



STATE WORKFORCE BOARD EXECUTIVE COMMITTEE MINUTES
September 16, 2010
Nashville, TN
1:00 PM

Executive Committee Members Present:

Jerry Anderton
J. M. Barnes
John Greeter
Wallace Grills
Iloff McMahan
James Neeley

Vice-Chairs Present:

Guy Derryberry
David Hayes
Brad Parish

Vice-Chair Absent:

Yolanda Shields

Board Members Present:

Craig Butler
Echell Eady
Shirley Frierson
Niketa Hailey-Hill
Raymond Marston
Zack Stansell

Board Member Present by Proxy:

Tim Webb (Ralph Barnett)

Staff Present: Susan Cowden, Susie Bourque, Linda Sampson, James Roberson, Tyrone Parker

Chairman Wallace Grills called the meeting to order by announcing the purpose of the meeting was for an annual review of board operations and continuous improvement.

Two of the three new board members were introduced: Shirley Frierson and Echell Eady. New member Jean Schmidt was not present for introduction.

Roll Call:

Board Coordinator Linda Sampson conducted the roll call and announced the establishment of a quorum necessary for the meeting.

Opening Remarks:

Commissioner James Neeley made opening remarks providing positive news that new unemployment benefit claims are down and that we should expect the slow growth pattern in the overall economy to continue. He thanked each of the committee members for their support over recent years.

Workforce Development Updates:

Administrator Susan Cowden provided updates on workforce development activity around Investing for Growth and Economic Recovery. She reported on the 2010 goals and progress in the following areas:

Increasing Expenditures

Federal expectations include 70% expenditures by June 30 of each year
We have a few LWIAs that need to increase expenditures in youth and DW
State may need to exercise authority to call back funds from LWIAs that are
Under-obligated
Tennessee's ARRA Expenditures are strong

TN ARRA Expenditures Are High:

Dislocated Worker at 76.8% or second in the region after Mississippi
Adult at 86.6% or fifth after North Carolina, Alabama, Mississippi and Florida
(86.9%)
Youth at 91.4% or second after Florida

Goal to Obtain Discretionary Grants

On the Job Training at \$1.2 million
National Emergency Grant – Flood at \$4.6 million (LWIAs 7-13)
Applied for a National Emergency Grant for LWIAs 8 – 10 for General Motors
And multiple companies \$8 million
LWIA 1 Youthbuild at 1.1 or 68.5% expenditure

Nationally Competitive Performance

2008 TN Ranked fourth with a \$1 million Incentive Award
2009 Currently falling short on several measures: Youth Placement, Youth
Attainment, Adult Entered Employment, DW Entered Employment, DW
Retention

TN participating in Regression Model pilot with 8 other states
Statewide and Special Projects

Microsoft Elevate America concluded on July 27 and 15,483 or 61% vouchers were distributed

In partnership with Human Services, Five High Unemployment Counties (Hancock, Scott, Perry, Marshall, and Lauderdale) in four LWIAs (2, 4, 10, and 12) have offered nationally recognized TANF Emergency Subsidized Employment programs serving over 1,000 participants and stabilizing local economies.

From 2003 to 2010, we have distributed \$9M for Incumbent Worker Training Grants requiring at 40% company match. This has helped to upgrade the Skills of over 40,000 workers.

Through the Governor's FastTrack initiative we have provided over \$4.2 M in On-The-Job (OJT) training grants to new or expanding industries in our State. This has led to the creation of over 9,000 new jobs while keeping several companies from having to re-locate.

Since July 2006, the state has issued over 50,000 Career Readiness Certificates This project is currently operating through a state (Workkeys Assessments) and local partnership but no statewide funds to LWIAs. Our goal is to maintain momentum at 20,000 per year. Since October '09 we have issued 18,861, so we are on target for this year.

New Statewide and Special Projects

- Eligible Training Provider List process
- Senior Community Services Employment Program (SCSEP)
- Youth Program Compliance
- Program Implementation Guidelines
- Area designation study
- LWIA 4 Gold Standard Study
- WARN Reports and Rapid Response
- Manhattan Institute Report

Consultant Report

Consultant Mary Ann Lawrence reported on the results of her work in Local Workforce Investment Areas 4, 5, 11, and 13:

LWIA 4

Noted Improvements:

- Staff transitioned from county level subcontracts to Administrative Entity, East Tennessee Human Resources Agency (ETHRA)
- Strong Summer Youth program
- Promotion of long term staff to program lead roles
- Dedicated and committed leadership

Remaining Challenges

- Financial Reports problematic and monitoring findings exist
- ETHRA receives and disburses funds without consulting WIA staff
- ETHRA determines distribution of various grants without consulting WIA staff or Local Workforce Investment Board
- Strong experienced Deputy or Assistant Director needed with fiscal credentials
- ETHRA requires archaic information technology applications that do not adequately support workforce development programs.
- Performance, no incentive award for the past 3 years
- Expenditures have been below expectations
- Deadlines have been consistently missed, does not promptly acknowledge information requests from the state
- Year-round Youth program lacks definition

LWIA 5

Noted Improvements:

- Leadership clearly defined and effective
- Performance, after two years with no incentive award and one sanction, passed all measures for 2008 and received an Incentive Award
- Staffing is closely monitored and changes addressed
- Expenditures have improved
- Area works regionally with North Georgia and Alabama
- Volkswagen hiring and training has gone very well

Remaining Challenges:

- Although improvement noted, expenditures still need to be improved to 70%
- Board role and board development, and board leadership concerns
- Coordination with partners, particularly Job Service relative to job orders, could be enhanced

LWIA 11

Noted Improvements:

- Youth program stabilization
- RFP issued with assistance of consultant
- Performance, sanction for 2007 but met all measures for 2008
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Remaining Challenges:

- Instability in Leadership, roles and reporting not clearly defined to staff or to state
- Grants overspent or not spent at all
- Expenditures and draw requests are not submitted timely to state
- Enrollments being ceased due to expenditure and over obligation issues
- Crucial deadlines missed for OJT Emergency Grant and 1512 Recovery Act Reporting
- Although performance was met for 2008, no incentive award
- Youth leadership weak, lack of communication with contractors

LWIA 13

Noted Improvements:

- Strong leadership established, enhancements to the organizational structure
- Financial reporting problems nearing resolution
- Corrective Action in monitoring reports established
- Expenditures have improved
- Performance, although no incentive were received, there were no sanctions
- Summer Youth program went well

Remaining Challenges:

- Board role and development
- Stabilization of staffing
- Re-establishing programs
- Re-branding with the community
- Need more staff with overall understanding of the program
- Too much lag time in reporting financials and requesting modifications to existing contracts

Status of LWIA 4 & 13

Assistant Administrator Susie Bourque reported on the status of local plans in Areas 4 and 13:

LWIA 4

At the May 21 Board Meeting, the Strategic Planning Committee made the recommendation to defer final approval of LWIA 4's Plan and withhold contracts until:

- o A review of expenditures and obligations after June 30 to assess their ability to spend funds efficiently and effectively
- o And, a meeting at the end of August between Jay Willoughby and Susan Cowden to discuss the voluntary return of funds

Update: Mr. Willoughby and Ms. Cowden met on several occasions and reviewed the expenditures and obligations. LWIA 4 agreed to return \$160,000 in Statewide funds to the state which would bring their expenditure rates in line with acceptable levels.

Staff Recommendation: Area 4 has fulfilled the requested review of expenditures and return of unexpended funds. The staff recommends approval of Area 4's plan.

Mr. Barnes made the motion to approve the local plan for LWIA 4 and Mr. Greeter seconded the motion. **Motion Passed.**

Mr. Barnes, Chairman of the Planning Committee, further reminded Area 4 to address the additional recommendations made by the staff on May 21:

- o When State guidance of planning is distributed, meet all deadlines
- o Before November, begin the process of reviewing and updating all items in the compliance checklist so that deadlines are not missed. This includes the Consortium of One-Stop partners and Consortium of Locally Elected Officials,
- o Also, quarterly meetings with all partners must be held, the dates and list of attendees to these meetings will be requested during the Spring Planning Committee
- o Continue to address and correct any low expenditures

LWIA 13

At the May 21 Board Meeting, the Strategic Planning Committee made the recommendation to defer final approval of LWIA 13's Plan and withhold contracts until:

- o A review of expenditures and obligations after June 30 to assess their ability to spend funds efficiently and effectively

Update: Ms. Franklin and Ms. Cowden met on several occasions and reviewed the expenditures and obligations. LWIA 13 agreed to return \$70,559.70 in PY 8 Youth funds to the state which would bring their expenditure rates in line with acceptable levels.

Staff Recommendation: Area 13 has fulfilled the requested review of expenditures and return of unexpended funds. The staff recommends approval of Area 13's plan.

Mr. Barnes made the motion to approve the local plan for LWIA 13 and Mr. Parish seconded the motion. **Motion Passed.**

Senior Community Services Employment Program

Assistant Administrator Susie Bourque provided an update on the Senior Community Service Employment Program (Title V) and stated that currently there are six state contractors.

It was brought to attention in May, by the Grant Manager in the Workforce Development Division, that most sub-contractors for Senior Services would not fully expend their contracts with an ending date of June 30, 2010. Based on these projections, the state did obtain an

extension through December 30, 2010, to expend the balances. This extension came with a caution to the state that this should not occur in the future. Based on the lack of utilization of these funds, during difficult financial times for so many, the staff suggested that the Board consider some administrative changes.

In order to more efficiently link services within the Local Workforce Investment Areas, provide expertise and fiscal staff support, and ensure adequate utilization of the funds, the staff recommends changes to some of the Administrators with state contracts.

Upper East Tennessee Human Development Agency currently serves four counties; one county solely uses a state contract, while the remaining three counties have national and state contracts. (All four counties are located in LWIA 1.) The second contractor is the Hardeman County Literacy Council with four counties funded with a state contract. (All four counties are located in LWIA 11.)

The staff proposes that these two SCSEP contracts be moved to LWIA 1 and LWIA 11 respectively, to allow the leadership of these two LWIAs to manage the state contracts, for the Senior Community Service Employment Programs, with an effective date of January 1, 2011.

Iloff McMahan made the motion to accept the proposed changes recommended by the staff and Jerry Anderton seconded the motion. **Motion Passed.**

The second two contractors are already housed with the agencies that administer the WIA program. These two are the East Tennessee Human Resource Agency (LWIA 4) and the Upper Cumberland Human Resource Agency (LWIA 7). LWIA 7 is already coordinating their linkage between Title V and WIA in the preferred method. The senior program in ETHRA does serve two counties that are designated in LWIA 2, and the senior program in UCHRA serves one county designated in LWIA 4.

The staff proposes that the SCSEP contracts be moved to the LWIA 4 WIA Administrator to allow the leadership of the LWIA to manage the state contracts, for the senior programs, effective immediately.

Mr. Barnes made the motion to make the recommended changes and Commissioner Neeley seconded the motion. **Motion Passed.**

Review of Current Board

Board Coordinator Linda Sampson provided an overview of how the board operates, committee structure, and terms of current board members. Each committee chair provided input as to the responsibilities of their committee and how they have changed since the committees were established. All thirty-six (36) positions on the board are filled at the present time. The organizational chart will be changed accordingly as new members are appointed by the Governor.

Open Discussion

Chairman Grills suggested that the upcoming December 2010 board meeting be held at the Maxwell House hotel to accommodate the expected large turnout. Board Coordinator Linda Sampson will contact the hotel make the appropriate arrangements and notify board members.

Future Dates

December 16 & 17, 2010 (Full Board Meeting)

March 10 & 11, 2011 (Full Board Meeting)

April 14 & 15, 2011 (Planning Committee, all members invited)

May 19 & 20, 2011 (Full Board Meeting)

September 15 & 16, 2011 (Executive Committee, Location TBA)

December 1 & 2, 2011

With no further business, the meeting was adjourned.



Linda Sampson, WIA Coordinator



Susie Bourque, Assistant Administrator