Northern Middle Tennessee Workforce Board Inc.

Finance Committee
November 6, 2025
10:00 A.M.

Click here for zoom link

Meeting ID: 892 8579 6528
Passcode: 350536
One tap mobile: +13017158592,,89285796528# US

Agenda

Members:

Mark Peed (Chair)

Ashley Horan

Dan Caldwell

David Rutledge

Paul Webb

Kristi Spurgeon

Sho Samuels

Welcome

Call the Meeting to Order

Approval of Minutes

Business Reports:

1. Financial Report
    a. 2025 Budget to Actual
    b. New Funding
    c. MPCR
    d. OSO Expenditures
    e. Monitoring Report
    f. Action Items

Adjourn

Complete zoom link: https://us02web.zoom.us/j/89285796528?pwd=PvppnyzhtVsaca5hzx8ISh0BH14OnN.1

DRAFT UNTIL APPROVED

Northern Middle Tennessee Workforce Board
Finance Committee
Meeting Minutes
August 7, 2025, via Zoom at 8:30 a.m.

Members Attending	Members Absent	Staff & Guests Attending
Mark Peed	Kelly Tyler	Ginger Fussell
Dan Caldwell	Paul Webb	Andrea Dillard
David Rutledge		Meagan Dobbins
Kristi Spurgeon		Cinthya Rodriguez
Shoshana Samuels		Alyssa Spaulding
Brandon Phinx		

The Northern Middle Tennessee Workforce Board Finance Committee met via Zoom on August 7, 2025, at 8:30 a.m. With a quorum confirmed, Chairman Peed called the meeting to order. Dan Caldwell moved to approve the minutes of the previous meeting, and Kristi Spurgeon seconded. With no discussion, the minutes were unanimously approved.

2024-2025 Financial Review
Ginger Fussell began her financial report by introducing herself to new member Brandon Phinx. She noted that the fourth quarter closed strong, driven by the Tennessee Youth grant and improved contractor performance. The additional 494K of TYEP funding allowed for program formula dollars to be conserved and absorbed a large allocation of administrative dollars. She reported that $641K in Tennessee Youth funds were used in Q4 alone, bringing total quarterly spending to $3.7M and total fiscal-year spending to $10.9M, which represented 79.9% of the $13.6M budget. Formula funding utilization stood at $8.7M, or 82.1% of the $10.6M budgeted, leaving 17.9% unspent. Ginger explained that while formula funds were underutilized, it was actually a benefit. The carryover of those additional funds will help offset the 13% funding reduction for the upcoming year, creating a 4.9% cushion. There was a small, short-term grant received in Q4 that added 15K in funding, bringing the current-year quarterly average utilization to $2.7M, comparable to last year's quarterly average of $2.9M. She also noted that the flexibility to repurpose up to $750K in Dislocated Worker funds granted by the Board has been crucial. It has sustained Adult services operations while awaiting new allocations, and she recommended seeking similar flexibility again this fiscal year. She added that one of the action items at the end of the meeting will be to request the flexibility to repurpose up to an additional $750K in Dislocated Worker funding for the new fiscal year.

Grant utilization of the fiscal year budget was approximately 80% for the fiscal year. Ginger explained that despite expenditures decreasing, grant utilization increased due to the reduction in available funding. Grant utilization of expiring funds was exceptional across the board at 100% of formula funds and 97.94% overall, with $11.2M of $11.4M expended, leaving only $230K in non-formula funding unspent, most of which was related to the Titan Project or administrative dollars. Andrea Dillard provided clarification regarding the unspent balance from the Titan Stadium project. She explained that the Tennessee Builders Association's coordinator departed before June 30, preventing the final two to three scheduled classes from taking place.

MPCR

Ginger reported a significant improvement in MPCR performance, reaching 49.91%, driven by strong Tennessee Youth spending and the new state policy recognizing additional program activity. Under the previous policy, the region would have been at 38.56%, but with the new metrics, Northern Middle exceeded its 40% target. She commended the collaborative effort among staff, contractors, and state partners.

CSP & Contractor Trends

Contractor performance remained strong. EDSI utilized 97% of its contract and was instrumental in Northern Middle utilizing the additional $532K TYEP funding in Q4. They met MPCR goals for Adult and Dislocated Worker services for contract-to-date, but not year-to-date. They met MPCR for Youth services for both years and contract-to-date. MAC fully utilized its contract and achieved 51% MPCR contract-to-date and 55% for Youth services year-to-date. Ginger noted that MAC had technically overcommitted to some youth that either extended past their contract or would have placed MAC over budget. They were not permitted any overages and were able to compromise a resolution by using some of their local dollars. Mid-Cumberland's One-Stop Operator contract was billed at 76%. Pilot projects in Montgomery and Sumner Counties demonstrated marked improvement. Montgomery Adult/DW met MPCR at 56% fiscal-year-to-date and 60% for Q4. Montgomery Youth exceeded the MPCR goal at 56% fiscal year-to-date and at 66% for Q4. Staff have been heavily focused on training and preparations for the CSP transition on July 1. Sumner County, where the state was responsible for Title 1 services, showed substantial gains after a slow start. Sumner Adult/DW met MPCR at 56% fiscal year-to-date and 58% in Q4. Sumner Youth fell short of the MPCR goal, with 33% fiscal-year-to-date and 41% in Q4. Andrea added that the manager for Sumner now works for Workforce Essentials and is spending extra time there to prepare staff for July 1. She applauded Meagan Dobbins for her performance in the Montgomery pilot project.

Monitoring

During the monitoring update, Ginger expressed appreciation for contractor cooperation through the program transition as well as staff leadership. She noted that both contractors met Work Experience and In-School Youth goals, but continued to face case note and documentation challenges. The Office of Transformation's annual monitoring resulted in no findings and three observations, including one best-practice citation for training materials developed by Meagan Dobbins. The observations dealt with Title III staffing issues and availability. They also requested a corrective action plan in March regarding unspent funds, which Marla responded to, ensuring that the funds would be spent. The letter was accepted, and funding was spent. The PAR team is scheduled to begin in late August, and the external financial audit is expected by December 31.

2025-26 Budget Review

Ginger then reviewed the 2025–2026 budget adjustments. Actual Carryover funds increased approximately $900K over initial projections, partially due to additional prior-year TYEP funding. This allowed for a 25% carryover into the following year, up from the usual 20%, to buffer against future funding reductions. The Tennessee Youth grant for the new year was reduced from the requested $1M to $600K, while the PROWD Re-Entry Grant was finalized slightly higher than originally estimated.

Adjustments result in a total projected revenue of $11.8M. She then presented the corresponding expense budget, noting that Workforce Essentials' administrative budget increased by $100K to account for reductions in other shared programs. All adjustments align revenues and expenses.

Action Items

Action items included: (1) accepting the $15K increase to the final FY 2024–2025 $13.7M budget and approving the amended budget and expenditure report; (2) approving flexibility to repurpose up to $750K in Dislocated Worker funds for Adult services as needed during FY 2025–2026; (3) approving the revised FY 2025–2026 budget at $11.8M; and (4) formally designating and obligating the portion of the budget allocated to Career Service Provider operations.

Shoshana Samuels asked Ginger to clarify that "obligating" program funds corresponds to what would have previously been contracted to EDSI and MAC. Ginger confirmed that this action is comparative, as it includes the CSP portions previously contracted. With no further questions, Chairman Peed called for a motion to approve all action items. Shoshana Samuels made a motion to approve the action items as listed, and David Rutledge seconded. With no further discussion, the motion passed unanimously.

Adjourn

Kristi Spurgeon commended Ginger and her team for their efforts. Shoshana and others echoed appreciation for the strong performance and successful fiscal year. Chairman Peed then adjourned the meeting.

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2025 FISCAL UPDATE
2025-26 BUDGET PROGRESSION & SPEND TREND

	($ in 000's)		
Northern Middle LWDA	**25-26 QTR 1**	**Revised FY 2025-26 12 Mo. Budget**	**% Spent**
Infrastructure Funding Agreement	113	1,000	11.3%
Adult	122	1,969	6.2%
Dislocated Worker Re-purposed for Adult	403	833	48.4%
Dislocated Worker for DW	318	3,416	9.3%
Youth	400	2,784	14.4%
Total FY 25-26 Expense vs Budget - Formula Grants	**1,243**	**9,002**	13.8%
Tennessee Youth Employment Program (TYEP)	52	622	8.4%
Tennessee Youth Employment Program - Vocational Rehabilitation (TYEP VR)	0	111	0.0%
Apprenticeship	0	200	0.0%
Rural Healthcare FY25-26	21	239	8.8%
TN-PROWD (Re-Entry $968,443 4/1/25 - 9/30/27)	50	968	5.2%
Re-Entry		247	0.0%
Total FY 25-26 Expense vs Budget - All Grants	**1,479**	**12,389**	11.9%

**** Northern Middle's grant utilization in Quarter 1 was $1.4M, most of which was formula spending. Utilization was $2.1M in Quarter 1 of last year. Of the prior Q1 amount, 446k was for TN Youth spending on a grant that carried over into last year. This year, a new Youth grant started effective July 1.***

Additional funding in the amount of $558k was received during the quarter.

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2025 FISCAL UPDATE
2025-26 BUDGET PROGRESSION - NEW FUNDING

25-26 budget last meeting	11,831	
Apprenticeship	200	
TYEP VR	111	
Re-Entry	247	558
Revised 2025-26 budget	**12,389**	

Additional funding in the amount of $558k was received during the quarter.

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2025 FISCAL UPDATE
Minimum Participant Cost Rate (MPCR)

TDLWD Minimum Participant Cost Rate (MPCR) - Preliminary Through September 2025

MPCR = 38.14%

	Adult/DW	Youth	TYEPs	Apprentice, Rural Health, Re-Entry	Total
Qualifying Expenses	$ 219,785	$ 158,238	$ 43,741	$ 42,089	$ 463,853
Total Program	$ 752,055	$ 357,159	$ 43,741	$ 63,110	$ 1,216,065
MPCR	29.22%	44.30%	100.00%	66.69%	38.14%

Northern Middle is below the 40% state requirement in quarter 1.

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2025 FISCAL UPDATE
CONTRACTOR - BILLING PROGRESS

One-Stop Operator Billing	In $000's Budget Spent Contract To Date	In $000's Total 12 Month Budget	% Spent 25% time elapsed (contract extended)
MCHRA - (12 out of 12 Month Comparison)	**$ 63**	**$ 300**	**21%**

(Regional Contract - 12 month extension 7/1/25 to 6/30/26)

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2025 FISCAL UPDATE
MONITORING UPDATE

Monitoring of Workforce Essentials - Career Service Provider Division

* **NMTWB's Quality Assurance staff completed a Case File Review of new Adult, Dislocated Worker & Youth files of the Workforce Essentials CSP division. No significant observations were found. CSP staff have already submitted the corrective action plan. All files have been corrected.**
* **Procurement of independent external monitoring was nullified due to lack of responses and price constraints.**

Monitoring of Mid-Cumberland HRA - One-Stop Operator

* **The One-Stop Operator continues to promote enhanced oversight of partner accountability in supporting KPI goals.**
* **The One-Stop Operator has been asked to assume more responsibility in coordinating IFA agreements and addressing monitoring findings that may arise related to the AJC.**
* **A re-design of the OSO contract scope has resulted in the elimination of OSO greeters in the comprehensive centers. An assistant OSO position has been created to provide more oversight.**
* **The One-Stop Operator monitoring tool was completed addressing activities specific to: partner coordination/service delivery, performance and continous improvements and functional leadership with the One-Stop Operator providing supporting documentation.**
* **The One-Stop Operator confirmed posting of comptroller's signage at each American Job Center.**

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2025 FISCAL UPDATE
MONITORING UPDATE

Monitoring/Audit of Northern Middle

* **The State's Workforce Services Program Monitoring Team conducted Case File Review of 40 Adult, DW and Youth case files with no observations or findings.**

* **TDLWD's Program Accountability Review (PAR) conducted an onsite visit in September as part of their annual monitoring engagement which began August 26, 2025. We feel the engagement is wrapping up and we await the exit conference and report.**
  Their review consisted of random samples from open contracts over the year ending June 2025, as well as 100% testing of contractor support for one selected month billed by each major contractor (EDSI, MAC, MCHRA).

* **The 2024-25 external financail audit with Stone, Rudolph and Henry, PLC is ongoing. They will be conducting field work onsite mid-November.**

NORTHERN MIDDLE TN WORKFORCE BOARD
SEPTEMBER 2025 FISCAL UPDATE
ACTION ITEMS

* **2025-26 Revised Budget = $12.4M (+558k)**