

## **SOUTHEAST TENNESSEE WORKFORCE DEVELOPMENT BOARD**

### **Minutes of the Workforce Development Board Tennessee Career Center at Chattanooga 5600 Brainerd Road, Suite A-5, Chattanooga, TN 37411 March 14, 2018 – 11:30 AM EDT**

Workforce Development Board (WDB) members present were Tony Cates, Board Chair, Manny Rico, Virginia Housley, Rich Wade, Yvonne Peppers, John Proffitt, Carri Smith, Leslie Travis, MaryStewart Lewis, Irene Hillman, Shannon Russo for Lindsey Croy. Guests included Nancy Sutherland, SETHRA, Ruble Conatser, TN Department of Human Services, Patricia Weaver, Cleveland State; Dan Saieed, Hamilton County Government; Mattie Moran, Chattanooga Area Chamber; and Dr. Neil Loeffler, Regional Educational Infrastructure Steering Committee, Crissy Powell, OSO-SETHRA, Chad Jaynes, Chattanooga State, Anna Smith, Chattanooga State, Bo Drake, Chattanooga State, Allison Barger, OSO-SETHRA, Mark Jackson. Staff attending were Beth Jones, Michele Holt, Stephen Dunn, Autumn Derrick, Elliot Williams and Beth Keylon.

Chairman Tony Cates welcomed those present and called the meeting to order at 11:36 a.m. Manny Rico provided the invocation. MaryStewart Lewis followed with roll call. Chairman Cates acknowledged that Shannon Russo was present as proxy for Lindsey Croy. Chairman Cates also confirmed that we have a quorum.

#### **Minutes**

Chairman Cates then called for approval of the minutes. The minutes from the December 12, 2017 meeting of the Workforce Development Board were unanimously approved after presented on a motion by Mr. Rico and seconded John Proffitt. Minutes had previously been e-mailed to members for review and were also available in members' packets.

#### **Administrative and Committee Reports**

##### **Finance Report**

Chairman Cates called upon Elliot Williams to provide the Finance Report. Mr. Williams introduced himself as the new finance staff member. He asked the members to turn to the first page of the January 31, 2018 report. Mr. Williams stated that expenditure goal rate for the program year is to be 80% expend through the end of the fiscal year, June 30, 2018. He noted that one factor influencing the lackluster expenditures as of January 31, 2018 was partly due to the addition of recapture of funds from other local areas, and the inability of Career Service Providers to secure staff and begin delivering services with a new contract. Mr. Williams stated that were now in a position to move toward the 80% due to the performance goals that were provided the Career Service Providers. He stated that we are trending to be close to the 80% by close of the program year and noted that expenditures were at 51% currently, indicating that we are not significantly behind in our goals.

He asked the members to look at the Revenue Expense page that shows all the line items. He noted that some line items are above, and some line items are below the target spending percentages and that budget revisions and line items will be re-visited for review and changes if needed. He concluded by asking if anyone had any questions. As no questions were asked, Chairman Cates called for a motion to approve. Ms. Lewis made the motion and Mr. Rico seconded. The motion carried unanimously with no dissent.

## **Operations Committee**

Chairman Cates then called upon Yvonne Peppers to provide the Operations Committee Report. Ms. Peppers directed the members to the packet and stated that the report is very detailed and is thoroughly outlined in the minutes. She will provide a summary report.

Ms. Peppers stated that the committee met on March 7, 2018 at the American Job Center located at Cleveland State Community College. During the previous month, the committee had several phone meetings. Phone meetings provided an opportunity for the committee to make the necessary approvals.

Ms. Peppers stated that the committee reviewed a total of twenty-four (24) program applications. She added that the detailed Operations Committee Report is in the members' packets.

Ms. Peppers stated that all applications received were complete and the necessary Labor Market Information (LMI) supporting documents for in demand occupations were submitted. After extensive review of each application and supporting documentation provided by the training providers, the committee made the following recommendations:

Chattanooga College of Medical, Dental & Technical Careers submitted a total of five (5) applications. Five were reviewed; three were approved, two were denied.

Ms. Peppers stated that Tennessee Wesleyan submitted one (1) application for review. The committee approved the application.

Cleveland State Community College submitted a total of fourteen (14) applications. After extensive review of each application and supporting documentation provided by the training providers, the committee approved nine applications and denied five applications

Ms. Peppers continued stating that Chattanooga State Community College submitted a total of four (4) applications. Three applications were approved, and one was denied.

Ms. Peppers moved on to the next subject and stated that committee also reviewed some policies for LWDA 5. She stated that the committee approved 14 policies related to the program for LWDA 5. Three were updates or modifications of existing policies: ITA, SSR, and Board Meeting Information Access. In addition, the committee asked the staff to review the guidance and research some of the policies that were presented, including the Work Based Training, Co-Enrollment and update of the Adult Priority of Services Policy to add a 5<sup>th</sup> Priority. She noted that a 5<sup>th</sup> Priority would be required to have supporting data and there was not enough time to gather this information prior to the meeting. Board staff will continue to work on this and the committee will review at a later date. Additionally, Ms. Peppers stated that the Youth Committee had already approved the Work Experience Policy and it was approved as well.

Ms. Peppers closed her comments by stating she was submitting this report in the form of a motion on behalf of the Operations Committee. Rich Wade seconded and the members unanimously voted in favor.

## **Youth Committee**

Chairman Cates called upon Rich Wade to provide the Youth Committee Report.

Mr. Wade stated that the Youth Committee met on February 28 and the minutes are in the members' packets. He stated that Autumn Derrick provided the program report with an update on Youth expenditures, including the 75% priority on out-of-school Youth and 20% expenditures on Work Experience so far have been successfully met. There is no concern about meeting the OSY rate.

Mr. Wade continued by stating that in the current program year, the area is at 16% of the 20% WEX goal. The total number of expenditures previously reported have been adjusted to fully expend additional funds from state recapture. The area has met 49% of the state's 40% minimum participant cost rate and has expended or obligated 33% of the required 80% by June 30. This puts the area at risk of recapture. New enrollments and WEX have the most impact on the financial metrics, and providers have submitted action plans to ensure the area meets these key measures.

Mr. Wade stated that new enrollments and cases were highlighted, indicating that 208 cases were carried in from last program year and 31 Youth have been enrolled, resulting in 239 served, and 14 youth engaged in WEX. For the UT contract, 100 youth have been referred and 97 served. Enrollments are on track with the same time last year, with many new enrollments and WEX activities occurring in May and June. The committee has recommended Summer Work Experience to meet area goals.

Mr. Wade added that the committee was presented with a Youth Eligibility policy that gives clear guidance on who is eligible to receive WIOA Youth services, including the state's criteria for the additional assistance barrier. The committee discussed additional barriers and agreed to provide comments on the Combined State Plan. Since these additional barriers support the state's Drive to 55 initiative, Autumn Derrick agreed to post comments on behalf of the committee. The comments will request consideration of eligibility criteria for those who do not have work experience or credentials for in-demand occupations for which training will be provided and first-generation college students.

Mr. Wade then concluded by stating to Chairman Cates that he has concluded his report from the Youth Committee and he presented the report in the form of a motion. Chairman Cates called for a second with Ms. Peppers providing the second and all members were in favor.

### **Executive Committee**

Chairman Cates opened the Executive Committee report by stating that he wanted Ms. Holt to introduce to the Board Irene Hillman, Career Development Manager with the University of Tennessee College of Business. Ms. Holt noted that Irene was appointed to the Board last quarter but was not able to attend due to a conflict. Ms. Hillman was able to join the Board meeting this quarter and serves in the capacity to represents Institutions of Higher Education. Ms. Holt welcomed her onboard. Ms. Holt also said that we had a visitor at the Board meeting, Mark Jackson, who is with ResCare which is contracted to provide TANF services. ResCare replaced Maximus for the TANF contract in our local area.

Chairman Cates began the Executive Committee meeting by stating that the committee met two days ago on Monday, March 12, 2018 and in addition to the review of the committee reports the following business was conducted.

He stated that many of the Board Members may not be aware, but Grundy County is part of a realignment effort currently underway in Tennessee. On February 9, 2018 the State Workforce Board voted to approve the realignment request of Mayor Brady to move Grundy County into Area 5 from Area 6. This was approved by the State Workforce Board; therefore, no action is required from the board at this time. Ms. Holt will provide more information specific to Grundy County during the Board Report.

Lastly, discussion was held concerning the need to make decisions on all provider contracts – an extension of existing contracts or release a new request for proposal. Several options were discussed during the Executive Committee meeting on Monday.

Chairman Cates called on Ms. Holt to provide some additional detail of the options. Ms. Holt stated that in reviewing the circumstances, there were multiple options that could have been considered. All current contract end dates are June 30, 2018. We have five separate contracts and the Board's options would include: Extend existing contracts for another year, procure all services again as before, procure the One Stop Operator but not the Career Service Provider, procure the Career Service Provider contracts but not the One Stop Operator, or combine all services into one Request for Proposal.

Chairman Cates reported that given the rapid timeline last year which required the local area to eliminate existing service structures and procure contracted service providers, there was a significant disruption to the local area. The Executive Committee met on Monday and decided it was in the best interest of the system to allow providers an additional year to continue to work on performance and continuity of service. Chairman Cates continued by adding that options outlined by Ms. Holt were discussed at length, but the Executive Committee ultimately decided to proceed with an extension of existing contracts, all being contingent upon successful performance during the remainder of this program year. If performance is satisfactory, contracts will should be extended through June 30, 2019. If performance issues arise, the board could take further action including, and up to termination of the contract.

Let the record show the contract extensions would be as follows:

Period: July 1, 2018 – June 30, 2019

One Stop Operator: SETHRA

Career Services Providers: Chattanooga State, Cleveland State, and TCAT Athens

3 Youth Elements (Tutoring, Mentoring and Financial Literacy): UT Agriculture Extension Agency

Chairman Cates stated that the report is submitted in the form of a motion on a Recommendation of the Executive Committee. The motion to be seconded by Manny Rico. All were in favor and the motion carried. Chairman Cates called for any abstentions. Leslie Travis recorded her abstention in the vote noting her employment with TCAT Athens and being a sibling of Anna Smith, Director for the Chattanooga State Career Services contract.

John Proffitt asked what budget obligations would accompany these contracts. Ms. Holt explained we could not enter into budget negotiations as this time as we had not received our Notice of Obligation for program year 2018-2019. Once our State contracts are received, the Board will be required to approve contract budget extensions from each provider based on funding availability.

### **LWDA System Reports**

#### **Local Workforce Development Board**

Chairman Cates called on Ms. Holt to provide the LWDB report. Ms. Holt reference the Workforce Development Board Report located in the packets. She said that on the front page we've highlighted the Work-based learning grants that compliment our Work-based training grants which are funded with local funds for Incumbent Worker and On-the-Job Training Grants. She stated that Stephen Dunn, wrote a LEAP 2.0 grant for approximately \$939,000 which provided funds for advanced manufacturing equipment in eight high schools across Bledsoe, Hamilton and Marion Counties. The focus was on mechatronics, robotics, welding and electromechanical. The project also combats outdated perceptions associated with advanced manufacturing through faculty externships, community outreach, and

awareness-programs on advanced manufacturing academies. Also, just last quarter Mr. Dunn submitted through the TN Economic and Community Development Department a Work-based Learning grant which was recently awarded to Marion County Schools in the amount of \$25,000. Mayor Jackson along with the Marion County Economic Development Partnership committed an additional \$25,000 to help pay tuition for high school students attending Chattanooga State's Polytech Academy, Kimball campus. Ms. Holt concluded the Work-based Learning section by saying that these two grants have created a great partnership with the high schools for in-school youth, postsecondary, and area manufacturers throughout the region.

Ms. Holt then began discussing the Incumbent Worker Training (IWT) program. She stated that we currently have 12 grants in place across our nine-county region, with 421 participants trained for a total of \$281,410. The IWT program requires an employer non-federal match, so the total investment for training could conceivably be twice as much. She added that the IWT program is an excellent investment in our regional workforce that helps existing employers offset the costs of training employees.

Ms. Holt stated that Chairman Cates had mentioned that Mayor Michael Brady of Grundy County submitted a written request to Governor Haslam and the State Workforce Development Board (SWDB) August 2017 for Grundy County to be re-designated from LWDA 6 to LWDA 5. She stated that on February 9, 2018 the SWDB approved Mayor Brady's request to be effective July 1, 2018. Ms. Holt said that Grundy County was originally a part of LWDA 5, but after the Workforce Investment Act of 1998, Grundy County was moved to LWDA 6. Ms. Holt noted that there is now a realization that many of the workforce development activities align with the Job Base Camps of the TN Economic and Community Development, and the re-designation of Grundy County to LWDA 5 would do just that. The move to LWDA 5 will bring an increase in funds to LWDA 5 of approximately \$144,000. Additionally, Ms. Holt said that Grundy County is part of Chattanooga State's region as well as part of the Southeast Tennessee Development's service area. She added that Chattanooga State's Career Services Provider contract will be modified to include Grundy County for the upcoming program year.

Ms. Holt then asked the members to view the back page of the report which provides the Career Services Providers Dashboard matrix which shows the enrollment totals. The matrix showcases the enrollments by location. Ms. Holt said the enrollment numbers are improving over time and hopes the extension of the all provider contracts will allow time for providers to gain much needed momentum.

Ms. Holt then asked the Board to look at the Financial Metrics which highlights the Minimum Participant Cost Rate (MPCR), 80% overall contract expenditure requirements and 20% work experience requirement. Currently the local area is somewhat behind on our 80% expenditure but expects to meet this requirement by June 30, 2018. Ms. Holt said that LWDA 5 has worked to keep our MPCR at or above the current 40% requirement, as this target will rise to 50% for next program year. We are very proud that we have been able to maintain a 50% or above going to direct participant expenses.

### **One-Stop Operator**

Chairman Cates then called on Crissy Powell to provide the One-Stop Operator (OSO) report. Ms. Powell, the OSO with SETHRA, stated one of the responsibilities of the OSO is to ensure that the participants receiving WIOA services are co-enrolled. By co-enrolling participants with multiple services we hope to ensure their long-term success. She stated that this is particularly true for RESEA and SNAP participants. She stated that LWDA 5 has received guidance from TDLWD and are working on a better way to provide referrals. A meeting is planned for Friday, March 16, 2018 to discuss this

topic. She said we need to find more creative ways to ensure that the participants are co-enrolled in multiple programs. Ms. Powell added that the AJCs are doing well in terms of Title I enrollments, as well as employer outreach by having job fairs in all the AJCs every week. She stated that the Kimball location in Marion County is fortunate to have the Greater Marion County Manufacturers Association (GMCMA) which meets regularly on the last Thursday of the month adding that if anyone is interested in attending to let her know so she can give them Patrick O'Hagan's contact information. Ms. Powell stated that the Rhea Employer Association meets on May 9, 2018 in Dayton.

She added that the Cleveland State and TCAT Athens AJCs are doing a great job serving special populations that are hard to serve. She stated that we're currently pushing our Youth Work Experience and OJT programs. She reminded the Board that the Youth Work Experience is no longer simply a summer program, but a year-round opportunity. She stated that for OJTs, LWDA 5 reimburses the employer up to 50% of the new hires wages; and for Work Experience, we pay a stipend to the Youth.

Ms. Powell then stated that LWDA 5 had all-staff training on March 2, 2018 where all AJCs convened together. Three training providers attended as well as Adult Ed, Vocational Rehab, and ResCare. Additionally, she included that the TDLWD is doing a good job in providing information to the local areas via Webinars and other training opportunities. Recently staff participated in webinars on RESEA and SNAP. She also stated that next Sunday through Tuesday, March 18 – 20, 2018 is the SETA Conference. A number of staff will attend as well as Tony Cates, Board Chairman. The conference will cover many topics including best practices and how to develop and strengthen partnerships. DOL-ETA will also be present. Additionally, April 3-5, 2018 will be the Trade Adjustment Assistance training in Nashville to provide updates on initiatives to serve our Dislocated Workers.

Ms. Powell stated that all signage is up. She added that there will be a job fair next week at Chattanooga State. She proceeded to announce a number of job fairs in the region over the course of the next several months.

Chairman Cates then called on Allison Barger, OSO with SETHRA. Ms. Barger asked the Board members to look at the One-Stop Operator Report and to note the two graphs at the top of the page. She said that these graphs show the traffic and reasons for customer services. She stated that the middle section covers the Title I enrollments and active cases; the bottom section addresses Title III Wagner-Peyser activity and indicates the unemployment rates by county. She noted that the overall Tennessee unemployment rate was added to this report, so we could see how our counties compare to the state's UI rate. The average rate for LWDA 5 is 4.6% without Grundy County and 4.9% with Grundy included.

She stated that the numbers reported in the Title I enrollment section included the Incumbent Worker participants which she said should have subtracted those numbers for this section.

Ms. Barger then asked the Board to review the back page which highlighted Title II Adult Education numbers. She said she added the Grundy County numbers for Adult Education. She stated that ResCare is the new TANF provider. She said that the most important part of this report is seeing what our customers are saying about us. She stated that the feedback has been all positive, but no constructive feedback has been given. A SurveyMonkey will be created by next week so that constructive feedback can be reported by the customer. She stated that the comment cards which are filled out in the presence of staff may not allow an anonymous comment. The purpose of the SurveyMonkey is two-fold—make the AJCs more customer-focused and allow the customer to provide anonymous feedback.

With that said, Ms. Barger asked if anyone had questions. There were no questions so Chairman Cates thanked Ms. Barger.

**Other Business**

Mr. Cates then called on Ms. Holt again to discuss the Adult Education Request for Application (RFA). Ms. Holt said she sent an email to the Board when Adult Education had released the RFA. The email contained a link to the application. She added that the Board will have to take action on the Adult Education applications for our region. Since Adult Education falls under the TDLWD, the local Board has oversight on the applications and, in particular, to make sure that the application aligns with the local plan. Going forward, all contracts, services and workforce development activities must align with the four-year local plan. Currently, LWDA 5 is operating under the Transitional Local Plan which was effective July 1, 2017. As to the RFA, Ms. Holt added that the Board will be asked to give an "okay" but not an official vote. There will be no need for a special committee either; the Board simply has to confirm that the RFA aligns with LWDA 5's plan. She stated that as the proposals come in, we will have a matrix for reviewing/scoring and this can hopefully be handled via email. The proposals are due on April 27, 2018.

She said that the last thing she wants to cover is the Memorandum of Understanding (MOU) and the Infrastructure Funding Agreement (IFA). She stated that we will have to modify the MOU and IFA due to ResCare replacing Maximus as the TANF provider and this will be completed by March 31, 2018.

Chairman Cates thanked everyone for their attendance and taking time out of their busy schedule and thanked Ms. Holt for keeping the meeting as brief as possible due to everyone's time constraints. He then asked for a motion to adjourn. Mr. Proffitt made a motion to adjourn and Manny Rico seconded. Chairman Cates then announced that the meeting was adjourned at 12:54 p.m.

Respectfully submitted,



Mary Stewart Lewis.  
Secretary