

**JOINT MINUTES  
OF THE SOUTHEAST TENNESSEE DEVELOPMENT DISTRICT/  
CHATTANOOGA AREA REGIONAL COUNCIL OF GOVERNMENTS  
EXECUTIVE COMMITTEE  
AND THE  
SOUTHEAST TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD**

**Ray Evans Transit Center  
740 East 12<sup>th</sup> Street  
Chattanooga, TN 37403**

**December 11<sup>th</sup>, 2018  
10:30 AM EST**

SETD Executive Committee members present were D. Keith Cartwright, John Gentry, David Jackson, Bill James, Dwain Land, Gary Louallen, Warren Mackey, Erskine Oglesby, Gregg Ridley, Ted Rumley, Michael Brady, Nancy Sutherland, Paul Wayne Evans, Charita Allen representing Chattanooga Mayor Andy Berke, and Dan Saieed representing Hamilton County Mayor Jim Coppinger.

SE TN Local Workforce Development Board (SLWDB) members in attendance were Brian Cooksey, Anne Ervin, Harley Grant, Julie Hoover, Virginia Housley, Nicole Koesling, MaryStewart Lewis, Phil McGrath, Yvonne Peppers, John Proffitt, Karen Buff representing Tiffany Ramsey, Manuel Rico, Ralph Romero Shannon Russo, Nancy Sutherland, Leslie Travis and Richard Wade.

Staff attending were Beth Jones, Chuck Hammonds, Jolly Abraham, Don Kellerman, Stephanie Watkins, Michele Holt, Autumn Derrick, Beth Hinkles, Elliot Williams, Stephen Dunn, Amber Akins, Sam Saieed, Audra Kelly, Cathy Andrews, Todd Byrum, Chad Reese, Paul Archambault, Garrett Haynes and Sarah Williams.

Guests and interested parties attending were Clay Copeland and Chris Hampton, USDA Rural Development; Andrea Noel and Sara Elmore, TDOT; Chris Conklin, US Census Bureau; Taylor Belcher, TN ECD; Norman Hatfield, Chairman of the SETD Audit Review Committee; Jeff Lewis, Office of US Senator Alexander; Tom Osbourne, CEO Parkridge Hospital; Joseph Johnson, Evan Williams, and Casey Eschette, Mid-Cumberland HRA; Mike Harrison, Executive Director at Association of County Mayors; Heidi King, Hamilton County Department of Education; Chad Jayne and Patrick O'Hagan, Chattanooga State Community College; Mike Harrison, ACM; Neil Leoffler, REISC; and Art Rask.

SETD Vice Chairman David Jackson welcomed those present noting that SETD Chairman D. Gary Davis had a conflict arise due to M&M Mars in Cleveland having their formal groundbreaking on their recently announced expansion. In October, M&M Mars announced a \$142 million expansion and the creation of 79 new full-time jobs to support the manufacturing of Hazelnut Spread. SETD Vice Chairman Jackson called the joint meeting of the SETD Executive Committee and SLWDB to order at 10:33 a.m. EST. McMinn County Mayor John Gentry gave the invocation.

After acknowledging those guests in attendance, SETD Vice Chairman Jackson called on County Executive D. Keith Cartwright for roll call of the SETD Executive Committee; Amber Akins declared a quorum was present. He then called on John Proffitt, Vice Chairman of the SE TN Local Workforce Development Board who will be leading the Workforce Development Board Meeting in place of Tony Cates, SLWDB Chairman. SLWDB Vice Chairman Proffitt called on Michele Holt to call roll for the SLWDB; a quorum was also announced.

## **Annual Financial Report for the Period Ended June 30<sup>th</sup>, 2018**

SETD Vice Chairman Jackson called on Norman Hatfield, Chairman of the SETD Audit Review Committee, to present the Annual Financial Report for the period ended June 30<sup>th</sup>, 2018. A copy of the draft report was provided in members packets and had also been emailed to Executive Committee members. Chairman Hatfield advised that the annual report was reviewed in detail with the Audit Review Committee and Matt Hill, Mauldin & Jenkins (M&J) prior to the Executive Committee Meeting. Chairman Hatfield advised that M&J issued an unmodified or “clean” opinion with no material misstatements and no audit findings.

SETD Vice Chairman Jackson asked if there was a recommendation for approval of the annual report from the Audit Review and Finance Committee. In the form of a motion, Norman Hatfield, on behalf of the Audit Review and Finance Committee, recommended for approval the Annual Financial Report for the period ended June 30<sup>th</sup>, 2018. A second was provided by Dwain Land and the motion carried. (*A copy of the annual financial report is attached.*)

## **SETD Minutes**

SETD Vice Chairman Jackson asked for a motion to approve the minutes of the SETD September 25<sup>th</sup>, 2018 Executive Board Meeting as well as the October 19<sup>th</sup>, 2018 Annual Board Meeting. September minutes had previously been e-mailed to members for their review and were also available in members’ packets. October minutes were not previously emailed but were available in members packets for review. Both sets of minutes were unanimously approved as presented on a motion by John Gentry with a second by D. Keith Cartwright.

## **SETD Financial Report**

SETD Vice Chairman Jackson then called on Beth Jones to provide the Finance Committee report. Ms. Jones advised that the Finance Committee met prior to the Executive Committee Meeting and discussed several items. Those items would be presented for approval in the form of a motion by Chairman Gentry on behalf of the Finance Committee. She then discussed the items that were brought before the Finance Committee.

## ***Financial Statements for the Period Ended October 31<sup>st</sup>, 2018***

Ms. Jones first addressed the financial statements for the period ended October 31<sup>st</sup>, 2018. First, Ms. Jones reviewed the *Statement of Financial Position* (balance sheet) noting Total Assets of \$10,630,187 and Total Liabilities of \$2,362,924. The month ended on a positive note with \$120,059 revenues in excess of expenses. The statement indicates a healthy fund balance at \$8,267,263.

Moving to the *Consolidated Statement of Revenues & Expenses*, at four months or 33% into the fiscal year, revenues were running at 32%. All expenses were in line with the budget except for:

- Equipment Rental and Maintenance at 41%: new computers for WIOA due to fire
- Insurance at 41% – paid up front at beginning of fiscal year.
- Marketing and Miscellaneous at 53% – tourism.

*Total Operating Expenses* were at 31% or \$192,015 below the budget. From the *Summarized Revenue and Expense by Department*, Ms. Jones indicated administrative overhead was running at 5.38%. Last, for members consideration was a *Summary of Cash Flow* that includes the balances of individual revolving loan funds ending in a cash balance of \$4,647,342.

On behalf of the Finance Committee, SETD Finance Committee Chairman Gentry made a motion to approve the financial statements for the period ended October 31<sup>st</sup>, 2018 as presented. Erskine Oglesby seconded the motion; the motion unanimously carried. *(A copy of the October financials is attached.)*

### ***Proposed Dues Increase & Fee Schedule***

SETD Vice Chairman Jackson informed members that the proposed dues increase and fee schedule was for information purposes only; however, the proposed increase will need to be considered as local governments begin planning next years' budget. SETD Vice Chairman Jackson called on Beth Jones to present. Ms. Jones started by sharing with those present that the Finance Committee reviewed all presented information before the meeting. SETD programs are looked at individually to ensure all program expenses are covered. Two programs had shortages with funding as of FY 2018: Tourism and Planning. These shortages are not sustainable long term. A plan was presented to the Finance Committee to reduce operational costs in the amount of \$166,260. In addition, the following was proposed: First, an increase in local government dues by .01 cents which will result in \$7,517 increase in local funds as well as an additional \$30,000 increase in state funds. A dues increase in this regard has not occurred in the last 25 years, with any increase in the past due to growth in population. Second, a 10% increase in planning commission fees with an additional add on if there are board of zoning appeals and other entities that staff would be required to attend. Third, slight increases in tourism dues primarily for local governments that do not have full time entities who conduct marketing and recruiting efforts. These proposals will be presented for approval at the March 26<sup>th</sup>, 2019 SETD Executive Board Meeting.

### **Personnel Report**

SETD Vice Chairman Jackson called on Beth Jones, SETD Executive Director, to present the Personnel Report. Ms. Jones stated that currently staff is at 65 full time positions and 7 temporary positions. She then noted the following staff changes over the past quarter:

- New hires: Garrett Haynes, Regional Planner; Shawna Wiggins, Options Counselor
- Resignations/Terminations: Marvin Campos, Options Counselor; Crystal Fairchild, SHIP Coordinator; Kim Smith, Public Guardian Program Assistant; Brian Taylor, Regional Planner (now on contract basis)
- Open Positions: SHIP Coordinator; Public Guardian Program Assistant

In addition, Ms. Jones announced that the City of Chattanooga approached SETD about administering their HUD-108 Loan Fund which was formerly being administered by Bright Bridge. In January, an increase in loan funds in the amount of approximately \$3.1 million will be added to our balance sheet. These are economic development loan funds that must meet certain criteria made to individuals that are not bankable. Ms. Jones also announced a funding opportunity from EPA relative to the Brownfields Program. SETD had a successful Brownfields grant resulting in numerous assessments resulting in new development. With this additional funding there will be more assessments including some areas in Georgia as well as assisting the City of Chattanooga with a clean up and assessment grant.

### **2020 LUCA Update**

SETD Vice Chairman Jackson called on Chuck Hammonds to present a quick update regarding LUCA. Mr. Hammonds informed members that there will be a potential increase in funding due to inaccuracies in past census data collection due to missing addresses. Potential increase in funding is determined by multiplying the potential population by \$1,091, with a potential funding total of \$71,370,776.

### **U.S. Census Presentation**

SETD Vice Chairman Jackson then called on Chris Conklin, Middle Tennessee Specialist with the U.S. Census Bureau. Mr. Conklin started by expressing the importance of the census due to it apportioning

seats in the U.S. House of Representatives; redistricting at the federal, state and local levels; distributes over \$675 billion federal dollars annually to state and local governments; provides statistical support for grant applications; and helping communities plan for future needs. The objective for the 2020 Census is to conduct with the same high quality as the 2010 design and to count everyone once and in the right place. For the first time ever, the census count will be conducted online as well as having the options to utilize telephone and paper responses. Mr. Conklin noted that one of the most important parts of community partnership will be to join the Complete Count Committees which will help maximize the census mission in the area, reminding those in attendance that there is a loss per person of \$1,091 not counted in the census. Mr. Conklin continued by telling members that the U.S. Census Bureau will need to hire over half a million individuals nationwide in the next 18 months. The jobs will be hourly, mostly work from home positions paying \$12-\$17 per hour. Training and equipment will be provided. Individuals may apply at [2020census.gov/jobs](http://2020census.gov/jobs).

Here, SETD Vice Chairman Jackson turned the meeting over to SLWDB Vice Chairman John Proffitt to proceed with the Workforce side of the meeting.

### **SLWDB Minutes**

SLWDB Vice Chairman Proffitt moved to the approval of the SLWDB minutes from the meeting held September 12<sup>th</sup>, 2018. Minutes had been e-mailed to members and were also available in members' packets. On a motion by Manuel Rico followed by a second from Richard Wade, the minutes of the September 12<sup>th</sup>, 2018 SLWDB meeting were unanimously approved as presented.

### **Workforce Financial Report**

Next, SLWDB Vice Chairman Proffitt called on Beth Jones, SETD Executive Director, for a presentation of the Workforce financial report for the period ended October 31<sup>st</sup>, 2018.

Ms. Jones referenced the Statement of Revenues and Expenses ending October 31<sup>st</sup>, 2018. At four months into the year, expenses are trending slightly lower at 31%. Line items that are trending higher are Contract Services at 52%, Equipment Rental and Maintenance at 45%, and Administrative Costs at 41%. This should balance out during the year, but overall expenses are at 33%. The line items under Special Services are pass-through funds that are going directly to participants and providers of contract services. The total expenses for month ending October 31<sup>st</sup>, 2108 are at 31%. Ms. Jones reported on the Minimum Participant Cost Rate (MPCR). This number is calculated based on the quarterly program expenditures that are being provided to participants with program dollars. The MPCR is currently set at 50% by the Board and is reported on a quarterly basis. For the first quarter, July to September, the local area's MPCR is 64%. This is slightly higher due to fall semester new and existing enrollments this quarter.

Next, Ms. Jones referenced the Financial Report ending October 31<sup>st</sup>, 2018. She referenced the first section of the budget which contains the carryover funds from last year. We are currently at 42% of the budget and contract expenditure rate. The next section contains the current contracts, which are first-year funds and are the contracts that are held to the 80% expenditure rate. This requirement will be waived for this program year due to the anticipated disruption that may be caused by realignment. We should be at 33% by the end of October but are slightly lower due to realignment and changes in contracts with Adult being at 20%, Dislocated 19%, and Youth 20%. The next section contains any additional contracts received by the local area. Currently, this includes two transitional funding contracts that were awarded to assist in continuity of services during realignment. There are also funding contracts for RESEA and SNAP, all of which are on track to be fully expended by the end of the year. The last section of the report includes Other Grants which includes the Infrastructure Funding Agreement (IFA) for the operations of the American Job Centers. Those expenses are at 29% of the budget.

The last column contains two cells that are highlighted in yellow. These percentages represent the federal mandated work experience metric that requires that 20% of all expenses for youth funding must be applied to work experience by the contract closeout. There are two open youth contracts. The PY18 contract is currently at 41% and the PY19 is currently at 23%. This will trend upward as we continue to do work experience throughout the remainder of the program year.

Due to the realignment of the local areas as of October 1<sup>st</sup>, 2018, contracts were re-issued and amounts have not yet been finalized. Once all of the updated contracts are received and included in the total contracts, a budget amendment may be necessary to include any increases in contracted amounts.

With no questions on the financial report, the report was unanimously approved as information on a motion by the Executive Committee and a second by Manuel Rico. (*A copy of the financial report for the period ended October 31<sup>st</sup>, 2018, is attached to these minutes.*)

### **Workforce Development Board Report**

Continuing, Ms. Holt provided an update of a possible grant opportunity funded through the U.S. Department of Labor, Employment and Training Administration. The *Disaster Recovery National Dislocated Worker Grants to Address the Opioid Crisis* was recently released providing an opportunity for local workforce areas to apply for funding to support the epidemic. The opioid crisis has had a devastating impact on individuals, families, businesses and industry, and the regional economy. Labor force participation rates indicate there are individuals who could be working but are unable to do so as a result of lost employment and/or poor work history, some as a result of the opioid epidemic. It is critical that workforce programs addressing this problem include options for recovery. The Southeast Tennessee Local Workforce Development Area (STLWDA) is joining the efforts led by the Tennessee Department of Labor and Workforce Development to address the consequences of the opioid crisis. The project will be coordinated with the American Job Centers' existing infrastructure and services. We have requested \$500,000 for our local program which includes three, two-year positions for programmatic support and outreach. This program can also provide re-employment and training services to individuals impacted by the health and economic effects of opioid abuse and will positively affect the STLWDA. Awards will be announced in 2019.

Ms. Holt provided a brief update on the Tennessee Higher Education Commission's (THEC) recommended funding for the new McMinn Higher Education Center. The project is second of nine capital projects with a projected cost of \$17.75 million. The facility has been in development for several years and is intended to highlight a unique collaboration between the Tennessee College of Applied Technology Athens, Cleveland State Community College, and University of Tennessee Agriculture Extension. The Finance Committee and Governor's office will consider the project in the 2019-2020 state budget. An announcement is expected in January 2019.

Ms. Holt referenced the Business Services Activity section of the report. The statistical data provided outlines the work-based training provided in the local area beginning July 2018 to present. The Consolidated Business Grant activity has provided approximately \$54,000 in training to 79 incumbent workers with five employers. Additionally, during the last program year, the local area has provided on-the-job training funding to assist in the training of 16 new employees with 7 employers for a total investment of \$223,334. From July 2018 until December 2018 approximately 388 employees have attended Rapid Response meetings in Bradley, Hamilton and Rhea counties.

Ms. Holt continued with providing the board with information related to the local and regional plans. WIOA Section 108 requires the local boards to submit Local and Regional Plans to the State Workforce Development Board (SWDB) every four years. We received the state's guidance for the Local and Regional Plans on December 3<sup>rd</sup>, 2018. Comprehensive plans must be completed and made available for public comment by January 4<sup>th</sup>, 2019, with a final submission to the SWDB by January 18<sup>th</sup>, 2019.

The purpose of the planning session is to advise and recommend action plans for the local areas. These action plans are intended to streamline workforce systems within the local area. The Local Plan components include 1) Operating Systems and Policies; 2) Vision, Goals, and Implementation Strategies; 3) Performance Goals and Evaluation; 4) Technical Requirements and Assurances; and 5) New Partnership Element. The local plan is jointly submitted by the Chief Local Elected Official (CLEO) and the Southeast Tennessee Local Workforce Development Board.

As part of this process, the local area will hold Local Planning Sessions that open to the public on December 17<sup>th</sup>, 2018 at 10:00 AM, EDT and 5:30 PM, EDT at the American Job Center Chattanooga, located at 5600 Brainerd Road, Suite A-5, Chattanooga, TN 37411.

The East Tennessee Regional Workforce Council is comprised of WIOA partners and stakeholders in the three local workforce development areas located in the east Tennessee region. The Council will collaboratively craft the Regional Plan. Each local area must submit the Regional Plan with the Local Plan. The Regional Plan's required components include 1) Economic and Workforce Analysis; 2) Strategies for Service Delivery; 3) Vision, Goals and Implementation Strategies; and 4) New Partnership Element. The regional council will hold a planning session on January 7<sup>th</sup>, 2018.

Next, Ms. Holt referenced the Performance Reporting chart located in the report. She noted that the PY17 Negotiated Measures are listed in the first column and were the most recent negotiated measures for the local area. The Actual Outcomes column indicates the final attainment rate for the PY17 negotiated measures. The local area exceeded all the measures. The last two columns show the negotiated measures for the next two program years, PY18 and PY19. Due to the recent realignment, the Tennessee Department of Labor and Workforce Development opted to allow local areas to adopt the State measures. Given the recent disruption to the local area due to realignment, consecutive years with required procurement of services providers, and most of the measures being lower than the PY17 Negotiated Measures, the local area opted to adopt the State measures instead of negotiating new measures. The board staff will monitor the performance of the provider related to the PY18 Performance Targets.

Next Ms. Holt referenced the Career Services Provider Dashboard. The report covers the current program year beginning July 1<sup>st</sup>, 2018 to November 30<sup>th</sup>, 2018. Enrollments are down slightly at five months into the program year; however, that is to be expected due to the recent realignment and procurement that resulted in a change in One Stop Operations and Career Services Provider. Total new enrollments for all programs was 272 with a cumulative total of 963 being served during the reporting period. There were approximately 416 enrolled in occupational skills training and 730 enrolled for a variety of work-based training across all programs.

Ms. Holt provided an update in reference to the recent approval by USDOL of several waivers requested by TDLWD. The request to waive the requirement that local areas expend seventy-five percent (75%) of local formula youth funds on Out of School Youth (OSY) was approved. Tennessee may lower the target rate for expenditure of local youth funds to fifty percent (50%) on OSY. The Youth Committee met in November and recommended to adopt the waiver at the local level. The State's request to waive the requirement limiting Individual Training Accounts (ITAs) to only OSY ages 18-24 was approved allowing for use of ITAs for In School Youth (ISY). This allows for payment of tuition and required fees associated with the cost of training, including those already enrolled in training programs. Additionally, the State's request to waive the obligation of Eligible Training Providers to collect and report performance data on all students in a training program was approved. Only WIOA participants will be reported.

Ms. Holt referenced the Program Accountability Review (PAR) monitoring report. The TDLWD PAR group visited the local area in September. The report outlines three findings: case management and two related to financial reporting. The local area response was submitted on October 22<sup>nd</sup>, 2018 and approved by TDLWD. The local area will continue to monitor the provider to address any case

management issues and provide any additional technical assistance necessary. Since the review period, timely reporting has significantly improved. The Fiscal Agent staff will continue to work toward submitting reports early to allow time to correct deficiencies. The last finding was a minor accounting error that was corrected prior to the close of the PAR monitoring visit.

The second half of the monitoring packet contains the local area monitoring report summary from July 1<sup>st</sup>, 2018 to October 31<sup>st</sup>, 2018. This outlines all subrecipient monitoring that occurred during the quarter and provides the board with details related to any findings as a result of the monitoring. There were no findings during the quarter that required a corrective action.

### **Workforce Development Committee Reports**

SLWDB Vice Chairman Proffitt stated the next item on the agenda was to approve the recent updates to the Bylaws of the Southeast Tennessee Workforce Development Board. At the September meeting, Chairman Tony Cates appointed an Ad-Hoc committee to review the existing Bylaws. The committee members were John Proffitt, Manuel Rico and MaryStewart Lewis. The committee met via conference call December 6<sup>th</sup>, 2018. Mr. Proffitt provided an overview of the necessary changes needed to align with new policy and recent changes due to realignment. He directed the board members to the Bylaws located on the right side of the packet. He noted that the edits to the Bylaws were previously emailed to the board members. There were three main points of requiring edition. The minor changes consisted of name references from LWDA5 requiring changes to STLWDA. Other more significant changes were adding the ability for directors to designate a proxy to attend and vote during meetings, and to change reference of the Disabilities Committee to Opportunities Committee to allow for a broader service approach. Mr. Proffitt called for a motion to approve and adopt the Bylaws as presented. Manuel Rico made the motion and Yvonne Peppers seconded. The motion carried.

SLWDB Vice Chairman Proffitt called on Yvonne Peppers to provide the Operations Committee report. Ms. Peppers stated the Operations Committee met on Monday, December 3<sup>rd</sup>, 2018 at the Bradley Cleveland Chamber of Commerce in Cleveland. The minutes and policies were previously emailed out to the board members and contained the details on the discussion and approvals. A copy is also included in the packet for reference. There were three policies that were discussed. The committee voted to ratify the email vote for the Incumbent Worker Training policy that was approved via email in early October. The committee had requested additional research before adding a 5<sup>th</sup> Priority for the Adult Priority of Services policy. A study on living wages by family size was presented, but the committee determined the wages levels could lead to excessive expenditures to the Adult allocation. The staff will continue to research best options for adding a 5<sup>th</sup> Priority. The committee was presented a draft Transitional Jobs Policy for review and further discussion early in 2019. This policy would cover work experience services for individuals who are long-term unemployed or have significant barriers to employment.

The committee reviewed a total of 70 program applications for ETPL approval. There was (1) application reviewed for Switch certification in Upper Cumberland submitted by training providers located and approved by other LWDA boards. The committee also reviewed two (2) applications for a one-year Initial Eligibility and sixty-seven (67) applications for two-year Continued Eligibility. Per the State guidance, training providers are now required to add Service Performance Outcomes on the ETPL applications. All applications, labor market information (LMI), performance outcomes and additional supporting documents were reviewed thoroughly by the committee with recommendations outlined below. A copy of the minutes with detailed discussions were previously emailed and are included in your packet.

### **Switch Certification Programs**

- Fortis Institute Upper Cumberland – one (1) application was reviewed, the Committee unanimously approved the application.

### **Initial Eligibility (1 year)**

- Southeast Tennessee Lineman Training – one (1) application was reviewed, the Committee unanimously approved the applications.
- Chattanooga State Community College – one (1) application under the Continuing Education department was reviewed, the Committee unanimously approved the application.

### **Continued Eligibility (2 year)**

- Chattanooga State Community College – thirty-nine (39) applications were reviewed, the Committee unanimously approved all applications.
- Tennessee College of Applied Technology - Chattanooga – thirteen (13) applications were reviewed, the Committee unanimously approved all applications.
- Cleveland State Community College – fifteen (15) applications were reviewed, the Committee unanimously approved all applications. Note Cleveland State will receive additional technical assistance regarding the ETPL process and performance outcome guidance.

Ms. Peppers submitted the report in the form of a motion on behalf of the Operations Committee. MaryStewart Lewis seconded and the motion carried.

SLWDB Vice Chairman Proffitt called on Richard Wade to provide the Youth Committee report. Mr. Wade reported the committee met on November 14<sup>th</sup>, 2018. The minutes have been provided in your packet. The committee watched a short video of Gestamp's Apprenticeship program that can be found on YouTube. This high school program is the first in Tennessee to earn a Registered Apprenticeship designation. He noted that Heidi King has joined the board meeting today to provide a brief overview of Tennessee's first High School Registered Apprenticeship program. The committee was introduced to Cydnie Tate, Southeast Tennessee Pathways Regional Coordinator. Cydnie is employed by Tennessee Board of Regents and located at Chattanooga State. She will be working closely with the workforce board and participating in Youth Committee.

SLWDB Vice Chairman Proffitt called on Autumn Derrick to provide the Youth Program Report, indicating the area has reached 37% of the Work Experience (WEX) Expenditure Rate with nearly \$450,000 expended. Since the state was closing all contracts effective September 30<sup>th</sup>, 2018, this will likely be the final reporting on the funding. The area served 307 Youth participants in the current program year, with 45 newly enrolled participants. A total of 19 have received paid work experience and 4 have been placed in On-the-Job training, which is a good start to the goal of 160 WEX participants.

The committee elected to adopt the state's waiver to reduce the Out-of-School expenditure rate from 75% to 50%. The committee cited the number of opportunities in the local area to provide supportive services and work-based learning activities in partnership with initiatives such as Gestamp's apprenticeship and Hamilton School's Future Ready Institutes. The committee also recognized the need to support rural communities in development of business partnerships for work-based learning. Upon board approval, the Youth Eligibility Policy language will be updated to allow for services to In-School Youth. Joseph Johnson with Mid Cumberland HRA, Career Service Provider, presented service strategies for Youth, as well as the implementation plan for the first 90 days.

Mr. Wade submitted his report in the form of a motion from the Youth Committee. Virginia Housley seconded, and the motion carried.

SLWDB Vice Chairman Proffitt called on Joseph Johnson from Mid-Cumberland Human Resource Agency (MCHRA) to provide the One Stop Operator report. Mr. Johnson provided a brief summary of MCHRA's involvement in workforce services. He stated that MCHRA has provided various levels of workforce services for the past 44 years. He provided the vision for the One Stop System to provide



functional alignment of all the partner programs within the American Job Center (AJC) framework. MCHRA strongly encourages the Welcome Function be the first point of contact to quickly assess the needs of individuals entering our AJCs and provide a warm handoff. A strong coordination of partner programs provide assurance that the full scope of services will be provided to those most in need. Training is delivered regularly during the quarterly meeting of all partner staff in the AJCs. Mr. Johnson also added that a key component of successful performance in the local area is directly related to strong partnerships with the business community. MCHRA holds a high standard in being a valuable resource for employers to secure a trained workforce.

Mr. Johnson continued to provide an overview of the Career Services portion of the contract. He stated that MCHRA's philosophy in case management is that staff have a positive one-on-one working relationship with all customers and that each case manager strives to be a consistent, positive individual in a customer's life and will identify barriers to success. Case managers will regularly work with individuals to facilitate eliminating those barriers through training and job placement. MCHRA is committed to meeting or exceeding the MPCR rate set by the local board. He stated the Southeast area has consistently maintained an impressive MPCR and the agency looks forward to continuing that good work. MCHRA is committed to increasing co-enrollments with partner programs, and positive growth in customer satisfaction within the AJC system. With MCHRA being a new provider to the Southeast region, Mr. Johnson presented positive statistical data from previous program years of other local areas in which they were the provider.

Mr. Johnson continued with the One Stop Operator report. He informed the board that MCHRA will continue to provide detailed information during the quarterly meetings. He also offered the board members the opportunity to contact MCHRA if there was any type of information they would like added to the quarterly report. He continued to report that the most recent quarterly MPCR for our local area is 64% with 12,019 visits to the centers over the last three months. Mr. Johnson provides a summary of partner programs with the AJCs. Adult Education is at 21.58% of the yearly goal, Wagner Peyser reported over 5,300 individuals receiving services, and Vocational Rehabilitation served 57 individuals in sustainment of competitive employment. Additionally, ResCare who provides Temporary Assistance for Needy Families (TANF) in the local area is scheduled to move into the Chattanooga AJC in early 2019. Mr. Johnson ended his report by providing a brief summary of a success story of a RESEA participant that received multiple partner services through the AJC and is on schedule to complete her clinicals and boards by the end of the year. She hopes to re-enter the workforce as a trained Clinical Medical Assistant.

SLWDB Vice Chairman Proffitt called on Heidi King to provide an overview of Gestamp's recently Registered Apprenticeship (RA) program. Ms. King stated that Gestamp's RA program is a partnership between Hamilton County Department of Education (HCDE) and Gestamp that provides the first work-based learning (WBL) program at Gestamp and is the first in Tennessee to earn a federal designation as a Registered High School Apprenticeship. The registered apprenticeships consist of five core components—direct business involvement, on-the-job training, related instruction, rewards for skills gains, and a national occupational credential. HCDE students take online academic classes in a computer lab at Gestamp and get hands-on work experience in the plant where they are supervised by a WBL Coordinator. Students participate for two years and begin the program earning \$9.00/ hour. Students completing the program receive a Machine Operator credential and can be hired full time, earning \$12.00/ hour with benefits. Ms. King also informed the board that the State of Tennessee was recently awarded grant funding to expand high school apprenticeships in Tennessee. She stated that Gestamp was the pilot program for the grant and advised any business or industry that is interested in developing a registered apprenticeship to reach out to the local Career and Technical Education Coordinators from local area school systems. This grant provides funding to help companies establish and construct the high school registered apprenticeship programs.

SLWDB Vice Chairman Proffitt called on Chad Jaynes to provide an update on Chattanooga State Community College's (ChSCC) recent college-sponsored Registered Apprenticeship program. With the

high demand from local business and industry for Industrial Maintenance programs, ChSCC will initially offer Industrial Maintenance training at the Tennessee College of Applied Technology and will be ChSCC's first college-sponsored, registered apprenticeship program. Industrial Maintenance trainees are highly skilled in mechanical and electrical maintenance. Additionally, motor and sensor control and programmable controls training will lead to a FANUC robot industry certification. The starting salary for Industrial Maintenance jobs is from \$18.00 to \$25.00/ hour. There is a 100% job placement rate for these in-demand occupations. Registered Apprenticeship is a tried-and-true approach for preparing workers for jobs and meeting the business needs for a highly-skilled workforce that continues to innovate and adapt to meet the needs of the 21<sup>st</sup> century. Businesses that use apprenticeship programs reduce turnover by fostering greater employee loyalty, increasing productivity, and improving the bottom line. Mr. Jaynes encouraged any employer or individual to contact ChSCC for more information related to the Industrial Maintenance apprenticeship program. More information can also be found on ChSCC's website.

Here, SLWDB Vice Chairman Proffitt turned the meeting over to SETD Vice Chairman Jackson to proceed with the meeting.

### **Community Development**

SETD Vice Chairman Jackson called on Paul Archambault for the Community Development report. Mr. Archambault first directed members to the Grants Report for a current update on the status of active grants. Moving to the Community Development Report, he highlighted:

- Community Development Block Grants (CDBG) team has assigned and been attending public hearings in November and December for 2019 CDBG grants. Work is underway and the grant deadline is set for February 22<sup>nd</sup>, 2019.
- Six Local Parks and Recreation Grants (LPRF) were funded within the last quarter: East Ridge, Etowah, Signal Mountain, Soddy-Daisy, Whitwell and Spring city RTP.
- RPO held a Joint Executive and Technical Committee meeting on December 5 at TDOT Region 2 Administration Building to prioritize regional projects.
- Grant Opportunities include TDOT Competitive Rail connectivity Grants with the LOI due November 15<sup>th</sup>, the grant due December 7<sup>th</sup>. It includes up to \$2 million per grant with a 90/10 match; and FY2019 EPA Brownfield Coalition Grant due January 31<sup>st</sup>.
- Currently have 8 awarded HOME grants with several under construction or near completion, 16 projects finished and 24 in process in the Emergency Repair Program (ERP).
- In November the team worked with local community leaders to complete annual Planning Commissioner Training. 98 people from 21 communities completed the training.
- Southeast Tennessee Tourism Association (SETTA) partnered with Bikeways of the Scenic South on the best bike routes in the Chattanooga Tri-State Region. Sequatchie Valley routes have been completed with the next phase including Bradley, Polk, McMinn and Monroe counties.

### **Economic Development**

Stephanie Watkins continued with the Economic Development report. From the report, Ms. Watkins noted the following:

- Tennessee Economic and Community Development (TNECD) in partnership with Austin Consulting, developed a new service to assist communities with evaluating properties and advising counties on where investment may be most beneficial to help make sites more viable for industrial prospects. On November 20, 2018, Marion County participated in the Property Evaluation Program to receive assistance in assessment of six properties throughout the community. A report with the results is expected in the 1<sup>st</sup> quarter 2019.
- SEIDA held their strategic planning retreat in Monteagle, TN to review where the organization currently is and where it wants to go. The retreat concluded with musical entertainment at The Caverns in Pelham/Grundy County.

- Industrial recruitment and expansions – 3 prospective company visits, \$147 million in potential capital investment, 966 potential job creation/retention and 5 RFI/RFPs received.

Lastly, Ms. Watkins noted that the Regional Wage and Benefits Survey will be distributed, and participation is appreciated. Ms. Jones added that SETD has partnered with UTC who will be collecting the information and keeping it confidential, analyzing the data and generating the results. Business and Industry wants to see actual information from industries that were surveyed in the region. We will be partnering with Chattanooga Regional Manufacturers Association Chambers of Commerce, and local economic development agencies to attempt to collect accurate information. Those who participate will have access to the data. This process will start January 1<sup>st</sup>, 2019.

### **Aging & Disability**

Criss Grant followed with the AAAD report. Ms. Grant noted the numerous events and programs highlighted in the report:

- The SETAAAD was recently awarded a new grant from the Administration on Community Living through the Alzheimer’s Disease Program Initiative (ADPI). Our Project titled “Capitalizing on Remaining Abilities of People with ADRD in Southeast Tennessee” was funded \$1 million for three years.
- The Gruetli-Laager Senior Center was awarded a \$2,500 Senior Center Innovation Grant by the Tennessee Commission on aging and Disability (TCAD). The grant provides funding for the Center to purchase virtual reality viewers and host viewing parties for its members. This will allow members to experience Paris, the Sahara or the beach together, all without leaving the center. Members and their families will be able to tailor tours, giving members the ability to revisit places they have lived or see where out-of-town grandchildren live. The SETAAAD matched the grant by providing an additional \$2,500 to expand on their winning proposal.
- The State Health Insurance Assistance Program (SHIP) has completed another Annual Enrollment Period counseling Medicare beneficiaries across our ten-county region. SHIP hosted 22 in person enrollment events, counseling over 877 beneficiaries (not including counseling at regular host sites and phone calls). In total, individuals saved over \$900,000 due to the help of our SHIP staff and volunteers.

### **Other Business**

Before adjournment, the Chairman noted two upcoming dates:

- March 4<sup>th</sup> – 5<sup>th</sup>, 2019: TDDA Annual Conference and State Legislative Day on the Hill, Nashville
- March 17<sup>th</sup> – 20<sup>th</sup>, 2019: NADO Washington Policy Conference and DDAA Annual Conference
- March 26<sup>th</sup>, 2019: SETD Executive Committee Meeting

With no other business to come before the joint meeting of the SETD Executive Committee and the SLWDB, the meeting was unanimously approved on a motion by Erskine Oglesby with a second by John Gentry. The meeting adjourned at 12:15 p.m.

Respectfully submitted,

D. Keith Cartwright  
Secretary, SETD

John Proffitt  
Vice Chairman, SLWDB