

MINUTES
SOUTHEAST TENNESSEE LOCAL WORKFORCE DEVELOPMENT BOARD
Chattanooga State Community College—CBIH Building, 1st Floor
4501 Amnicola Highway, Chattanooga, TN 37406
September 11, 2019 – 11:30 AM EDT

Southeast Tennessee Local Workforce Development Board members present were Interim Chairman John Proffitt, Dr. Rebecca Ashford, Kimberly Crider, Kathy Price, Tim Fowler, Melvin Holmes, Virginia Housley, Aaron Edwards (proxy for Larry Morrison), Yvonne Peppers, Crystal Renner, Manny Rico, Ralph Romero, Shannon Russo, Patty Weaver, Carri Smith, and Kevin Thompson (proxy for Julie Hoover). Other stakeholders and interested parties in attendance included Bo Drake, Chad Jaynes, Evan Williams, Karen Buff, Casey Eschette, Ruble Conatser, Taffe Bishop, Joseph Johnson, Logan LaFevers, Dan Saieed, Cydnie Tate, Taylor Belcher, Steve Reel, Brian Stewart, Ryan Goodman, Sam Wills, Arlette Robinson, Patty Weaver, and Sheila Massengill. Staff attending were Beth Jones, Chuck Hammonds, Michele Holt, Don Kellerman, Autumn Derrick, Elliot Williams, Beth Keylon, and Stephen Dunn.

Chairman Proffitt welcomed those present and called the meeting to order at 11:43 a.m. Mr. Rico provided the invocation. Michele Holt followed with roll call and a quorum was confirmed.

Minutes

Mr. Proffitt presented minutes from the workforce development board meeting held on June 11, 2019. The minutes were unanimously approved on a motion by Manny Rico and a second by Melvin Holmes.

Administrative Reports

Director's Report

Michele Holt stated the local area had received the Program Accountability Review (PAR) report that identified four findings from the visit to the local area in February 2019 including: 1) case management needs improving; 2) Out-of-period expenditures were charged to grants resulting in questioned costs of \$13,216.35; 3) Questioned costs of \$2.01 were charged to a grant agreement; and 4) One specific issue needs improvement. None of the findings were of a serious nature, and corrective actions were submitted on August 23, 2019 with a response from TDLWD submitted on September 9, 2019 in which finding #1 was accepted. Further action was required on the remaining three findings.

Ms. Holt referred to the Workforce Board report and welcomed two new board members, Marshall Graves, who could not attend the meeting, and Crystal Renner.

Marshall Graves is the Managing Partner of Stone Door Group, Nashville, TN and Chief Executive of Plateau Trailers in Tracy City, TN and Stone Door Properties in Monteagle, TN. He brings over 21 years of experience in skilled technology engineering and instructional services. Marshall holds a master's degree in Computer Science from Vanderbilt University. He is the current Board Chair of Grundy Recovery Alliance Community Endeavor and serves on the Board of Directors for the State Workforce Development Board.

Crystal Renner serves as Supervisor of Talent Acquisitions at DENSO Manufacturing, a global supplier of advanced automotive technology, systems and components. She holds a bachelor's degree in Business Administration from Bryan College and spends a great deal of time supporting workforce

planning and development initiatives including K-12 and post-secondary in all areas of Advanced Manufacturing. Crystal is the current President of the Human Resources Association of the Greater Athens and Advisory Committee member for Tennessee Department of Education.

The Governor's Investment in Vocational Education (GIVE) is a \$25 million-dollar competitive grant opportunity designed to address skills gaps in Tennessee's workforce by aligning regional partnerships between Tennessee Colleges of Applied Technology (TCAT), community colleges, industry, economic and workforce development entities, and K-12. Final proposals were due September 6th and notification of awards are due in October. The following proposals were submitted in Southeast:

- **TCAT Athens** proposed the National Center for Construction Education and Research (NCCER) Core Curriculum work-based learning course leading to a national, industry-recognized certification for high school students in Bradley, McMinn and Monroe Counties.
- **Cleveland State Community College's (CLSCC) Advanced Technologies Apprenticeship Institute (ATAI)**, a paid apprenticeship program, will be expanded to Bradley, McMinn, Meigs, Monroe and Polk Counties and will offer five additional associate degree programs in Computer Information Technology, Electrical Engineering Technology, Engineering Systems Technology, Cyber Security, and Electromechanical Technology.
- **Chattanooga State's** proposal focuses on the healthcare sector and will serve the following county school systems: Marion, Bledsoe, Grundy, and Sequatchie. Sector partners include Parkridge Health System; Siskin Hospital for Physical Rehabilitation and Erlanger Health System and others.
- **Chattanooga Area Chamber of Commerce** proposed expansion of high-quality work-based learning experiences in partnership with Hamilton County Schools and Chattanooga State. The industries targeted in the proposal include business, IT, healthcare and advanced manufacturing.

The Governor's reserve funding is being made available to the Southeast Tennessee Local Workforce Development Area in the amount of \$307,789.97 for PY 2019 Rural Initiative. The funding will support Southeast's two distressed counties, Bledsoe and Grundy and two at-risk counties, Meigs and Rhea. Funds must support career exploration, educational attainment and training services. Proposals are due September 18, 2019.

Ms. Holt summarized recommendations from the Ernst and Young (EY) on-site assessment conducted in March. The assessment analyzed the strategic elements of an organization including organizational capability, efficient and effective internal controls, and technology-driven decisions which ensure transparency and accountability. Several leading practices were noted from the Southeast visit. Ms. Holt focused on four key recommendation areas: governance, strategic planning and performance, monitoring, and technology. Ms. Holt stated that actions were under way to resolve these minor issues.

Ms. Holt highlighted a new pre-apprenticeship program being offered at Valmont Industries for seniors at Marion, Whitwell, and South Pittsburg High Schools. Students will spend three hours per day on the school campus to complete their academic studies and three hours onsite with the company learning Welding skills. The program offers students a paid, work-based learning component where they earn \$13.00 per hour for a total of 15 hours per week. Valmont has entered into a formal agreement with Chattanooga State Community College to accept the pre-apprenticeship students upon completion which articulates directly into the college-sponsored Registered Apprenticeships in Welding and Industrial Maintenance. Those that remain with Valmont have the potential to earn up to \$28 per hour and continue their education.

Finally, Ms. Holt noted the Career Services Dashboard. The local area's new enrollments from July 1,

2018 to June 30, 2019 included, in part, the following data: 382 adults, 133 dislocated workers, and 237 youth (both ISY and OSY). Total enrollments reported for the same period were 694 adults, 247 dislocated workers, and 502 youth (both ISY and OSY).

Finance Report

Beth Jones presented the Budget Amendment FY 2020 handout and noted that the Tennessee Department of Labor and Workforce Development (TDLWD) had reviewed revenues and allotted an additional \$333,167 to the local area's FY 2020 budget. The amendment was unanimously approved on a motion by Manny Rico and a second by Yvonne Peppers.

The Financial Statements reflected one month into the fiscal year. Expenditures should be at 8% or better; however, expenses were slightly behind at 6%. Personnel expenses were slightly higher due to additional staff costs during the summer. Two line items, Supplies and Dues and Subscriptions, were expended at 29% and 75% respectively due to these expenses being paid in lump sum at the start of the fiscal year. Special Services, which are pass-through expenses, include Mid Cumberland Human Resources Agency (MCHRA) Participant Services, WIOA Contract Services and WIOA Pass-thru Expenses (e.g. OJT, IWT). The total Special Services expenses were under budget for the month by \$123,085.

The last page of the Financial Statements listed the formula expenditures by contract. All contracts must be expended at 80% by the end of the fiscal year, June 30, 2020. An amount equal to 20% of unexpended funds is the requisite carry-over funding to bridge the gap between the program year ending June 30 and the federal fiscal year beginning October 1. Additionally, youth work experience must be expended at a minimum of 20%, and the Minimum Participant Cost Rate (MPCR) must be at 40% by June 30, 2020. The Financial Statements were submitted to the board members in the form of a motion. Rich Wade seconded, and the motion passed.

Chattanooga State Apprenticeships and Future Grant Opportunities

Mr. Bo Drake, VP of Economic and Workforce Development provided a presentation on the progress and success of the college-sponsored Registered Apprenticeship Program (RAP). A team of college executives toured Northeast State Community College's Regional Center for Advanced Manufacturing and Harper Community College outside of Chicago. The purpose of the tours was to help with the design of the program and align with the requirements of the U.S. Department of Labor's Office of Apprenticeship. The college, in partnership with the Chattanooga Chamber of Commerce, publicly announced the program on November 12, 2018. Currently, over 100 potential apprentices are waiting to participate in the RAP.

Chad Jaynes, Solutions Development Manager, Economic and Workforce Development, presented details of the RAP's components including, but not limited to, employer involvement, on-the-job learning, related training instruction, skills gains rewards, and national credential attainment. Some of the benefits of the RAP include: an employer's investment of \$1.00 results in a return on investment of \$1.50, high post-apprenticeship productivity, reduction in mistakes, pipeline of skilled employees, and employee engagement and loyalty.

Chairman Proffitt asked if any of the business and industry representatives had any questions, comments, or feedback concerning the registered apprenticeships.

Committee Reports

Operations Committee

Ms. Yvonne Peppers stated that the Operations Committee met on Wednesday, August 28, 2019 at the American Job Center in Cleveland. A copy of the minutes containing the detailed information was previously emailed for review prior to the meeting, and a copy was provided in the packets. The following policy changes were reviewed and approved:

- Incumbent Worker Training (IWT) Policy: Consolidated Business Grants will not be allocated to the area and using 20% of local formula funds could adversely impact individual participant supports and the local area's Minimum Participant Cost Rate. The IWT policy was suspended until further notice.
- Monitoring Review: Regular monthly monitoring of the One-Stop Operator and Career Services Provider will be ongoing with responses required from the contract agent within 10 days.

The Committee reviewed a total of 38 program applications. There were seven (7) application reviewed for switch certification requests by Title I staff for training providers located and approved by other local areas' boards. The committee also reviewed four (4) applications for a one-year Initial Eligibility and twenty-seven (27) applications for two-year Continued Eligibility. The one application that was denied for not being an in-demand occupation/career pathway was for a Legal Office Administration Professional Technology Program. All applications, labor market information, performance outcomes and additional supporting documents were reviewed thoroughly by the committee. Ms. Peppers submitted the report in the form of a motion. Patty Weaver seconded, and the motion passed.

Youth Committee

Rich Wade stated that the Youth Committee met on August 28, 2019. Currently, the Work Experience expenditure rate is approximately \$234,000 through July 2019 at 23.67% of total expenditures.

Feedback from a Federal Audit of the Youth program required the workforce board to develop the program design for the provider to carry out. A new form is to be used in Youth enrollments to ensure that the full array of services is made available.

Valmont has partnered with Marion County Schools to develop the area's first high school pre-apprenticeship.

The committee was advised of the Governor's \$25M GIVE grant designed to align secondary, post-secondary, and economic and workforce development to support College, Career and Technical Education.

In other business, two new Youth Committee members were approved based on expertise in serving Youth; Patrick O'Hagan who is coordinating the Registered Apprenticeships with Chattanooga State's Economic and Workforce Development department and Taffe Bishop, the College, Career and Technical Education CORE Consultant with the TN Board of Education. Mr. Wade submitted the report in the form of a motion. Manny Rico seconded, and the motion passed.

Opportunities Committee

Shannon Russo stated that the Opportunities Committee met on August 30, 2019. The committee continues to work on program design to address the needs of individuals with special barriers. Stephen Dunn provided an update on the Reentry subcommittee's June 28th meeting to establish the scope of work for the Reentry Employment Opportunity grant application due in Spring of 2020. He also

provided information on the local area's Community Corrections Programs intended to divert the high cost of incarceration for non-violent offenders.

The committee discussed opportunities for the partner programs to co-enroll with Adult Education in effort to serve incarcerated individuals who are working to obtain a high school equivalency diploma. Adult Education is currently utilizing *Makin' It Work* Curriculum to teach soft skills along with basic literacy skills. Partners were encouraged to attend graduation ceremonies to orient the individuals and their families to workforce programs. Vocational Rehabilitation shared a statistic that indicates 51% of individuals that are incarcerated have a disability and may be approved for accommodations.

The group also discussed Integrated Education and Employment opportunities where individuals who need basic skills, occupational skills and work experience could be offered concurrently to help them obtain employment more quickly. Ms. Russo submitted the report in the form of a motion. Kathy Price seconded, and the motion passed.

One-Stop Operator Report

Evan Williams reported 12,318 visits from June 2019 to August 2019. The Minimum Cost Per Participant Rate (MPCR) was currently at 36% with one-third of the current quarter completed. Non-seasonally adjusted unemployment data which are several points higher than seasonally adjusted data were presented. The local area's American Job Center is now on Facebook. AJC Partner Program updates were provided: 135 Title I job placements in the current quarter, Title II reported a total of 410 diplomas in the 2018-2019 program year, Title III recorded 55,648 services provided to individuals, 115 individuals were assisted with Title IV services and obtained competitive integrated employment, and 300 TANF-assisted participants were served. Mr. Williams concluded his report with an overview of the WIOA Performance Metrics and a brief summary of a recent customer's success story.

Other Business

Chairman Proffitt announced that the Election of Officers will occur at the December 10th board meeting. It will be the annual, joint meeting with SETD Chattanooga Area Regional Council of Governments. Mr. Proffitt announced the appointments of the Nominating Committee which included Manny Rico, Kathy Price, and Warren Logan. Ms. Holt will send an email to schedule a meeting soon.

With no other business, Mr. Proffitt thanked everyone for their attendance. The members approved the meeting's adjournment on a motion by Manny Rico and a second by Rich Wade.

Respectfully submitted,

Mary Stewart Lewis