

Minutes of the SOUTHEAST TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD

Cleveland Bradley Chamber of Commerce | 225 Keith Street, Cleveland, TN

September 10, 2025 | 11:30 a.m. ET

Board members in attendance included John Proffitt, Carri Smith, Crystal Renner, Blake Markum, Ethan Loyd, Kimberly Steele, Chris Schnarr, Wesley Skinner, Leslie Travis, Corey Raburn, Jennifer Thacker, Susan Hatto, and Tucker McClendon.

SETD and board staff included Michele Holt, Chuck Hammonds, Don Kellerman, Allison Schiavo, Reece Stevens, Maty Partin, Christi Chapman, Quinita Robinson, Jillian Duke, Jeanetta Smith, and Janella Clark.

Guests included: Patrick O'Hagan, Amy Maberry, Brandon Gaines, Andrew White, Wendolyn Davis, Hannah Young, Gwendolyn Creech, William Saxton, John Squires, Alex Green, and Ryan Goodman.

The meeting was called to order by John Proffitt, chair pro tempore. He welcomed the members and elected officials. Christi Chapman called roll, and Michele Holt declared a quorum was present. As required by Tennessee law, Chair Proffitt called for public comments, and none were brought forth.

Approval of the Minutes

The chair pro tempore called for a motion to approve the minutes of the June 10, 2025, meeting. Kim Steele noted that she was present at the June 10, 2025, Board meeting. Michele Holt confirmed that the attendance record would be corrected. On a motion from Kim Steele and a second from Blake Markham, the minutes were unanimously approved.

Administrative Reports

Financial Reports

The chair pro tempore called on Reece Stevens to give the June 2025 Financial Report. Reece reported the budgeted revenues, in the amount of \$7,252,346 and actual expenses for the year at \$5,962,655, or 82% of the budget. This is below the expected expense rate of 100%, however it is due to lower than expected expenditures in the NDWG program which will carry over to the next program year. He reported two line items slightly above budget: Supplies at 423% and Travel at 106%; Supplies due to furniture that needed to be purchased for the Chattanooga AJC move and Travel due to hotels for staff to attend training courses in June. The year-to-date MPCR metric is 46% which meets the state mandated requirement of 40%.

Reece continued with the Financial Status Report that provides a detailed financial overview of current active contracts. The first section includes FY24 contracts that have been carried over to the current fiscal year. These contracts have an end date of June 30, 2024, and are fully expended. The work experience rate for the PY24 Youth contract closed out at 20%, fulfilling the minimum work experience requirement. He added the FY25 contracts are either 100% expended or on track to be at 80% by the contract term. Continuing to Other Grants he noted the RESEA24 grant would remain at the current 37% and 29% due to the state retaining those funds to manage the remainder of the program year with state staff. The remaining grants that are under expended will carry over to PY25 as they overlap the program year.

With no questions, the chair pro tempore called for a motion to approve the June 2025 Financial Report. On a motion from Jennifer Thacker and a second from Ethan Loyd, the June 30, 2025 Financial Report was unanimously approved.

Reece continued to July 31, 2025 Financial Report. Reece reported the budgeted revenues, in the amount of \$5,237,086 and actual expenses for the year at \$301,493. He added that budgeted expenditures for the first month of the fiscal year were 8.33% of the annual budget. Actual expenditures for the period totaled 6%, resulting in a variance of -2.33%. He noted this variance is being monitored closely and is within the expected range for the early stage of the fiscal year. Additionally, with one month reported, the MPCR is at 46%.

Reece continued to the Financial Status Report and noted the FY25 carryover contracts are the current priority and are on track to close out at 100%. The FY25 Adult and Dislocated contracts have not yet been received and there are no current expenditures on the PY26 Youth contract. With only one month reported Other Grants are also reporting as anticipated. Expenditures in the first month of the fiscal year are typically lower due to timing differences between budgeting and spending, including program rollouts, procurement cycles, and payments that will be made later in the year as contracts and initiatives are executed. The contracts covering the infrastructure expenses are slightly above the 8.33% budget which can be attributed to the relocation expenses for the two comprehensive centers.

After some discussion, chair pro tempore called for a motion to approve the July 31, 2025 Financial Report. On a motion from Crystal Renner and a second from Tucker McClendon, the July 31, 2024 Financial Report was unanimously approved.

The chair pro tempore asked Reece Stevens to present Budget Amendment I. Reece reported that the amendment includes a \$21,090 decrease to the current budget due to end-of-year close-out adjustments. He noted that the amendment also decreases the Pass-Thru line item by \$87,768 and increases the EDSI Staffing Services line item to \$66,678 to support a contract extension to provide staffing support during Q1 as the system transitions from a contracted service provider to the local board.

The chair pro tempore called for a motion to approve Budget Amendment I. On a motion from Tucker McClendon and a second from Jennifer Thacker, the motion was unanimously approved.

The chair pro tempore called for a motion to approve the committee reports for Operations, Youth and Opportunities Committees. These reports were made available in advance for review. On a motion by Tucker McClendon and a second by Carri Smith, the committee reports were unanimously approved.

Southeast Workforce Update

The chair pro tempore invited Michele Holt to provide administrative updates. Before beginning, she wanted to recognize some recent achievements by Tennessee's technical colleges and asked board member Susan Hatto, President of TCAT Athens, to share a brief statement. Ms. Hatto shared that 17 Tennessee Colleges of Applied Technology were named by *USA Today* among the Top 250 Vocational Schools in the nation, placing the state fourth nationally. This acknowledgment highlights the strong quality and workforce alignment of TCAT programs statewide.

Following, an AJC Certification update was provided. The board was informed that final approval of the community outreach plan was received on August 25, 2025. The team has now moved into the outreach scheduling phase, and additional details regarding implementation will be presented by Quinita Robinson during her OSO report.

The discussion then shifted to the future of WIOA. Critical workforce funding remains an ongoing concern. At the most recent State Workforce Board meeting, Commissioner Thomas indicated we should be planning for additional reductions in funding. She also shared that block grants to states continue to be under consideration, although no final decisions have been made. Current indications suggest movement in that direction with the state preparing for both scenarios. Currently, the workforce system is still required to operate under existing WIOA guidance. The Make America Skilled Again initiative also remains under review at the federal level.

The state is preparing for a significant shift in workforce governance. It was noted that Executive Order 109 expanded the responsibilities of the State Workforce Board, enabling it to take on a larger role in workforce development across Tennessee. Coordination among ECD, THEC, TBR, and the Department of Education has increased to improve alignment of strategic decisions and funding streams, most notably through the newly formed TN Works initiative. Additional information is expected to be released later in the fall.

A document referred to as the "Golden Age of Workforce" was referenced, outlining the current administration's plan to overhaul the public workforce system. The plan includes five key pillars: industry-driven strategies, worker mobility, an

integrated system, accountability, and flexibility and innovation. There is a strong sense at the state level that this framework will become the new federal guidance, and the state is already mobilizing around this model. More information about the federal budget and the future of workforce programs is expected by the end of the legislative session.

In preparation, the bylaws of the Southeast Tennessee Local Workforce Development Board allow for the creation of ad hoc committees. Michele recommended that a small group be established to evaluate the forthcoming strategies, with the understanding more information may be forthcoming about the budget and the future of workforce by the end of the current session.

The chair pro tempore called for a motion to establish said committee. On a motion from Crystal Renner and a second from Ethan Loyd, the motion was unanimously approved. The chair pro tempore suggested Michele send an email to garner interest in serving on the committee from the board membership.

A report was provided on regional job trends. Layoffs have occurred locally and have increased across the state. While the majority of these job losses are in manufacturing, several other sectors have also been impacted. The most recent jobs report was weaker than anticipated, which could indicate a potential economic contraction. The situation will continue to be monitored, and any concerns will be shared with the board.

Updates were then provided on new grants. Regarding apprenticeship initiatives, the state released new apprenticeship funding, with a ceiling of \$300,000 for each local area, and the full amount was requested. Apprenticeships continue to be a priority at both the federal and state levels, as they represent a proven workforce model with strong outcomes, and expansion efforts are expected to increase. Two additional funding streams are anticipated later in the fall, and updates will be provided once more information is available.

A further update was given on the PROWD (Partners for Reentry Opportunities in Workforce Development) grant, a three-year initiative that supports federal inmates currently housed with the Salvation Army in Chattanooga. The grant provides funding for a full-time staff position, training resources, and wraparound supports. The program began in late June, and future reports will be submitted to the board as they become available.

One Stop Operator Report

The chair pro tempore asked the One-Stop Operator, Quinita Robinson, to provide an update. Ms. Robinson reviewed Q1 program performance and noted that while some metrics were slightly below target, she anticipates gaining momentum through ongoing outreach efforts. She reported that outreach and partnerships are increasing, and work has begun on expanding connections in rural communities. Moving forward, benchmarks have been established to maintain a weekly presence with community-serving organizations, conduct monthly check-ins with employers posting job orders, and strengthen partnerships in rural areas. She also announced several upcoming events scheduled for September.

Other Business

The chair pro tempore called for other business. Dr. Andrew White, President of Cleveland State Community College stated he would like to see an American Job Center presence on their campus as part of a larger effort to provide wrap around supports to the student body which he hopes will include a food bank, occupational therapy, and job placement services. Michele noted the One Stop Operator would be in touch with the campus to explore scheduling on campus services in the coming months.

Carri Smith asked Patrick O'Hagan from Chattanooga State Community College to share some news from the Kimball campus. He announced the addition of a new Division of Nursing at the Kimball campus which will provide a pathway to the completion of a Registered Nursing degree on that campus. This has been an ongoing effort that has been supported by numerous grants and partnership projects coordinated through the Southeast Tennessee Development District and other community partners. A grand opening was held last month to introduce the nursing wing that was formerly named the Beth Jones Institute of Nursing. Beth Jones, former Executive Director for the Southeast Tennessee Development

District, was instrumental in the grant writing efforts that supported the long-term vision for the Kimball campus resulting in Mayor Jackson honoring her with this dedication.

The chair pro tempore announced future meetings were listed on the bottom of the agenda, and all locations were to be determined. He called for any other business, and hearing none, the board meeting was adjourned by unanimous consent after a motion by Jennifer Thacker and a second by Crystal Renner.

Respectfully submitted,

Michele Holt
Executive Director