

DRAFT Minutes of the SOUTHEAST TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD

Miller Industries | 8503 Hilltop Drive, Ooltewah, TN 37363

September 11, 2024 | 11:30 a.m. ET

Board members in attendance included Marshall Graves, Chair, Carri Smith, Crystal Renner, John Proffitt, Leslie Travis, Josh Ewing, Corey Raburn, Jennifer Thacker, Tucker McClendon, Amy Soloman; proxy for Blake Markum, Michael Varnell, and Rebecca Ashford.

SETD and board staff included Michele Holt, Allison Schiavo, Reece Stevens, Christi Chapman, Kevin Treadway, Alicia Zuidema, and Bryan Houston.

Guests included Brooklyn Sewell, Elizabeth Pierce, Kevin Edwards, Teresa Smith, Charlotte Burger, Vicki Baker, Kerry Ervin, William Saxton, Jorge Vera, Hunter Andregg, Charita Allen, Glenn Perry, Andrew Hudson, Amy Mayberry, Andy White, and Kelly Puckett.

Chairman Marshall Graves welcomed the members and called the meeting to order. Christi Chapman called roll and Michele Holt declared a quorum was present. As required by Tennessee law, Chair Graves called for public comments, and none were brought forth.

Approval of the Minutes

Chairman Graves called for a motion to approve the minutes of the June 12, 2024 meeting. On a motion from Carri Smith and a second from Amy Soloman, the minutes were unanimously approved.

Miller Industries Welcome

Crystal Renner welcomed the board members and guests to Miller Industries and shared a short video about their products, history, and future plans.

Administrative Reports

Chairman Graves called on Ms. Holt to provide the workforce development updates. She provided an overview of the recent State Workforce Board meeting and discussions that were applicable to the current state of workforce in Southeast Tennessee. Commissioner Thomas shared she had expressed concern at the federal level that the Southeast US has been experiencing a decline in workforce funding despite strong economic growth investments in the last several years. This has been discussed at the federal level and we hope it will help address the allocation methodology used to deliver workforce funding to states. Additionally, allocations have remained flat in all programs, and the Wagner Peyser program experienced a significant decline leading to the loss of 30 positions, primarily at the state level. In contrast, \$15 million has been allocated to the TYEP, with \$12 million directed towards employer payrolls, providing youth with valuable job experience and economic participation opportunities.

An aggressive public outreach campaign, similar to the summer TEYP campaign, is set to launch on October 2nd, with a focus on enhancing storytelling around services. At the State Policy Retreat, TDLWD, TBR, and THEC discussed the potential to form stronger partnerships with the departments of economic and workforce development.

On the nuclear workforce front, the Nuclear Energy Institute recently presented at the State Workforce Board on the need for workforce development in clean energy in Tennessee. The Governor's \$50M in funding attracting major investments, including Orano's uranium enrichment project, Tennessee is projected to need over 230,000 workers by 2035, with TVA also facing labor shortages and establishing a Workforce Labor Forecast Center. Workforce development efforts in nuclear are expanding through K-12 and community college initiatives.

No new state workforce policy changes were presented this quarter, as more time is needed to evaluate system-wide needs. Local workforce plans are progressing, but AJCs cannot close or relocate during the ongoing marketing campaign. Additionally, a discussion was held on certifying the SWB using Baldrige Principles, which would potentially influence the future work of the board.

Financial Reports

Chairman Graves called on Reece Stevens to give June Financial Report. Mr. Stevens reported the budgeted revenues, in the amount of \$7,302,304 and actual expenses for the year at \$5,771,257, or 79% of the budget. This is below the expected expense rate of 100%, however it is largely due to the TYEP and NDWG programs which will carryover to the next program year. He reported two line items slightly over budget: Telephone and Fax at 103% and Equipment Rental and Maintenance at 108%, both due to unforeseen expenses that were outside of normal budgeted expenses. The year-to-date MPCR metric is 44% which meets the state mandated requirement of 40%.

Mr. Stevens continued with the Financial Status Report that provides a detailed financial overview of current active contracts. The first section includes FY23 contracts that have been carried over to the current fiscal year. These contracts have an end date of June 30, 2023, and are fully expended. The work experience rate for the PY23 Youth contract closed out at 21%, fulfilling the 20% minimum work experience requirement. Continuing, the FY24 contracts are on track to be at 80% by the contract term. He continued to state other grants was under expended based on SYEP Phase I, SYEP Phase II, Justice Involved, and NDWG all falling below the budgeted amount while SYEP Phase II and NDWG are the larger portions of this, and both can be carried over to the next program year. SYEP Phase I was awarded simultaneously with SYEP Phase II making it difficult to fully expend both while continuing to meet the federal mandates of Title I Formula Youth programming without additional staffing capacity. The contracts covering the infrastructure expenses are all on track to close out as expected.

With no questions, Chairman Graves called for a motion to approve the Financial Report. On a motion from Carri Smith and a second from Evann Freeman, the June 30, 2024 Financial Report was unanimously approved.

Mr. Stevens continued to July 31, 2024 Financial Report. The overall budget is slightly over at 10% due to EDSI's continued efforts to fully expend SYEP Phase II by the end of the summer. Additionally, with one month reported, the MPCR is at 46%.

Continuing, Mr. Stevens reported the FY24 carryover contracts are the current priority and are on track to close out at 100%. There are no current expenditures on the FY25 contracts. With only one month reported on the additional fund streams are reporting as anticipated, with SYEP Phase II being 30% expended. The ARC Inspire and NDWGs are trending slightly behind largely due to staffing disruptions, but should plane out over the next few months. The contracts covering the infrastructure expenses are on track for the first month.

After some discussion, Chairman Graves called for a motion to approve the Financial Report. On a motion from Crystal Renner and a second from Carri Smith, the July 31, 2024 Financial Report was unanimously approved.

ARC Inspire: Recovering the Road to Prosperity Update

Alicia Zuidema provided an update on the Inspire Grant. From October 2023-July 2024 there were 134 participants served and 42 credentials earned in 7 detention center workshops. They held weekly and bi-weekly workshops held in conjunction with community partners and day reporting centers. Additionally, the co-enrollment with the NDWG Quest grant had yielded 38 new enrollments.

She also shared one of the grant objectives was to develop a recovery-to-work employer toolkit. We now have a link on our website to the new UT Recovery to Work Toolkit and we are the hub for Southeast. In addition, several recovery month activities have been planned for this month including another reentry simulation hosted by the Tennessee Office of Reentry.

Alicia turned the meeting over to Carri Smith with Valmont Industries who spoke briefly about the very successful returning talent program Valmont has operated for over ten years. She stated employers and their culture can be a key component of a successful program and offered to provide technical assistance to any employer that would like to meet with her. Next, she introduced one of her employees, Hunter Andregg, who shared his experience in his road to recovery. He offered insight into the challenges from the employee's perspective and praised Valmont for giving him an opportunity that helped him overcome not only his personal challenges in recovery; but other issues that developed through his journey.

Other Business

Chairman Graves announced the December meeting would be the annual joint meeting with local elected officials and the workforce board. He called for any other business, and hearing none the board meeting was adjourned by unanimous consent after a motion by Amy Soloman and a second by Carri Smith.

Respectfully submitted,

Marshall Graves
Board Chair