State of Tennessee

State Workforce Development Board Meeting

MEETING MINUTES

Friday February 28, 2025 – 10:00 AM – 12:17 PM

Board Members Present		Board Members Present by Proxy	Members Absent
Jacky Akbari*	Designee: Director Jennie McCabe for Commissioner Stuart McWhorter	Designee: Policy Advisor Suzanne Carr for Commissioner Clarence Carter – Deputy Commissioner Cherrell Campbell-Street, Proxy	State Representative Clark Boyd
Natalie Alvarez	Mayor Mike Pogreba (Northern Middle)	Ben Ferguson (Southwest) – Assistant Commissioner Jay Baker, Proxy	Max Goldberg
Martha Axford	Designee: Assistant Commissioner Deborah Knoll for Commissioner Lizzette Reynolds	Mayor Tim Kelly – Charita Allen, Proxy	J. Paul Jackson
Brandy Lassiter for State Senator Paul Bailey	Jason Schmitt		Stuart Price
Assistant Commissioner Jay Baker	Commissioner Deniece Thomas		Lee Sloan
Joe Baker	Will Trumm		David Stansell
Jason Bates	Jeff Vance		
Tim Berry	Ron Wade (Greater Memphis)		
Lynda Botsch	Assistant Commissioner Kevin Wright		
Billy Dycus			
Michelle Falcon			
Marshall Graves (Southeast)			
Policy Director Michael Hendrix for Governor Bill Lee			
Sandra Long			

Location in parenthesis represents the state board member's membership on a local workforce board.
* Arrived after roll call

Welcome and Opening Thoughts

Chairman Berry thanked the board for their investment in the residents of the state of Tennessee. Prior to protocol reminders, he announced that the board had several new members who were appointed this week. Chairman Berry introduced and welcomed one member who was able to attend: Will Trumm. Chairman Berry also briefly mentioned yesterday's strategy session and was encouraged to know that the board is heading in the right direction.

Roll Call

Iler Bradley conducted the roll call and established the presence of a quorum. (Note: Jacky Akbari was present after roll call and was added to the attendance roster.)

Consent Agenda (vote required)

Chairman Berry requested a motion to approve the minutes for November 8, 2024. It was moved by Marshall Graves and seconded by Kevin Wright to approve the minutes as presented. The motion passed.

Executive Director's Report

Amy Maberry, Executive Director - State Workforce Development Board

Executive Director Amy Maberry noted the following:

1. The board's 2025 Strategic Planning Session was yesterday and addressed logistics, innovation, and strategies for expanding to system leadership. Governor Lee joined the session and gave remarks. The board will be moving forward with plotting out those strategies.
2. Now that the SWDB has gone through board certification, the board is intentional about leading the local boards through certification. This is upcoming.
3. The board will begin to align strategic agendas and committee work with what they planned yesterday.
4. More will be discussed about TN Works which is really a partnership for system leadership that will be led by this board. Governor Lee's proposed budget allocates funds to TN Works and the Tennessee Youth Employment Program.
5. The SWDB now has a dedicated website. The TDLWD Communications team worked on this project. The site will be a place for the board to list their strategic plans, partnerships funding opportunities, public notices, etc.

Strategic Goal: Expanded Partnerships and System Alignment

Tennessee Workforce Collaboration Project

Jeni Brinkman, Strategy Senior Manager – Accenture

Ms. Brinkman, along with co-presenters Charlie Terrell and Mary Beth Ikard, summarized the critical strategy work they've been conducting over the last several months with multiple Tennessee departments and agencies including the Department of Labor and Workforce Development (TDLWD), the Department of Economic and Community Development (TNECD), and the Tennessee Board of Regents (TBR). The purpose of this work was to determine how to better attract jobs and match them to the workforce here in Tennessee to create high quality jobs across the state.

Accenture was brought in to help create and operationalize **TN Works**, a *one-stop shop* workforce model that will integrate agencies and stakeholders into a cohesive, outcome-oriented system. This transformation will be driven by a collaborative governance framework which will enable data-driven decision-making and targeted workforce interventions. Accenture's recommendations were driven by the following vision: "Tennessee is #1 in the country in economic success for both business and Tennesseans."

The primary goals of the new TN Works team are to:

1. Translate the state's vision and workforce strategy into action and economic development results
2. Serve as a special projects hub for priority industries and key statewide initiatives to engage employers related to those initiatives
3. Develop and cultivate a compelling brand for TN Works in the broader market to attract businesses to continue to move to Tennessee
4. Coordinate the activities of key economic and workforce development partners to meet the needs of Tennessee businesses and people

Accenture's key recommendation is to build an interagency coordination hub to break down silos, enhance accountability, and streamline operations for a more efficient and unified system.

Commissioner Thomas noted that in addition to the agencies mentioned at the beginning of the presentation, multiple agencies are a part of TN Works including the Department of Education, the Department of Human Services, the Tennessee Higher Education Commission, and the Department of Corrections.

Fiscal Report (vote required)

Brian Eardley, Director - Tennessee Department of Labor & Workforce Development

Mr. Eardley provided the following overview:

Fiscal Review

Overall Funding and Expenditures

Core Partner Funding Expenditures
Title I - Workforce Services Funding and Expenditures
Title II - Adult Education Funding and Expenditures
Title IV - Voc. Rehab Funding and Expenditures
Performance Review
Federal Measures
State Measures
Program Year 2025 WIOA Title I Allocations
Allocations Trend
State Reserve Funds (SRF) Budget Proposal
Attachments were also provided.

Fiscal Review

Overall Funding and Expenditures – Total authorized funding as of December 2024 was approx. $237 million for the core partner programs: Workforce Services, Adult Education, and Vocational Rehabilitation. Authorized funding is expected to be on par with prior years. Total expenditures as of December 2024 were approx. $92 million. Total expenditures are expected to significantly climb by the end of the fiscal year and be on par with prior year because a lot of expenditures occur in the last quarter (April, May, and June).

Workforce Services (WFS) –

Financial Position

- ~$166m in authorized funding
    - ~$77m carryover
    - ~$89m new funding (Federal government or State Legislature)
- Expenditures expected to increase due to year-end participant costs
- ~$21m in discretionary funds received in FY 2025
  Apprenticeship
  Hurricane Helene relief
  Micro-credentialing
  Reentry
  Rural initiatives

Program Allocations

- In response to declining formula funds, TDLWD has sought out alternative revenue sources to offset these decreases
- Past two fiscal years experienced increased emphasis on discretionary funds
- RESEA funds expected to be received in Spring 2025

Adult Education – Financial Position

- ~$27m in authorized federal funding
    - ~$14m in carryover
    - ~$13m in new funding
- ~$7m in federal expenditures as of December 2024
- FY2025 federal expenditures expected to be on par with prior year

Vocational Rehabilitation – Financial Position

- ~$43m in authorized funding
- ~$43m in expenditures
- Funding based on current dollars that have been drawn down from the grant award

Performance Review

Federal Performance Measures

- Quarter 2 (Q2) total enrollments for WIOA Title I continue a declining trend in participation
- Wagner Peyser total enrollments in the same period (Q2) have experienced an overall increase –indicating increased participation
- As of Q2, Tennessee is within 90% attainment of all federal negotiated measures

State Performance Measures (known as Key Performance Indicators, KPIs)

- State performance measures have been negotiated with the Local Workforce Development Boards (LWDBs) for PY 2024
- These state measures have been reduced from thirteen (13) in PY 2023 to five (5) in PY 2024
- Measures focus primarily on enrollments within WIOA Titles I & III

Program Year 2025 WIOA Title I Allocations

Allocations Trend - Mr. Eardley discussed the trend in WIOA Title I funding in Tennessee. In 2017, TDLWD received about $60.5 million, and it is estimated that they will get about $37.8 million which is decrease of approximately 40%. This is significant and makes it much more difficult to operate the programs. They have diligently searched for federal discretionary funds to help offset this declination. Continued and greater investment from the State has been pivotal.

State Reserve Funds (SRF) Budget Proposal - Mr. Eardley overviewed the Program Year (PY) 2025 (FY 2026) proposal:

- Net Carry-In (what they expect to bring into next fiscal year starting July 1, 2025) is approximately $5.4 million
- PY 2025 (the estimated amount of money they'll get in July for State Reserve funds) is approximately $5.6 million
- Total amount is approx. $11.1 million
- Proposed utilization of funds include:
  - Agency Priorities ~ $4.6 million
  - Program Evaluations $1 million
  - Economic Development $3.2 million
  - System Administration and Maintenance $2.3 million

During the question and answer period, discussion ensued about the need for a position statement from the board to their federal delegation about workforce funding in Tennessee. Commissioner Thomas noted the importance of keeping the Southeast funded at a stable level, reassessing the federal funding formula, and allowing needed spending flexibility.

Chairman Berry called for a motion on a position statement from the board. It was moved by Jason Bates and seconded by Michelle Falcon that the board create a position statement along the lines of what Commissioner Thomas asked and that it be done right away. After asking for discussion and hearing none, a vote by voice was taken. The motion passed. Executive Director Maberry will work expediently on this position statement to have it prepared for the next meeting.

Mr. Eardley requested approval of the proposed State Reserve Funds Budget for Program Year 2025 beginning July 1. Chairman Barry called for a motion. It was moved by Billy Dycus and seconded by Natalie Alvarez to approve the proposed budget as presented. After Chairman Berry asked for discussion, Attorney Melissa Owens noted that there was no public comment. A vote by voice was taken. The motion passed.

Committee Updates

Oversight Committee – Chair Michelle Falcon (vote required)

Chairman Berry noted that although this board is known for its efficiency, they would engage in a rather tedious roll call voting process for eight policies presented by the Oversight Committee. This was to ensure transparency for every vote.

Policy Approvals

Ms. Falcon gave an overview of the policy approval process, noting that the policy changes were to make it easier for the board to implement any innovative, forward-thinking ideas in all areas of the workforce system. These changes also provide flexibility to the local boards and ensure compliance for policies required by the US Department of Labor (USDOL). All policies were presented by Ms. Falcon.

1. One-Stop System Design Policy – This policy has been heavily updated to better support workforce reimagined and reflects innovations in the One-Stop design. The policy promotes agile and fiscally responsible One-Stop delivery systems utilizing service delivery outside of the brick and mortar.

   Chairman Berry called for possible conflicts of interest.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson since Mr. Ferguson is a member of the Southwest Local Board.
   Marshall Graves abstained as a member of the Southeast Local Board.
   Mayor Mike Pogreba abstained as a member of the Northern Middle Local Board.
   Ron Wade abstained as a member of the Greater Memphis Local Board.

   Chairman Berry asked if there were any public comments on this policy and Attorney Melissa Owens noted there has been no public comment. Chairman Berry called for a motion to open the floor for discussion. It was moved by Martha Axford and seconded by Charita Allen to have discussion. Hearing no discussion, Chairman Berry asked for a motion to adopt the revised policy as presented. It was moved by Jennie McCabe and seconded by Charita Allen to adopt the revised policy as presented. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

2. Minimum Participant Cost Rate – This policy previously only allowed for WIOA Title I to be included and now one of the adjustments is that it was rephrased to clarify, specify and add the qualifying expenditures and cumulative program expenditures as well. Public commentary was added recently to incorporate Incumbent Worker Training into the rates. This is basically providing more flexibility for the local boards to work through the ratings as well.

   Chairman Berry asked if anyone needed to abstain from this vote.
   Marshall Graves abstained as a member of the Southeast Local Board.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson since Mr. Ferguson is a member of the Southwest Local Board.
   Mayor Mike Pogreba abstained as a member of the Northern Middle Local Board.
   Ron Wade abstained as a member of the Greater Memphis Local Board.

   Chairman Berry noted Michelle's reference to public comment. He asked if there were any other public comments on this policy. Attorney Melissa Owens noted there was no other public comment. Chairman Berry called for a motion to open the floor for discussion. It was moved by Jacky Akbari and seconded by Sandra Long to have discussion. The motion passed with a vote by voice. Hearing no discussion, Chairman Berry asked for a motion to accept the policy and to include the addition of the public comment. It was moved by Martha Axford to accept the policy and include the public comment referencing incumbent worker training to be part of the calculation for MPCR. The motion was seconded by Charita Allen. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

3. One-Stop Operator and Service Provider Procurement Policy – This policy requires local workforce development boards to be competitive in their procurement processes. The policy changes provide more flexibility, remove some redundant state requirements, and add clarifying language. The policy outlines the methods of allowable procurement (federal and state requirements) to be followed during the procurement process.

   Chairman Berry asked if anyone needed to abstain from this vote.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson.
   Marshall Graves abstained.
   Ron Wade abstained.
   Mayor Mike Pogreba abstained as a member of the Northern Middle Local Board.

   Chairman Berry asked if there were any public comments on this policy and Attorney Jonathan Haynes noted there was no public comment. Chairman Berry called for a motion to open the floor for discussion. It was moved by Charita Allen and seconded by Lynda Botsch to have discussion. The motion passed with a vote by voice. Hearing no discussion, Chairman Berry asked for a motion to adopt the policy as presented. It was moved by

Jason Bates and seconded by Jennie McCabe to adopt the policy as presented. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

4. One-Stop Certification Policy - This policy is in tandem with the One-Stop System Design Policy so both areas needed to be updated for more clarification and flexibility. Some language was expanded, and other language was removed.

   Chairman Berry asked if anyone needed to abstain from this vote.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson.
   Ron Wade abstained.
   Mayor Mike Pogreba abstained.
   Marshall Graves abstained.

   Chairman Berry asked if there were any public comments on this policy and Attorney Melissa Owens noted there was no public comment. Chairman Berry called for a motion to open the floor for discussion. It was moved by Charita Allen and seconded by Jay Baker to have discussion. The motion passed with a vote by voice. Hearing no discussion, Chairman Berry asked for a motion to adopt the policy as presented. It was moved by Billy Dycus and seconded by Lynda Botsch to adopt the policy as presented. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

5. Corrective Actions and Sanctions for Non-Compliance Policy - This policy states that the Tennessee Department of Labor and Workforce Development (TDLWD) is charged with monitoring and enforcing sub-recipient compliance with state and federal standards relative to WIOA, federal grants, and state grant funds administered by TDLWD. This policy aims to set forth fair, clear, and equitable criteria and procedures for State action to ensure sub-recipient compliance after TDLWD monitoring concludes with findings of non-compliance.

   Chairman Berry asked if anyone needed to abstain from this vote.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson.
   Ron Wade abstained.
   Mayor Mike Pogreba abstained.
   Marshall Graves abstained.

   Chairman Berry asked if there were any public comments on this policy and Attorney Jonathan Haynes noted there was no public comment. Chairman Berry called for a motion to open the floor for discussion. It was moved by Charita Allen and seconded by Lynda Botsch to have discussion. The motion passed with a vote by voice. Hearing no discussion, Chairman Berry asked for a motion to adopt the revised Corrective Actions policy as presented. It was moved by Jason Bates and seconded by Jennie McCabe to adopt the policy as presented. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

6. Title I and Complaint Procedures - WIOA mandates that each State and Local Workforce Development Board (LWDB) receiving an allotment under the Workforce Innovation and Opportunity Act (WIOA) establish and maintain a procedure for WIOA-related grievances or complaints. This policy mimics what is already in place: it mimics the same process for WIOA at the state and federal level in providing a complaint procedure.

   Chairman Berry asked if anyone needed to abstain from this vote.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson.
   Ron Wade abstained.
   Mayor Mike Pogreba abstained.
   Marshall Graves abstained.

   Chairman Berry asked if there were any public comments on this policy and Attorney Jonathan Haynes noted there was no public comment. Chairman Berry called for a motion to open the floor for discussion. It was moved by Charita Allen and seconded by Lynda Botsch to have discussion. The motion passed with a vote by voice. Hearing no discussion, Chairman Berry asked for a motion to adopt the policy as presented. It was moved by Commissioner Deniece Thomas and seconded by Assistant Commissioner Kevin Wright to adopt the policy as presented. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

7. Employment Service and Employment-Related Law Complaint System - This policy aims to outline the establishment, operation, and maintenance of the Complaint System to ensure effective handling of complaints and apparent violations within the Employment Service and State Workforce Agency system. This includes ensuring compliance with federal and state regulations, maintaining a fair and transparent process for complaints, and fostering accountability among staff and involved parties.

   Chairman Berry asked if anyone needed to abstain from this vote.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson.
   Ron Wade abstained.
   Mayor Mike Pogreba abstained.
   Marshall Graves abstained.

   Chairman Berry asked if there were any public comments on this policy and Attorney Jonathan Haynes noted there was no public comment. Chairman Berry called for a motion to open the floor for discussion. It was moved by Charita Allen and seconded by Lynda Botsch to have discussion. The motion passed with a vote by voice. After some discussion, Chairman Berry asked for a motion to adopt the policy as presented. It was moved by Jay Baker and seconded by Jennie McCabe to adopt the policy as presented. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

8. Referral Process for Serving Veterans and Other Eligible Persons by the American Job Center Staff - This new policy requested by USDOL is to ensure that staff members are trained in Veteran Affairs programs to specify clarification of roles and responsibilities at separation of priorities of service, expanding those duties, and mandatory eligibility screening. This policy is to prepare the staff to be able to serve this population.

   Chairman Berry asked if anyone needed to abstain from this vote.
   Assistant Commissioner Jay Baker abstained as proxy for Ben Ferguson.
   Ron Wade abstained.
   Mayor Mike Pogreba abstained.
   Marshall Graves abstained.

   Chairman Berry asked if there were any public comments on this policy and Attorney Jonathan Haynes noted that he did not believe there were any public comments. Chairman Berry called for a motion to open the floor for discussion. It was moved by Charita Allen and seconded by Lynda Botsch to have discussion. The motion passed with a vote by voice. Hearing no discussion, Chairman Berry asked for a motion to adopt the policy as presented. It was moved by Jason Bates and seconded by Jay Baker to adopt the policy as presented. A roll call vote was taken, and there were 22 in favor, none opposed, four abstentions, and six absences. The motion carried.

Operations Committee – Vice Chair Jason Bates

Mr. Bates gave the Operations Committee report in Chair Stuart Price's absence. Mr. Bates noted that Mr. Price was unable to attend due to the passing of his mother, and the board was asked to keep him and his family in their thoughts and prayers.

The Operations Committee had two presentations:

<u>Conversion Rates:</u> Jeff Hughes, Grants Program Manager for the Workforce Services (WFS) division presented on the concept of conversion rates as a key part of workforce reimagined. The conversion rates show whether clients seeking American Job Center (AJC) services have a Wagner Peyser (or Title III) application completed which indicates that individualized services are being received. The purpose of this metric is to help specialists focus on ensuring that clients who are seeking assistance are getting all the benefits they may be entitled to. A strongly suggested action item was to use a customer satisfaction survey to measure whether the clients are satisfied with the service they receive.

Zendesk Implementation: Jeremy Colbert, Deputy Assistant Commissioner for the WFS Division presented insights into the newly implemented referral system and the automated outreach efforts which are facilitated through Zendesk. He highlighted the importance of these initiatives in raising customer awareness about the programs available at the AJC. Now when individuals apply for UI, Zendesk notification emails are sent to them containing various services that are provided by the AJC specific to the area in which they're located. If the client replies to the email, a staff member reaches out to the client for specific personal interaction.

Based on the response rate, the committee mentioned they would like to get reports on readership rates. AC Kevin Wright also noted that one area of implementation improvement was validating the participants in the VR (Title IV) program. Discussions are already underway with the WIRED division.

Innovation Committee – Chair Marshall Graves

Mr. Graves reported that the Innovation Committee had two presentations.

Rural Healthcare Updates - The state has funded $3.1million in seed funding to 34 organizations around the state that covers roughly 57 different occupations in healthcare. This provides programming in every county in the state that is eligible (metropolitan areas are excluded). In July, $7.49 million in program funding will begin for a total of $10.6 million in funding focused on rural healthcare. The committee had very active discussion on this program and there is tremendous overlap with the CTE programs in the high schools. Valeria Voiles, Director of Compliance for the Rural Healthcare Initiative, attended the committee meeting and she will provide updates on the status of program delivery.

Department of Education Updates - Matthew Spinella and Deborah Knoll gave these updates. DOE is focused on providing opportunities for high quality employment. Student experiences with CTE courses totaled 765,000 in Tennessee in 2024. Mr. Wade noted that there are some high-risk student populations, and the committee thought that DOE could focus some efforts on understanding those populations. The children of justice-involved individuals were mentioned.

On a separate note, the Innovation Committee requested that the State specifically look at and identify: 1) the top five industries or jobs within the state that are likely to be disrupted by Artificial Intelligence, 2) how soon that disruption is likely to occur, 3) the training that would be required to help our workforce maintain employment if possible, 4) the additional jobs or opportunities that are expected to be created within new or emerging industries as a result of AI, and 5) the training would be required to prepare our workforce so Tennessee is best positioned to attract new business and investment in that regard.

Closing Remarks

Tim Berry, Board Chair

Chairman Berry recognized Natalie Alvarez who acknowledged the presence of her mother who was visiting from California. After additional closing comments, the meeting adjourned at approx. 12:17 PM CT.

Note: An audio recording of this meeting is on file at the Tennessee Department of Labor and Workforce Development. All meeting minutes and dates are provided on the State Workforce Development Board website.

Tim Berry, Chairman
State Workforce Development Board

05/16/2025
Date