



Northern Middle TN Workforce Board Operations Committee
November 6, 2019
9:00 a.m.
Workforce Essentials
523 Madison Street, Clarksville, Tennessee

The Operations Committee of the Northern Middle Tennessee Workforce met on November 6, 2019 at 9 a.m. in Clarksville, TN. A conference call number was made available to those that could call in.

The meeting was called to order by Chairman Mark Peed. Marla Rye called roll to document attendance. A sign in sheet is attached.

Peed asked for approval of the minutes. Howard Bradley moved to approve and was seconded by David Rutledge. The minutes passed unanimously.

Marla Rye started the meeting with an overview of the budget. She then asked for Ginger Fussell to explain in detail the data in the fiscal report.

Budget Update:

Fussell recapped budget action from the August board meeting explaining that the approved 19-20 budget of \$15.9M less \$1M related to IFA netted to \$14.9M and provided a 15% allowance for carryover. The net budget included a \$2.5M transfer of Dislocated Worker funds to Adult, and provided a \$2.2M increase to Mid-Cumberland HRA's (MCHRA) original Career Service Provider (CSP) and One-Stop Operator (OSO) budgets.

Fussell explained that Northern Middle hosted a contractor meeting with MCHRA to communicate budget modification and operational expectations both verbally and in a written manual provided to MCHRA. Two days later, Northern Middle staff were informed that the state had recalculated allocations resulting in a reduction of \$461,995 in funds available to Northern Middle. Based on staff analysis of this reduction, it was decided that no 19-20 budget modification would be requested at this time. Instead, the carryover would be reduced from 15% to 10%, with staff monitoring the need for budget modification in future quarters.

A progress analysis was presented indicating the following:

- For the period July through September 2019, 25% of the fiscal year is completed.
- Total expenditures were 16.4% of the 19-20 budget of \$14.9M.
- Expenditures specific to the \$1.17M Workforce Board budget were tracking reasonably at 22.7%.
- MCHRA's One-Stop Operator expenditures were over budget compared to time elapsed at 39.4% of the \$418k budgeted (before modification).

- MCHRA's Career Service Provider expenditures were under budget compared to time elapsed at 16.9% of the \$7.8M budgeted (before modification).

Ginger gave a progress update on the Campbell Strong Contract which has been extended to September 30, 2020. Ginger stated that the total award is \$7.7M planned to be granted by the state in two separate contracts. Only the first contract of \$3.1M has been awarded and expenditures were 53.1% of the \$3.1M contract. However, that represents only 21.38% of the total \$7.7M available. A recent federal monitoring visit listed the low expenditure rate as an area of concern. However, Ginger pointed out that direct participant expenditures were 43.9% of the full project goal, and enrollments are 47.1 of the full project goal. This indicates that we are serving a lot of people, but more efficiently than planned. Marla stated that we are serving spouses and transitioning soldiers. We originally estimated spending about \$5,000 a person in direct participant expenditures on the soldiers and spouses. And what we found is, we're working with a lot of spouses that may only need childcare, or maybe assistance with uniforms or interview clothing. So we're not spending anywhere near the amount of money that that we had planned on spouses.

Mark asked why the state thinks we are under spent if we have good enrollment numbers? Marla answered that because we are not spending the full \$5,000 on every participant, it looks like we are under spent. Marla has requested from the Department of Labor a budget modification to increase the amount that can be spent for each participants. This would allow us to send a soldier to school or to get a certification, and then also send that same soldier to an OJT to make him or her more employable.

Ginger continued the fiscal update by providing Northern Middle's Quarter 1 Minimum Participant Cost Rate of 45.94% (including Campbell Strong), which is above the required 40%. Ginger further explained how each fund stream is contributing to MPCR.

Ginger reported on Mid-Cumberland HRA's billing progress providing a breakdown by fund stream, as well as a monthly billing chart showing an upward trend with each invoice. Another illustration reflected the monthly average billing which should be received on each contract in order to utilize the both the original budget and the modified budget dollars Northern Middle has communicated to them. The highest monthly billing was 78% of the average monthly billing under the original contract.

Mark stated that \$873,000 is what they should be billing [under the modified budget] but currently they are only at \$532,228 this is a short fall and under spending. Mark asked if they have provided explanation of how they will overcome this. Marla then stated we are monitoring them and have had discussions with them about how they are ramping up. We have noted that we have concerns about the low expenditures. Marla stated that they are not fully staffed currently which effects the low enrollment numbers. The responses for the areas of concern are due today so that we can have them for the board meeting on November 13th. Andrea stated that she spoke with Logan and he provided the new hires that they plan to have on board by next week. They are anticipating to be fully staffed by the end of next month.

Marla stated that some of the other local workforce areas are having similar issues with contractors. Marla stated that we are one of the biggest area that they have, and we have asked them for a tracking mechanism for obligations. This will also improve our monitoring of enrollment goals.

Ginger concluded by discussing the Quarter 1 monitoring report, which is now required to be submitted to the state's fiscal integrity unit. She explained that contractor monitoring and technical assistance is ongoing for timely improvements.

ETPL:

Andrea Dillard stated that Freda Herndon is responsible for managing the Eligible Training Provider List (ETPL) for Northern Middle. She stated that we currently have 2,000 training programs on the ETPL in Northern Middle. She requested the committee to look on page 45 of the report to review the new programs. She highlighted the master degree programs and asked input on whether or not the Board should approve Master level courses. She explained that the Board did not get performance credit for a master's degree and explained that the current policy prohibited masters training. Marla recommended approval of the courses with the exception of the master level programs. She said that a thorough review of all courses would be provided by the May meeting and that courses that we haven't utilized should be removed.

Howard Bradley made a motion to give the staff authority to review all the programs that were set to expire and approve them in order to avoid an interruption of training services knowing that we were going to review again in May. The motion also included the rejection of any master's degree programs. Mark Peed added that full performance, including credential attainment should be reviewed before the May meeting. Keith Carnahan seconded the motion and the vote was unanimous.

Rye provided a review of apprenticeship programs. She explained that Empower Electric started an apprenticeship with 25 people. Rye recommended to the committee to request additional funding from the state for incumbent worker training.

Rye updated the committee members on Houston County being an "at risk" county as designated by the Governor. She detailed the Department of Labor's rural initiative which allocated \$52,000 to start a certified production Technician program in Houston County. Marla reviewed the request by the Nashville Chamber for funding of \$52,000 for a workforce survey. She recommended to the committee that we do not take any kind of request on the Board floor at meetings anymore unless they had been through the operations committee first. Chairman Peed agreed that all funding should come through the committee first.

Marla reminded everyone of the upcoming Northern Middle meeting in Springfield, TN on November 13, 2019 at 11:30 am. Chairman Peed asked for questions. With none, the meeting was adjourned.