	Youth	TYEPs	Apprentice, Rural Health, Re-Entry	Total
Qualifying Expenses	$ 707,211	$ 245,602	$ 172,940	$ 161,515	$ 1,287,268
Total Program	$ 1,251,609	$ 439,920	$ 172,940	$ 180,218	$ 2,044,687
MPCR	56.50%	55.83%	100.00%	89.62%	62.96%

Northern Middle exceeds the 40% state requirement in quarter 1.

***** PRIOR QUARTER MPCR = 54.47%*****

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPT 2026 FISCAL UPDATE
NM/WE - ADULT/DW MPCR TREND
CONTRACT-TO-DATE & QUARTERLY

	MPCR - Goal 50% FY 26-27			MPCR - Goal 50% FY 26-27			MPCR Adult/DW - Goal 50% FY 26-27		
NM/WE	Adult			DW			A/DW Combined		
CTD CUMULATIVE	Direct $ '000	Total $ '000	72%	Direct $ '000	Total $ '000	36%	Direct $ '000	Total $ '000	62%
Jul 2026	157	231	68%	39	106	36%	**195**	**338**	58%
Aug 2026	220	289	76%	32	96	34%	**253**	**385**	66%
Sep 2026	183	255	72%	40	110	37%	**223**	**365**	61%
Total FYTD	**560**	**776**	72%	**111**	**312**	**36%**	**672**	**1,087**	62%
Cumulative CTD	**560**	**776**	72%	**111**	**312**	**36%**	**672**	**1,087**	62%

Current Fiscal Year

	MPCR - Goal 50% FY 26-27 w LFPR Project			MPCR - Goal 50% FY 26-27 w LFPR Project			MPCR Adult/DW - Goal 50% FY 26-27		
NM/WE	Adult			DW			A/DW Combined		
QTR Ended 9/30/26	560	776	72%	111	312	36%	672	1,087	62%
FYTD	**560**	**776**	72%	**111**	**312**	**36%**	**672**	**1,087**	62%
CTD Cumulative	**560**	**776**	72%	**111**	**312**	**36%**	**672**	**1,087**	62%

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPT 2026 FISCAL UPDATE
NM/WE YOUTH - MPCR, WORK EXPERIENCE & IN-SCHOOL
CONTRACT-TO-DATE & QUARTERLY

	MPCR - Goal 50%			Work Experience - Goal 25%			ISY/Youth - Goal 35% effective 07.1.26		
NM/WE	Youth			Youth			Youth		
CTD CUMULATIVE	Direct $ '000	Total $ '000	63%	Wk Exp $ '000	Total $ '000	25%	ISY $ '000	Total $ '000	25%
Jul 2026	61	108	56%	37	108	34%	33	108	31%
Aug 2026	58	104	56%	30	104	29%	30	104	29%
Sep 2026	127	176	72%	28	176	16%	33	176	19%
Total FYTD	**246**	**388**	**63%**	**96**	**388**	**25%**	**97**	**388**	**25%**
Cumulative CTD	**246**	**388**	**63%**	**96**	**388**	**25%**	**97**	**388**	**25%**

Current Fiscal Year	MPCR - Goal 50%			Work Experience - Goal 25%			ISY/Youth - Goal 35% effective 07.1.26		
NM/WE	Youth			Youth			Youth		
QTR Ended 9/30/26	246	388	63%	96	388	25%	97	388	25%
FYTD	**246**	**388**	**63%**	**96**	**388**	**25%**	**97**	**388**	**25%**
CTD Cumulative	**246**	**388**	**63%**	**96**	**388**	**25%**	**97**	**388**	**25%**

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2026 FISCAL UPDATE
CONTRACTOR - BILLING PROGRESS

	In $000's		
One-Stop Operator Billing	Total Spent Qtr Ended Sep 2026	Total 12 Month Budget	% Spent 25% time elapsed (contract extended)
MCHRA	$ 81	$ 300	27%

(Regional Contract - 12 month extension 7/1/26 to 6/30/27)

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2026 FISCAL UPDATE
MONITORING UPDATE

Monitoring of Workforce Essentials - Career Service Provider Division

* NMTWB's Program staff provided ongoing Technical Assistance.
* NMTWB's Quality Assurance staff completed a case file review of 30 Adult, Dislocated Worker and Youth files with no significant concerns or observations. CSP response is pending. Also completed a review of Paid Work Experience timesheets with no concerns or observations.
* NMTWB's fiscal staff continue to perform monthly desk reviews of the CSP division's utilization, MPCR, work experience and in-school youth goals providing technical assistance and strategies for continuous improvement. Formula youth utilization needs improvement.
* CSP strategies for improving utilization include:
  - Increased WIOA youth paid work experience hours to 300 to allow for more hands-on experience.
  - Working with TriStar Health and Youth Villages on potential partnership to pilot an 8-week workforce development paid internship for young adults aging out of foster care. Young adults transitioning to independence and the workforce would have the opportunity to focus on careers in healthcare simulation.

Monitoring of Mid-Cumberland HRA - One-Stop Operator

* The One-Stop Operator continues to promote enhanced oversight of partner accountability in supporting KPI goals.
* Communicated the need to communicate state changes and directions to local board directors in Northern Middle and Upper Cumberland.
* Technical assistance and training of the One-Stop Operator is ongoing. NMTWB's fiscal staff continue to perform monthly desk reviews of the OSO's invoicing, billing trends and contract progression.
* Communicated to MCHRA staff that contract billing is slightly higher at 27% than time progression of contract at 25%. (Contributing to the increase was temporary assistance needed from George Phillips while current OSO recovers from health complications.)

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2026 FISCAL UPDATE
MONITORING UPDATE

Monitoring/Audit of Northern Middle

* **Northern Middle submitted closure notices to TDLWD regarding the closing American Job Centers.**
* **The State's Workforce Services Oversight Team conducted a case file review of 32 Adult, DW and Youth files with no significant concerns or observations.**
* **The State's Workforce Services Oversight Team requested payroll records and timesheets for TYEP participants. The report to be submitted 11/3/26.**
* **Stone, Rudolph and Henry will be conducting the external, financial audit for the year ended June 30, 2026 with onsite fieldwork scheduled the week of November 16th.**

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2026 FISCAL UPDATE
ACTION ITEMS

* **Accept 2026-27 Financial Report through September**

STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
220 French Landing Drive
Nashville, TN 37243
(615) 741-6642

Bill Lee
GOVERNOR

Deniece Thomas
COMMISSIONER

September 21, 2026

Dear Mayors, Local Workforce Development Board Chairs, and Local Workforce Development Board Directors,

Thank you for your continued partnership and commitment to strengthening Tennessee's workforce system. Your leadership at the local and regional levels remains essential to ensuring that Tennesseans have access to high-quality workforce development services and that employers have the talent they need to thrive.

On August 28, 2026, the State Workforce Development Board voted to establish a regional workforce board governance structure. That decision remains in place; however, after careful review, the Department has determined that additional time is needed to ensure a smooth and effective operational rollout.

While the Board's decision stands, we are actively refining and strengthening the operational components of the regional model. This work is underway, but more time is needed to address outstanding structural, administrative, and procedural considerations prior to full implementation. We are committed to building a regional structure that supports local needs, enhances service delivery, and aligns with statewide workforce priorities—and doing so requires thoughtful sequencing, clear guidance, and thorough coordination.

Importantly, as we continue refining the operational elements of the regional governance model, **our commitment to preserving a strong local voice remains unwavering**. Local elected officials, Local Workforce Development Boards, and community partners play a vital role in shaping workforce priorities, and that role will not be minimized under any updated governance structure. We also recognize **the distinct needs of Tennessee's rural communities, and any operational adjustments will be thoughtfully designed to ensure that rural counties are fully supported and well-represented throughout this transition.**

Accordingly, we will be **delaying the operational rollout of the regional workforce boards**. During this period, existing local workforce development board governance structures will remain in place, and we will continue working closely with all partners to design a transition plan that is practical, collaborative, and fully informed by stakeholder input.

In the coming weeks, the Department will provide updated timelines, implementation guidance, and engagement opportunities to ensure that all partners—state, regional, and local—have the clarity and support needed for a successful transition.

Thank you again for your leadership and for your continued dedication to Tennessee's workforce system. Please do not hesitate to reach out should you have questions or need additional information.

Sincerely,

Deniece Thomas
Commissioner