



State of Tennessee

State Workforce Development Board Meeting

MEETING MINUTES

Friday November 12, 2021 - 10:00 AM – 12:36 PM CDT

Board Members Present

Martha Axford (East)	Rick Isaacson
	Assistant Commissioner Mandy Johnson
Assistant Commissioner Jay Baker	Commissioner Jeff McCord
Jason Bates	Vonda McDaniel
Tim Berry	Mayor E.L. Morton
Rhonnie Brewer	Stuart Price
	Barry Ray
Michelle Falcon	
Ben Ferguson (Southwest)	Kyle Spurgeon
	Jeff Vance
Bill Godwin	Kevin Vaughn
Marshall Graves (Southeast)	
	Ron Wade (Greater Memphis)
Christine Hopkins (Southern Middle)	

Board Members Present by Proxy

Deputy Commissioner Cherrell Campbell-
Street for Commissioner Clarence Carter
– Suzanne Carr, Proxy

Ann Hatcher – Rhonnie Brewer, Proxy

J. Paul Jackson – Kevin Vaughn, Proxy

Designee: Director Ann Thompson for
Commissioner Bob Rolfe – Jennie
McCabe, Proxy

Designee: Chief of Programs Jean Luna
for Commissioner Penny Schwinn –
Matthew Spinella, Proxy

Ruste Via – Kevin Vaughn, Proxy

Members Absent

Proxy Brandy Foust for
State Senator Paul
Bailey

Proxy Sarah Noel for
State Representative
Clark Boyd

Mayor Kevin Brooks

Jonathan Cantrell

Designee: Policy
Director Tony Niknejad
for Governor Bill Lee

Location in parenthesis represents the state board member's membership on a local workforce board.

Call to Order and Welcome

Chairman Berry called the meeting to order and thanked everyone for attending today's meeting.

Recognition for Greg Persinger – Chairman Berry thanked Greg Persinger for being a great asset to this board for over ten years. He noted Mr. Persinger's good input, insightful questions, and advice to all the members of the board to make sure we are holding people accountable. Chairman Berry presented a plaque to Mr. Persinger signed by Governor Lee in recognition of his many years of exemplary service and dedication to the Tennessee Workforce Development Board.

Roll Call

Iler Bradley conducted the roll call and established the presence of a quorum.

Approval of Minutes (vote required)

Chairman Berry requested a motion to approve the August 27, 2021 minutes. It was moved by Martha Axford and seconded by Christine Hopkins to approve the minutes as presented. The motion passed.

Workforce Advisory Overview – Dr. Jeff McCord, Commissioner – TN Department of Labor and Workforce Development

Commissioner McCord began his remarks by introducing Jonathan Hayes as TDLWD legal counsel for WIOA. He then noted that we continue to live in interesting times regarding our workforce environment. There's been a lot of conversation, discussion, and speculation around our potential OSHA mandate on vaccinations. What we know right now is the courts are going to decide. Tennessee/the Attorney General has joined a number of other states to get a stay for that. Commissioner McCord didn't have a timeframe but the departments will react and adjust accordingly. It's incumbent upon them to communicate as soon as they do know but in the meantime they are running through "what if" scenarios depending on the outcome.

We're in a labor shortage and our struggles continue to be a product of several things including demographics and slowness to return to work. Part of their strategy [that was presented today] is to connect to populations/groups that we as a state haven't always connected to efficiently before: our Adult Ed population, military transition, work-based learning, apprenticeships, and our move toward a state apprenticeship agency. This also includes re-entry/the justice involved, and this is not altruism: it is solving a business need with a very sustainable solution. In closing, Commissioner McCord thanked the board. Although this not our full-time job, our job is necessary for the department and the state to be effective.

Unemployment Insurance Update – Rusty Felts, Assistant Commissioner – TN Department of Labor and Workforce Development – UI

Assistant Commissioner Felts gave a quick update on unemployment insurance (UI). He began with the legislation that just resulted from the General Assembly Special Session which involves the unemployment aspect and component of separations due to failure to be vaccinated. This legislation impacts our TOSHA Division as Commissioner McCord mentioned and unemployment insurance. There's a lot up in the air at a state level and there's even a conversation going on about how that could change at a federal level. He will tell anybody working in an AJC or with employers or unemployed claimants to file an unemployment claim and let his division make the decision based on the laws and the rules that they're given at that time. If laws and rules change, his division will go back and do whatever they're asked to do.

The UI division is in the middle of an RFP process to replace their old tax system. The RFP is ready and they're waiting to put it out because they are almost ready with an RFP for a new benefits system. They have partnered with a national company called Gartner and they're proud of that partnership. As they move forward with the selection and the procurement followed by the development process, they will be reaching out in the next couple of years to a lot of their workforce partners for process improvement suggestions. They envision involving the public to ensure a user-friendly system.

Lastly, on a real positive note, all their UI numbers are decreasing rapidly including their backlogs in pending claims and appeals now that they're months removed from the pandemic unemployment ending. Their legislative tickets and their customer service tickets are the lowest they've been in almost two years and are decreasing daily. People who need help go to the AJCs and UI has set up a virtual aspect to answer questions. Mr. Felts noted they couldn't have gotten to that point without a lot of hard work from their division and partnership with this board.

Chairman Berry: Obviously it's great news that less people are on unemployment - that means they're getting back to work - but we talked briefly about people who have just taken themselves out of the workforce altogether so they're not employed and they're not on benefits. So to put you on the spot - and if you don't know the number that's fine - would you have any idea how many people are just no longer in the workforce?

Commissioner McCord: Let me help you here: it's about 140,000 people who are classified as unemployed – 140,000 or 150,000. Before the pandemic it was 130,000, so that number is normalizing. I think when you hear the term unemployed you automatically think unemployment insurance benefits to the unemployed but that's not necessarily true. We had 130,000 before the pandemic who were unemployed and I believe we had 17,000 continuing claims. We are approaching those same levels right now. I think one of the things that we've seen is the demographic piece: baby boomers have left the building and we have population decline so that working age

population is not as big. Every time somebody drops out it exacerbates the issue even more. We've got to grow the labor force participation. Anyway that's probably more than you wanted to know.

Rhonnie Brewer: My question has to do with that 140,000. You mentioned the word demographic: do the demographics look the same as far as the age of these individuals that are not working compared to what they were before?

Commissioner McCord: I don't know but we can certainly look at that. You know my assumption would be roughly the same but it's probably people without a high school education. That's a huge determinant of whether somebody's employed but we can look at it and see.

Chairman Berry: I don't know - I can't back this up but a hunch is like you mentioned people in the boomer category who had a bit of a taste of retirement because of a furlough or a layoff or something may have said this feels pretty good, better than I thought it would.

Commissioner McCord: That's what the research would say, and the research says that those folks have more wealth than ever in history so they have the option of leaving and not participating. That's been coming for a long time: for the last decade we knew that our workforce was aging and they're going to move out and it just accelerated. We don't have as many people coming back: we saw that with a skills gap but now we see it with a person gap. I think what you're going to hear today is a lot of efforts to grow the pie bigger as opposed to getting to a zero-sum game with recruiting against people. I know that happens at the employer level and it can happen at the state level too. There's a lot of opportunity there: a lot of good things happen when somebody's able to connect to employment and a lot of bad things when they don't and so there's a lot of purpose in this work.

Marshall Graves: Rusty you mentioned at the top of your discussion about this separation due to vaccination so what I took from you saying that is that there are certain scenarios where if someone's separated due to the vaccination requirement they are eligible for unemployment under certain scenarios and you would evaluate.

Rusty Felts: Yes sir: According to our law there are certain circumstances and then the legislation brings in another component so I'll just leave it at that. But yes.

Marshall Graves: Is it possible that you would be able to report out to us in the future how many people were specifically eligible due to vaccination separation?

Rusty Felts: The answer to that is I would like to be able to. Part of that would come down to if our vendor can get that in place fast enough because a lot of people's definition when they file for unemployment of their separation may vary. I mean I may tell you that I was discharged but I was really laid off through no fault of my own: I just don't understand the terminology. But yes I would hope that we could do that because I would feel like that would be something that they're going to want to know at a state and a federal level.

Marshall Graves: Seems very significant actually.

Rusty Felts: Yes sir.

Commissioner McCord: I do think too - and you need to correct me if I overstate - we just need to make sure that we don't have the impression that just because I got fired because I didn't have a vaccine that I automatically get unemployment insurance. I could be a contractor - there's a lot of other things that would disqualify me: I might not be W2, I might be 1099, I might not have the work history, [etc.]. I think a good statistic for us to know too is pre-pandemic 40 percent of people who applied for unemployment insurance were not eligible. We've been in a situation now because of the federal benefits - that anybody, really a lot of people - a really high percentage anyway who applied got it, but we're back to you have to earn eligibility. The vaccine laws and that sort of thing it's not a disqualifier but there are plenty of other disqualifiers.

Rusty Felts: That's exactly right. Where we get in trouble a lot is when the message goes out that when this passes you're eligible. That's not always the case. As Commissioner said, there's a lot of different factors involved and that's why the safest answer from our standpoint is to just say if the person feels like they need to file for unemployment, everybody's entitled to that choice to file and then we will make the decision based on the laws and tell them whether they qualify or not.

Ben Ferguson: Rusty, you'd reported I think it was two meetings ago on the fund balance for UI and at the time it was still in a very healthy place. I was just wondering now that we're kind of getting back to a more normal state...

Commissioner McCord: We've normalized, and actually at our budget presentation to the Governor the same question was [asked] and so we are back to spending - on the benefits distribution from the state - what we spent pre-pandemic. Of course our goal was to stay over that billion-dollar mark for the trust fund which we were able to do. A lot of states weren't, and a lot of states have borrowed and are just in a different situation, but we were able to make some quick decisions that allowed us to do it. We are good barring any unforeseen issues: our trust fund is back at levels and supporting itself and not draining so we're in a good situation. I know we had a question at the board one time on what surcharges our employers going to have because I think that was after 2008. You're still at one of the lowest levels of premiums in the country.

Oversight Committee – Presented by Vice Chair Rhonnie Brewer

The Operations Committee had a rather robust conversation regarding the policy and procedure proposal. We are looking at policies right now from the state level. There were some suggestions made regarding how the WIOA Joint Monitoring and Compliance work group is comprised and certain groups that should be added to the work group to have a more homogeneous mixture of individuals. Currently the majority of the members either work for the state or for a local workforce board so the voice that's really missing is the customers themselves. The committee believes that's really important when designing policies that others are going to have to adhere to. Our customers are serviced based on federal government guidelines. We're trying to make sure we meet those guidelines but the creativity of how we meet them is stifled by how our policies are currently set up. We're looking for innovation and guidance but just a little bit of freedom to make sure our customers are happy. If they're not coming into the AJCs or to our community partners to utilize those services then we keep sending money back and that doesn't look great for us. We're hoping the suggestion to make it a more homogeneous mixture will be heard. We also talked about not creating more barriers. We had a few examples that were shared regarding how our current policies, while they had great intentions, also had the result of creating more barriers for those who need the services.

Operations Committee – Presented by Chair Stuart Price

The Operations Committee received presentations from three work groups: Job Seeker, Business Services, and Apprenticeship & Work-Based Learning.

Workgroup presentations:

Job Seeker Workgroup - Nikeisha Ricks and Michelle Joyner gave a great presentation on their progress. The work group has completed action steps to continue progress on the following objectives:

- Joint initiatives - Multiple cross agency initiatives both formal and formal were discussed. The most pressing issue is the Proactive Childcare Initiative which is scheduled to launch in January 2022. The committee was provided a copy of communication materials and training developed by DHS for our staff on that topic. We had some good discussion around the importance of that and the barriers that childcare issues represent.

- Resource and Access Alignment - Technical assistance sessions and subgroup meetings are being planned with work group members which will include sessions to understand and utilize labor market information, dashboard availability, and a "Keep Tennessee Working" job seeker toolkit which will bridge into other work groups as well.

- Cross Training - Members of the work group are finalizing cross training sessions to train and showcase new tools for career navigation once available. One action item already identified through these sessions is the need for a standardized cross-agency referral. This will be extended to incorporate an internal process review and lead to additional cross-agency alignment.

Moving forward the group will focus on one shared message through a joint communication strategy for job seekers with resources available through multiple agencies. The work group will continue to host roundtable discussions to stay updated with rapid changes.

Business Service Workgroup – Teresa Smith covered several items beginning with the major milestone progress. They've identified 15 employers to serve on an Employer Advisory Committee for Business Solutions. These 15 members represent each grand region of the state. There are two union and two small business representatives from each region. Areas that are represented also include construction, hospitality, IT, logistics, healthcare, advanced manufacturing, and others. This team is looking at several things including identifying roadblocks to collaboration and alignment among workforce partners and identifying efficient processes through which employers may access services. On that topic they are focusing in on developing a user interface to help employers navigate their way through our system which is a challenge for many employers across the state. They're doing a baseline survey with employers across the state to determine if employers are satisfied with what we offer and if not, why. Beth Duffield has been hired to lead the efforts on developing a cohesive statewide business solution strategy. The Employer Advisory Committee meets on the first Monday of each month and the Operations Committee will continue to receive progress updates as they move forward.

Apprenticeship/Work-Based Learning Workgroup – Matthew [Spinella] and Tyra [Copas] reported solid progress toward their goals of increasing participation in their respective programs. As of September 30, a total of 7,215 apprentices were actively participating in registered apprenticeship programs representing an all-time high for our state. There were an additional 1,024 registered apprenticeship program completers during this time. Program sponsorship also increased this year with 30 new registered apprenticeship program sponsors since January. The

work group has already reached 75 percent of its June 2023 goal. Work-based learning enrollment in the first quarter of the 21-22 school year has already exceeded enrollment for the entire previous year. This year's first quarter enrollment is more than double last year's first quarter enrollment. Apprenticeship Tennessee is monitoring the outcomes from state certified pre-apprenticeships. Recently three separate employers reported interviewing and hiring pre-apprentices into their registered apprenticeship programs. They also had a good discussion on completion rates and the challenges that are represented there. They will focus on team members hosting in-person career exploration events and developing more state certified pre-apprenticeship programs.

Commissioner McCord: I'd like to ask a question to Matthew if I could. Can you talk to us about the efforts from the Department of Education and the work-based learning: what you're seeing, what you're thinking, and how it's being received by the LEAs and just individual schools?

Matthew Spinella: From the department's perspective, we've taken a lot of different capacity building initiatives first related to how our LEAs engage with local employers to better facilitate those relationships. That is one contributing factor to the increase in our enrollment. A second thing that we really focused on was also just a sense of comfort or understanding among all our most important stakeholders. Many of our employers were unfamiliar with the legality of hiring someone under the age of 18 so I do want to thank you Commissioner McCord for your efforts in partnering with the Department of Education. Kenneth Neely has done a wonderful job as well as Lisa Watson. They've been very integral parts in terms of better informing our employers. Conducting those individual outreach efforts has also led to small cohorts that become infectious. Better capacity building efforts from our LEAs, understanding how to properly implement and facilitate that relationship, and informing our employers is extremely important. Once we get a little bit of momentum, the key messaging from the Communications Department at the Department of Education has really helped us become infectious. You see a lot of momentum just because people want to jump on board with where things are going. That is probably the three main reasons why we've seen this momentum. I will also share that our Q1 enrollment data for 21-22 more than doubles what the Q1 of 2021 was and it already exceeds the number of students that were enrolled in last school year however the conditions for work-based learning right now are far more "ripe for the picking". We know that there's a labor shortage and I'll just be transparent speaking on behalf of the Department of Education: we've always advocated for the quality of employees that our students are and because there is now such a demand, employers are now learning that. That has probably been a big reason for all these great outcomes for our students.

Innovation Committee – Presented by Chair Kevin Vaughn

The Innovation Committee had some great discussions this morning with two great speakers: Ryan Allen and Rusty [Kshitiz Rastogi].

Data and Performance Workgroup - The Data and Performance workgroup gave a presentation on current projects and updates which included the P20 Connect TN, Proactive Communications, and the Coleridge Initiative. We discussed the virtual AJCs' dashboards that were available to us and the TDHS customer portals. Ben Passino gave an update on the KPIs between July 1 - September 30, 2021. We discussed the handouts that confirmed his KPIs and all the KPIs are up at this time.

Chairman Berry thanked the committees for their work this morning.

TANF Opportunity Act – Update Commissioner Clarence Carter - TN Department of Human Services

TN Department of Human Services (TDHS) Commissioner Clarence Carter thanked the board for the opportunity to present and he thanked his colleague and new friend Commissioner McCord on the building of a necessary and durable partnership which will help to strengthen Tennessee by strengthening Tennesseans. On the Human Services side, they believe that earnings from any work that is legal, moral, and ethical is a pathway to freedom. Their objective is for every Tennessean to be as free as possible to live the life of their own choosing. This relationship where TDHS is connected to the employment mechanism of the state [TDLWD] is a vital partnership for our state.

Commissioner Carter updated the board on introduction we had to the TANF Opportunity Act at the August 27 meeting. He noted that while there are more than 80 federal programs that offer benefits and services for low-income individuals, they only address a singular aspect of the human condition. There is no overarching objective and we as a nation expend \$1 trillion every single year on all of them. TDHS believes those programs that make up the safety net ought to be a mile marker in a life's journey not a destination: TDHS's shared vision is to grow capacity beyond that vulnerability to reduce dependency.

Unlike many other federal funding sources, if TANF program dollars are not expended they are simply held in escrow at the federal level until the state uses those dollars. Over the course of years - because the state has gotten the same TANF allocation of \$191 million it's gotten that every single year for the past 25 years and they didn't put all those dollars in play - they built up a pretty sizable unobligated balance of approx. \$700 million. TDHS built a plan

around reducing that unspent balance and ensuring that we would never get there again by using those dollars in the most impactful way. That is where the TANF Opportunity Act comes in. They will have seven pilot projects: two in each of the three grand regions and one that DHS will operate. All seven of those pilots will be about this idea of growing capacity to reduce dependency. They are now in the middle of the first part of that initiative. They have called for abstracts from across the state to explain how applicants would grow capacity by bringing together multiple sectors of in their communities to reduce dependency. One of the problems in the way the safety net operates is that over the years, as we have become much more government-centric, other sectors of our society we have been crowded out from being part of solving the problem. TDHS is looking for a shared community vision.

They initially received about 80 applications for these planning grants. After a mandatory review, some of them simply didn't meet important regulatory marks so they ended up with 47 applications which the TANF Advisory Committee is currently reviewing. At their meeting on December 7, that advisory committee it will determine which of those 47 applications will be awarded planning grants.

Commissioner Carter gave the board some sense of what TDHS means when they talk about growing capacity to reduce dependency. One of the challenges imbedded in the safety net system is what is called the cliff effect. As individuals progress economically, socially, and developmentally, the cliffs come in when benefits are removed from an individual or family before they are prepared to assume that responsibility. This happens because there's not a shared vision or intention for what is being doing. The rules of individual programs and their eligibility limits have created a system that disincentivizes people from moving forward. For example, why would someone take a dollar an hour pay increase if they're going to lose a hundred dollars in benefits? The TDHS partnership will smooth out those cliffs to create a slope.

For TDHS, one area of interest is the population of the public housing authority. All their properties are currently filled to maximum capacity and they are building more but there are still 16,000 people on the waiting list. Their intention would be to move the individuals and families at the upper end of their eligibility for public housing – between 2,000-5,000 folks – into either market rate housing or home ownership to create room for some on the waiting list to obtain public housing. This grows capacity on that top end to reduce dependency on public housing and overall grows the capacity of the public housing system.

TDHS will announce their planning grant awardees prior to the end of this calendar year and will continue to keep this body updated on their work.

Chairman Berry thanked Commissioner Carter for the great information and for his vision to strengthen Tennessee by strengthening Tennesseans.

Marshall Graves: I've followed this program pretty closely over the last few months and it's pointed out to me again that the capacity of rural Tennessee to actually apply for these kinds of things is so low. I appreciate the work at our local developmental district to sort of focus their efforts around that but I would encourage you as you evaluate these grants to give some effort to those grants that impact rural Tennessee. I think the capacity to even apply for these grants is very centralized in the cities and it could very well be the case without your guidance that once again the rural areas just don't have the capacity to even begin to build capacity.

Commissioner Carter: Marshall you're a thousand percent right and an important part of our movement forward here was first in understanding that communities know these issues better than any external entity. What we have to do is engage communities and we have to engage them as they are constituted so we are going to be very particular about ensuring that throughout the three grand divisions that we have representation from urban, suburban, and rural. The texture of these issues is different in rural communities and any idea that somehow we could sit here in Nashville and have this cookie-cutter notion is ridiculous and arrogant so we there absolutely will be rural community partnerships that are going to be part of these planning grants.

Ron Wade: I really appreciate your passion it seems like that this is something that's not just a job but in your heart and it really comes across in the presentation. One quick question: of the 47 that you're going to make a decision in December to cut, did I understand you'll cut that to six? What's that process?

Commissioner Carter: From the 47 there's going to be a another cutting before the six. We will have we have about five million dollars in which to award planning grants to some subset of that 47 and so what will happen in December is we will determine what that subset is. Let's just say for sake of argument we award 18 planning grants: those 18 will go forward and build out their initiatives from then which we will make the determination of the six and we will do that early next spring.

I will tell you that this is the thing that I was put on this earth for: for 30 years I have watched the dysfunction of trillions and trillions of dollars of public money intended to serve those individuals that were economically, socially, and developmentally vulnerable and have sought an opportunity to do something about it and here we have a chance to do something about it so I'm going to calm down a little bit but not too much.

Jeff Vance: My question is dealing with the public housing you were talking about. You have a lot of people on that

waiting list I have a lot of friends that have been going down doing a little work in Waverly and there's a lot of people down there that still don't have housing. Are you going to do any builds in Waverly to try to take care of some of those folks who are without housing?

Commissioner Carter: Jeff, what I don't want to do is step into somebody else's jurisdiction. TDHS does not do public housing. That's a conversation that I will leave to my colleagues that do that. What I do know is that if we're intentional about it we can help with some of those capacity issues by moving some folks beyond it.

Commissioner McCord: We have a lot of important workforce development initiatives that this board oversees and that we partner with TBR or whoever the case may be but this certainly high among them. It's really fun to work with Clarence and it's not too hard to get him going on this either which is wonderful and uplifting. When you know you're doing and you have a lot of belief it's amazing what can happen.

Chairman Berry thanked Commissioner Carter for his time, passion, good insight, and excellent information.

SWDB Certification - Steve Playl, Workforce Services Assistant Commissioner - TN Department of Labor & Workforce Development

Workforce Services (WFS) Assistant Commissioner Steve Playl gave the update on the SWDB Certification. WIOA requires that local areas be certified by the Governor and there are three criteria. The local area must demonstrate that they have performed successfully, have sustained fiscal integrity, and are meeting the requirements of their local plan and regional plan. There's actually no requirement for state workforce board certification however it is his understanding the opinion of this board is that we view compliance here in Tennessee as the floor - not the pinnacle. This board laid out the expectation that it would serve as a model for our local areas and our local workforce development boards. We'll go through a process to set criteria standards of excellence or hallmarks of excellence of what board operations look like, establish an assessment of how local areas and boards should operate, and then move forward in that manner to certify local areas and local boards.

WFS is working with several partners and they've had preliminary discussions with some outside external stakeholders through the University of Tennessee system. The Center for Industrial Services is one of those that they've had some conversations around potential assessment and training for our local areas. For our state workforce board members they've also worked with East Tennessee State University and had conversations with them regarding what this could look like. The conversations are still very preliminary around assessment and outcomes. AC Playl reiterated Commissioner Carter's comment about growing capacity and reducing dependency, noting that to ensure that every Tennessean is economically viable in the workforce, it would take strong leadership from our boards, fiscal integrity, and programmatic integrity to ensure consistency across the system.

This is something TDLWD has really been exploring. In 2019 prior to the pandemic, TDLWD partnered with Ernst and Young to do some assessments of their local boards. Ernst and Young highlighted a few things specifically around cohesiveness of the local areas and their work grand divisionally but then also across the state as a whole. As a result, the department also worked with our Atlanta Regional Office (the US Department of Labor) to draft out some potential training modules for local board staff around roles, responsibilities, and functions of a local board. They expect to take those drafts to build upon that work and draft out a framework of training and technical assistance for the SWDB and our local board areas. This will standardize the process for certifying and de-certifying boards, for what happens with AJCs and their service delivery, and for understanding SWDB roles and responsibilities. They are working toward having quite a bit of movement on over the coming months.

Chairman Berry: Steve, if you had a best guess for timeline when would you think we'd be ready as a board to put that stamp of approval on the certification of this board? What's your goal?

Steve Playl: We hope to be able to present some sort of a draft at the March 25, 2022 meeting that we would probably present to the oversight committee and then move from there hopefully to be able to bring a finalized draft on June 3, 2022. That would be leading into the next fiscal year as well so that puts us ahead of that schedule.

Chairman Berry: So the goal would be that by the next fiscal year we'd be a certified board?

Steve Playl: Correct.

Alternate Pathways to High School Equivalency Diploma - Jay Baker, Adult Education Assistant Commissioner - TN Department of Labor & Workforce Development

Assistant Commissioner Jay Baker discussed some alternate pathways to high school equivalency. This topic has the potential to make a really big impact on our state's workforce development system and labor supply and ultimately will help a lot more Tennesseans on their career pathways.

AC Baker began by explaining that a High School Equivalency (HSE) diploma is an official Tennessee secondary school diploma. It functions very similar to a regular high school diploma in that it gets people to the next step whether it's a job that requires it as a minimum qualification or as a requirement to access post-secondary opportunities. Ultimately it's for people for whom the traditional K-12 route just didn't work for whatever reason. The criteria for earning this diploma are set by the State Board of Education and currently the rule established by the board is that someone has to pass the HiSET exam.

AC Baker's Adult Education division oversees high school equivalency preparation and programs across the state. There are about 450,000 working age Tennesseans who do not have a high school diploma or an equivalency diploma. To put a workforce lens on that, the group most likely not to be in the labor force (i.e. those who are not working and not looking for work) are the people without a high school diploma or equivalency. Their labor force participation rate sits at about 50 percent: in other words, of that 450,000, about a quarter million people are not in the labor force. The data shows that the participation rates drastically increases when people get their high school diploma and it increases even more when they get post-secondary or college opportunities.

Unfortunately we currently have some structures in place which make getting a HSE diploma hard for a lot of individuals. Right now, the HiSET exam is the only option for getting this HSE diploma. The HiSET is a standardized, time-limited, five-subject, multiple-choice test with a written essay. Research shows that high stakes, timed standardized tests increase stress and lower test performance which calls into question how accurate some of those results really are, particularly for students who are really struggling and really stressed which is the majority of adult education students.

Assistant Commissioner Baker proposed broadening the workforce pipeline by creating three pathways for attaining this High School Equivalency (HSE) diploma:

1. *The current HiSET Exam pathway*

2. *Attaining a TCAT [Tennessee College of Applied Technology] diploma*

A high school diploma is not needed to enter a TCAT per the TBR [Tennessee Board of Regents] admissions policy. About 10-15 percent of TCAT students do not have a high school diploma. Those who successfully complete a TCAT program and get a diploma have demonstrated successfully navigating a post-secondary program and would also receive an HSE diploma

3. *A Custom Pathway*

Demonstrate math, reading, writing, and work readiness competencies through a variety of options

- Academic competency options:

- Adult Education assessments (e.g., TABE Math, Reading, and Language)
- HSE exam subject areas (e.g., HiSET Math, Reading, and Writing)
- Career-readiness assessments (e.g., ACT WorkKeys)

Proposed academic competency options are Adult Education assessments which are already infused throughout our system, TABE being the most common. Career readiness assessments are really good indicators of more contextualized abilities because it's workplace math and workplace reading which would also be a really good option to demonstrate those academic competencies for students. A student can check the box in a mix and match way on the academic competencies.

- Work readiness competency:

- Attain state-approved soft skills and digital literacy certificates
- Complete employability activities:
 - Career pathway exploration and job search with guidance from career staff
 - Create a resume and complete a mock interview

A student would need to show soft skills and digital literacy skills. Programs are being implemented in our local areas across the state that have curriculum and assessments around these skills. Students would also complete employability activities, i.e. career pathways exploration, job searching, guidance from a career professional. Someone who demonstrates work readiness competency by completing these skills would receive a stand-alone certificate called the *TN Work Ready Certificate*.

Successful academic and work readiness completion would result in a High School Equivalency diploma.

Regarding next steps, AC Baker wants TBR's endorsement hopefully by the end of the year in addition to State Board of Education approval and a rule change by Spring 2022. They hope to officially implement these new pathways starting in July 2022 of the new fiscal year. AC Baker encouraged the board to reach out to him for further discussion if needed and asked for our endorsement of his recommendation.

Chairman Berry asked for questions from the board and noted that if Assistant Commissioner Baker can have our endorsement it gives him some credibility when he's moving this proposal forward.

Jason Bates: Jay thank you very much. As a parent of a child who did not enjoy high school at all and on his own

decided to drop out at 17 and not to be a bum as he told me but to go on to university, I appreciate that there are these alternate ways for other people because high school is not for everybody for a variety of different reasons. A lot of times we think it's because they're lazy and they don't want to do things but that's not necessarily the case, so I appreciate what you're doing here and I'm very excited to see this. As you mentioned, of the students who are seeking the high school equivalency diplomas, what's the average age of the people who are inquiring and wanting to get these? Are they mainly 20-year-olds or are we talking about people who are in their 40s and 50s? What is it you see as the people who are really inquiring and saying I need to get this and I don't know how to do that?

Jay Baker: Thank you for the question Jason and for your vote of confidence as well. I don't have that data right in front of me, but I can tell you that it does run the whole spectrum from 17-year-olds which is a whole can of worms when it comes to working with our local school systems and 18-year-olds who just drop out and still want to just kind of keep going and get their diploma. But lots of folks in their 20s - if we look at just the curve of everybody in the program the mid-20s is huge but then we also have people in their 30s, 40s and even up to folks in the retired age range and so it's agnostic of any age group as to who wants this and who takes advantage.

Mayor Morton: Jay, in the customized option is there a way to save progress and come back and take that portion that's challenging you rather than having to study for the entire exam again? That's what you do in K-12: you have re-teaching options and all those kind of things.

Jay Baker: Absolutely Mayor Morton, that is again what we are hoping to accomplish by instituting that custom pathway is that if a person wants to take the HiSET that's great and if they happen to not pass it's not the end. Even in the HiSET itself currently there are retake options. Unfortunately though there's still going to be a high stakes test sometimes if they exhaust their retakes they have to wait months and months and months to try again. Ultimately if we do institute these other options it does allow somebody who might be discouraged if one option didn't work then there's no reason to necessarily quit entirely or if they do want to take a little sabbatical and come back later the options are still there.

But can I come back and just take the language arts absolutely: once you've checked the box it's checked, and that's also true for the HiSET currently.

Rhonnie Brewer: Jay I just want to make sure I understand this. For clarity I could come and get level four in math and then score an eight in reading on the HiSET and then go back and my TABE is a level four in writing, I can mix and match all of those because maybe one testing style works for me in a certain area and not in the other area.

Jay Baker: That's correct Rhonnie and if they were to do that for each of the academic components then they would just have that work readiness component still to complete but that you're exactly right: it's a mix and match scenario.

Mayor Morton: I would suggest is talking to the army recruiting command at Fort Knox Kentucky and see that the challenges they face nationwide about certifying high school diplomas as they work very hard on that and those non-streamlined groups are great candidates for soldiers out there and they solve that problem in every different state.

Jay Baker: Absolutely thank you for that referral Mayor Morton.

Michelle Falcon: I have a question and I learn something every time I come here. I did not know that with the TCAT diploma that you're not required to have a high school diploma I did not know that so that's interesting. With that in mind, when you're job ready they're going to ask you for your latest diploma. They're not going to go back to your high school diploma. How would we incentivize those to go back? If they have their diploma from a TCAT, they're not going to ask for their high school diploma or do I have that incorrect?

Jay Baker: That's a fair question. The reason we're considering that pathway as a good one is not necessarily to send them back but to say you have already completed a post-secondary program so by default let's grandfather you in and give you a high school diploma. If nothing else, it is a rite of passage so they can put it on their resume and tell their family they have their high school credential. To your point, even if it's not necessarily on a resume or not needed at any given employer it still means something deep to these people to be able to say they have that high school credential.

Michelle Falcon: Technically they will run concurrently if you will.

Commissioner McCord: Yes, and they may want to go to community college and they will ask you for your high school diploma.

Mayor Morton: I would recommend that we get in with our Tennessee promise folks and brand that Tennessee promise opportunity to folks who don't have the high school diploma and be very public about that so we have that pathway when we establish it.

Jay Baker: Absolutely Mayor Morton we have big hopes for Tennessee Promise - Tennessee Reconnect for the adult population. We want to make sure that we are absolutely tapping into those funding streams.

Rhonnie Brewer: Let me just be clear that I am "team work readiness" but from the perspective of the person that is utilizing this custom path if I take both the HiSET and also the TABE test and I do that mix and match and get

those numbers where they need to be and then having that extra requirement of having to get the workforce readiness certificate almost seems like extra because if had I just taken the HiSET and passed it I wouldn't be required to then also have this work readiness certificate. Have you thought about how that response is going to be and how people are going to feel to be asked to do something in addition just because they mixed and matched their scores?

Jay Baker: Very good question and we have thought about it. There's not necessarily an easy answer because despite our best efforts to call all these things apples and apples, they're clearly different. They ultimately try to serve that same purpose, the least common denominator of which is readiness to be successful or readiness to enter post-secondary training or a job that requires that diploma. The HiSET it requires a science and social studies component but we're not necessarily with the mix and match route going to have that competency as a requirement. We are adding this new one of work readiness so it's a little bit of give and take there. But ultimately what we have heard time and time again across the board regardless of what the next steps are is that the work readiness piece is critical. If we're changing the academics component by taking out science and social studies we want to make sure we add something robust and rigorous that people actually say they want and need which is that work readiness piece...We are currently in the first steps of implementation of that piece and in fact we still have some work to do to decide for example what the various digital literacy skills we want to require a student to be sufficient in and so there's still some work in progress but we do have a standalone product for soft skills. [...]

Rhonnie Brewer: ...It takes me back to the conversation we were having earlier about barriers. I just want us to be very careful about how many requirements we're going to put in place for someone to qualify and how long it's going to take because a lot of times the individuals that we're serving that need these things cannot afford to invest a large amount of time without being paid. We just have to keep that in mind when we're creating these expectations.

Commissioner McCord: Great work by Jay and his team. Over the last couple of years we've dual enrolled Adult Ed students and that's never happened before, he's got work-based learning programs with Adult Education students which has never happened before, and this is the next logical step but he's got to make the case - we've got to make the case - that this is an alternate path that's just as rigorous or within that range of rigor. An endorsement [from this board] means we can go to TBR and say the SWDB is behind this - that would be our next step on the journey before we get to the decision maker, the State Board of Education.

Marshall Graves: I really applaud your creativity and appreciate that. I find myself representing sort of rural middle Tennessee and 18 months ago we didn't have a HiSET program in the county where I live. I think we were the only county in the state that didn't have a HiSET program so even getting to that was complicated and difficult. We had a lot of partners that worked really hard to even start that so I would just encourage you to do some overlap on the pathways that you're developing to see if they actually cover the rural Tennessee area. It's a long way to a TCAT from Palmer, Tennessee. Our ability in rural Tennessee to even implement those pathways might be difficult. If you're trying to be creative I would just suggest maybe you look at the geography to see if those pathways even cover the capacities of some of these counties and are they there to even offer this alternative that you've got. Otherwise, I would personally fully endorse what you're doing and appreciate the work very much.

Jay Baker: Absolutely thank you Marshall and we'll certainly be looking at the impact on the rural communities.

Ron Wade: I'd like to just add my endorsement. It seems like everyone is certainly appreciative of you and your team thinking outside of the box. The most compelling piece of this to me and seems like it affects the timing is your comment about 50 percent of the 450 000 working age Tennesseans do not have a high school diploma. That's such a barrier of the businesses that we work with: sometimes they will not even accept an interview at all if you don't have a high school diploma.[...] Great job.

Chairman Berry: I would just say from a KPI standpoint, the number you shared at the beginning that 225,000 folks are not in the workforce and we're issuing 4,800 diplomas out of that group that percentage is way too small. More options to get that number higher is definitely better. You're inventing the benchmark here so I don't know necessarily what a KPI would be, but I would try to establish at least a goal of aspiration to say we think that by opening these options we hope to be able to get to this number to start within the first two or three years. That just gives people at least an indicator of where you're headed or what your target's going to be by opening up these additional options.

Jay Baker: Absolutely thank you Chairman. And if I may Chairman, we have done a little bit of analysis on that just based on our current student population and the education levels that they come in at. We think that first year, if we can go to scale quickly, we're going to see upwards of three to five thousand additional diplomas on top of what we're doing. The potential here is huge to even get close to doubling what we're currently doing within a matter of a couple of years. There's a lot to get done before that can happen obviously but the numbers are there in terms of the students that we already see in our program.

Mayor Morton: But that that closes the gap back to where we were before we had the gap. I think it is feasible with the requisite amount of rigor that we put that as our goal. To Marshall's point, we're looking at about a four-

year period before all our existing broadband grants can actually reach the rural communities. I'm wishing here but I want a roving career coach that does nothing but HiSET that has broadband capability for the rural areas and you're going to reach many people.

Christine Hopkins: I would just like to add my endorsement. I think it's a wonderful thought and definitely worth trying. Anytime you have an alternative path that could lead to more successful employment for people I certainly would like to add that endorsement because not only does it give them the education but it's giving them a skill which is what the Department of Labor is about. Can't be beat it: wonderful thought outside of the box.

Since an endorsement did not require a vote, Chairman Berry asked if there was anybody who would not endorse Jay's plan. No one responded and Assistant Commissioner Baker received the plan endorsement of the board. Chairman Berry noted the board will be anxious to hear some updates in the future about this.

[Workforce Re-entry Strategy - WFS Director William Arnold, WFS Grants Project Manager Sophia Young, and AE Assistant Administrator LaToya Newson - TN Department of Labor & Workforce Development](#)

William Arnold, Director of the Office of Reentry (OOR) began by giving the board an overview. OOR opened its doors about 102 days ago at the beginning of the fiscal year. They are positioned to be the first state-funded, non-correction-affiliated office of re-entry in the nation which puts them in a unique space. Normally statewide offices of reentry are attached to the Department of Corrections. OOR received a combination of recurring and non-recurring funding: \$250,000 recurring funds and a \$1.75 million allocation for this first year. Currently they have two employees but they are in the process of building a staff of roughly six people by the first of the year.

WFS Grants Project Manager Sophia Young is the other OOR employee. She mentioned that Labor has been working with special populations as defined under WIOA. WIOA was designed to: 1. strengthen and improve the nation's public workforce system, 2. help get Americans including youth and those with significant barriers to employment into high quality jobs and careers, and 3. help employers hire and retain skilled workers. One of the special populations is justice-involved individuals who are defined as those who are currently or have been involved in the criminal justice system. This can include people who are awaiting trial, convicted of a crime, on probation, under home confinement, incarcerated in jail or prison, under community residential supervision, or on parole. They want people who are justice involved not to recidivate. Recidivism happens when someone repeats criminal behavior even after being incarcerated, fined, or experiencing some other serious consequence within the criminal justice system. Oftentimes, people continue to reoffend because their criminal history makes it extremely difficult for them to go to school, get a good job, or be considered a productive member of society. Tennessee's recidivism rate is currently at 46 percent statewide within three years of release: this means that about one in two people will reoffend. Reducing recidivism can generate substantial benefits to Tennessee because it will reduce criminal justice costs to the government, crime victimization costs, and the cost of incarceration to those who recidivate and their families. To lower our recidivism rate the OOR seeks to help Tennesseans who are justice-involved have more successful reentry services and experiences. Reentry is the transition from incarceration—i.e. life in prison, jail, or juvenile justice facilities— to life in the community.

In March 2019 Governor Lee established the Criminal Justice Investment Task Force (CJITF). The CJITF had a diverse membership of over 100 Tennesseans including legislators, practitioners, and justice-involved Tennesseans most notably our own Ms. Christine Hopkins who has established herself as a practitioner in this area. CJITF recommendations included:

- Parity in re-entry services at jails and state prisons (to ensure everyone is on the same page doing the same things and getting the best result)
- TDOC [Tennessee Department of Corrections] reentry packet and timeline (OOR is currently in the process of working on a memorandum of understanding to establish these things with TDOC)
- Funding and oversight for centers and grants (to give OOR the opportunity to work with businesses across the state to market this population)

There are a number of educational and job skills opportunities available for persons who are incarcerated in our state penitentiary system. TDOC makes HiSET or High School Equivalency attainment possible as well as vocational training in barbering, HVAC, welding, etc. Also with partnerships through the Tennessee Higher Education Initiative (THEI), post-secondary degrees from TBR institutions and four-year high schools such as Lane College and Lipscomb are also available.

WIOA introduced Labor to re-entry but now Labor has more of an active role because employment is widely seen by practitioners, researchers, and policy makers as crucial to successful re-entry and reducing the risk of recidivism. Improving local re-entry outcomes require TDLWD, TDOC, labor workforce boards and other partners to better align and integrate services across the criminal justice system and workforce systems.

The Office of Re-entry (OOR) was given three goals:

1. Data Tracking of Incarcerated Individuals – to get more justice-involved individuals to use our services through Jobs4TN. OOR is working on the partnerships with TDOC and TCI [Tennessee Corrections Institute] to get into the prisons and get individuals registered in Jobs4TN before they are released. OOR can then follow up with them and offer them our services.
2. Increasing Staff Capacity - having a designated re-entry individual in every AJC who handles this specifically in addition to training those individuals.
3. Improving Awareness - by branding "Reentry TN". OOR is working on a media campaign and has had discussions with board members Christine Hopkins and J. Paul Jackson about being representatives.

As an example of a barrier to employment, Director Arnold noted that SWDB member J. Paul Jackson recently hired an individual who's been out of prison approx. three weeks. This gentleman had thousands of dollars in traffic violations and Mr. Jackson was able to work with him to get them taken care of but then found out there was a \$598 fee just for reinstating his license. We have to continue having conversations with other state agencies about unforeseen barriers that are in place.

Adult Education Assistant Administrator LaToya Newson is in partnership with Dr. Arnold and Ms. Young under this OOR umbrella in TDLWD. They have taken what has been seen as a crisis for a very long time and reframed it into an opportunity. Her experience in adult education was teaching math, reading, and writing to men in the Sumner county jail at night while she was a school counselor during the day. She did it to create a ripple effect of success: to reduce recidivism and to return them to their children she was counseling during the day who missed them.

When COVID hit, Ms. Newson stated that adult education lost over 65 percent of their corrections enrollment numbers. They decided to reframe the way they thought about education and training behind the wall especially in our local and county jails. After talking to her team and with the support of Assistant Commissioner Baker, Deputy Commissioner Thomas, and Commissioner McCord they coined Project R.E.A.P. (Re-Entry, Employment, and Adult Education Program).

Project R.E.A.P. aligns with the Governor's initiative and the idea of correctional education and training to ensure individuals behind the wall not have the skills *and the opportunity* to be successful when they leave. A tablet-based system monitored by American Prison Data Systems (APDS) was the adult education tool that became a workforce system tool by providing adult education, rehabilitative services, re-entry services, and workforce training in a blended or completely virtual environment. The 10.1 galaxy tablet has military-grade casing, is wi-fi secure, and is hooked to a charging port so it can only connect to a tunneled system or an independent wi-fi network that is monitored 24/7. Individuals have access to the learning management system where an education and training plan can be customized for everyone that has a login.

The programs that can be offered are:

Education

Rehabilitation - in the cognitive behavioral therapy field

Re-entry - including financial literacy: how to get money and manage it effectively

Workforce Development - the ability to earn micro credentials and stackable credentials that show students are work-ready

Learning Management System - customizing the learning plan for each student that's a part of this program

Professional Development -

Live Video Classroom (as of 9/30/31) - If the teacher can't get to the facility that teacher can still be seen on the tablet; each student can see the teacher and the teacher can see the student, but the students can't engage or interact with each other. This also opens an opportunity for video arraignment; individuals can meet with their lawyers in a secure environment and still be monitored.

Through the CARES Act funding and with the support of this department they were able to launch a pilot in three counties: Blount County, Gibson County, and Grundy County. There are 72 tablets - 24 tablets are in each facility.

During this time of COVID when their staff cannot get behind the wall they are serving 122 participants who are actively engaging (i.e. 83,000 minutes of engagement) in education and workforce prep. There are also 338 assigned cognitive behavioral tools for rehabilitation programs.

Ms. Newson is excited about the investment we can make now because we can reap the benefits later. For every dollar of investment that they're making in this effort they're expecting a return on investment in revenue of five dollars. They have individuals who are actively engaging with their families at home and being productive citizens in their communities. They are people who are worth the investment. Chairman Berry asked for questions or comments.

Christine Hopkins: I don't know whether Deniece is in here but ever since I've been on this board I have been asking for this and I just want to say I thank you from the bottom of my heart. I want to congratulate you and wish you the very best. Commissioner, thank you so much. This is long, long awaited. Every time I think about retiring, I think of the 30,000 plus people who are in local jails across the rural counties of Tennessee and I can't do it. William and Eric Quarles back in the audience know that my door is always open because in the last 14 years that we've been doing the rural reentry program in Franklin County, I have seen the positive side where it's not only a win-win for the person but for the family, for this state, and this nation every time you put someone out there. So thank you. I am so proud this department has brought you in. Deniece knows how much this needed and we thank you.

Chairman Berry: Thank you Christine. What other questions or comments do you have for this group?

Rhonnie Brewer: I don't think anybody is surprised that I have a comment or a question but I love everything about this. I loved it when you talked about it at the Convening: I was super pumped and excited then and I remain so. I think about someone going through the process and being so excited in being released and re-entering the population but being met on the other side still with employers who are not educated on what they have done to be contributing citizens. Every single day I'm having these conversations with employers about bonding and all these different things. I heard you say we're going to get one person in every AJC and I'm wondering if you've got two or three more of those for every AJC that can just focus on the employer. We've got to change their mindset to make all of this worth it.

LaToya Newson: I think it's the collective message that we're all sharing and that's one of the reasons I was so excited to present to this board. We can all share the common language and can share this common message that these individuals are ready to work. There are opportunities that are available but we need to take it out of the legalese and put it in the language of the individuals that can receive it and understand it.

Jason Bates: I have a question first of all thank you again. This is remarkable work that we're seeing happen and I think again it's really important. Christine I think we all feel your passion towards this and we're appreciative of your leadership over the many years of pushing the board to do this. It's a remarkable achievement. I think Rhonnie brings up a good point, but I also want to make a point that I think industry is changing. We have to change because the labor market is so tight right now and I think we're all willing to say I think we can all take a chance on these individuals. My question is – and maybe it's this data tracking that you have – but if I am an employer and I wanted to know who's in this population in my area that I can potentially interview and bring on board, is there a way for me to easily do that?

William Arnold: You can actually use Jobs4TN for that purpose because Jobs4TN actually identifies justice involved individuals. Just to share a quick story, the Department of Labor took a chance on me. I've been out of prison now for about 19 months so there's a way to find folks and identify what Nakeisha likes to call returning talent: folks who are job ready and who are actually going to be good employees so there's a way to do it and we're also working on increasing that as well.

Jason Bates: I appreciate that, and I appreciate you doing that. I think the more we can continue to teach the employers the value and how they can benefit from it, and also make it easy to utilize, I think we'll be able to do very well and help these individuals to be successful.

William Arnold: And that's a part of that conversation again changing the stigma and we hope to do that through our media campaign.

Mayor Morton: So we're kicking off with \$1.7 million in non-recurring funds right? As I mentioned in the Oversight Committee, we expect in the next fiscal cycle for opioid lawsuit funding to come to state and county level. We've got to make that connection to that gap with your non-recurring. We're going to have a statewide committee that's going to adjudicate where approximately 50 or 60 percent of the opioid settlement money goes and then counties have 15 percent latitude with it and there's a couple other categories there. But your county by county nuances, I've got a TCAT a mile and a half from my jail and I've got our own state campus two miles the other direction. I've got a transportation piece, and the sheriff will have additional bailiff requirements to move those in and out. We can address some of them if we've got the other options Dr. Newson mentioned so lots of different nuances community by community, but there should be a 20-year window for use of these opioid settlement funds and I thank you for

what you're doing. Thank you for the solution - for both of you.

Marshall Graves: You can expect to hear from me a little bit. I advocate for rural Tennessee and specifically Grundy county and we're usually behind, but I really am grateful to see that we actually made the list. I appreciate you engaging with our sheriff. I know there's a lot of good work going on and we have a person in our company we hired a young man who actually worked in the jail for over a year and a half before he's come out and he's still with the company. It's been a fantastic hire for the company I really appreciate the engagement in Grundy County.

Chairman Berry: Excellent work, excellent report today, good discussion, and love to see the progress. Good work - thank you so much.

[Fiscal Update - Ivan Greenfield, Workforce Services Assistant Administrator - TN Department of Labor & Workforce Development - Workforce Services](#)

Ivan Greenfield gave a fiscal review of WIOA Titles I through IV including first quarter funding (July 1 through September 30), some overall participant numbers, some key performance indicators, and upcoming challenges and opportunities. (The attachments further detailed some of the information that was covered.)

In the first quarter ordinarily we would also have Vocational Rehabilitation (TDHS) represented here but the numbers weren't quite lining up: they operate on the federal fiscal year and TDLWD operates on the state fiscal year so they're working to get those aligned and should be able to report that at our next board meeting on March 25, 2022.

In the first quarter overall funding was \$102 million combined for Adult Education and Workforce Services with about \$14 million of that being in expenditures. Funding expenditures are shown on the state fiscal year and of the authorized funding there's a net position of \$87 million. Moving on to Workforce Services specifically, about \$85 million of the \$102 million is allocated to Workforce Services with \$12 million in expenditures. The attachments have additional information about the programs that make up that \$85 million and the expenditures tied to those programs. Last year we had a significant increase in our discretionary funds made up of those two funding initiatives associated with COVID. That's not the case this year. The \$550,000 Dislocated Worker grant supported the Waverly initiative.

Participant Numbers

Enrollment specific to Title I was flat over the last four quarters around 13,000. Also included is a slide that shows participant related costs, cost service categories, number of cost towards OJT, and things of that nature. That was a request from the board so that slide lists those costs that make up that \$3.6 million that was expended towards participants specific in the first quarter. Adult Education has \$13.9 of the \$102 million with \$1.6 million in expenditures and just over 7,000 enrollments in the first quarter – and well-paced to outperform last year.

Key Performance Indicators

Federal indicators will be available November 14: the numbers weren't finalized so we don't have their core measures. An update on first quarter and second quarter numbers will be provided during the March 2022 meeting. Twelve KPIs were established for the Title I and Title II Programs. Each KPI is tracked, reported, reviewed quarterly, and ranked on a scale of zero to five: zero being not meeting expectation and five being what we would call a best practice. Areas with KPIs that are a three or below will ideally be provided additional technical assistance and training to help them meet negotiated targets. Three of the nine areas are at or below 80 percent of their targeted performance. Two numbers have changed: Apprenticeship has moved into a three and Re-employment Services has moved into a one. Those metrics are based on co-enrollments which have been down since the pandemic. They're working to get those numbers up which will take some time.

Challenges

As noted above, co-enrollments are below performance and Mr. Greenfield is working with those local boards to strengthen their numbers. There is a growing concern of sustainability where local boards are requesting additional dollars and there's also some concern that as they strive to increase performance we'll see even more of a funding deficit behind that. The way the structure is designed, local boards receive x number of funds within state allocations - they get two-year contracts - and what Fiscal is seeing is that ordinarily they would have to expend about 80 percent and have up to 20 percent carryover. The carryover is diminishing which puts them behind on that first quarter of the following year and then they need to have what's called gap funding as a result. Mr. Greenfield is working with the boards to help them understand the budgeting and help them to figure out how they can improve

on operating efficiency from that perspective.

Opportunities

Increased partner engagement/collaboration is going to help extend and expand the resources we have to better serve our customers.

Regarding *Systems Administration and Integration*:

- *VAJCs* [Virtual American Job Centers] have been a really good tool that helps individuals who are virtually assessed to think about where they want to go. Based on the way participants respond to the questions they're directed to receive further customized information. This platform has served 8,900 individuals this past quarter and this is supporting the priority of creating a simple and effective engagement experience.
- *SMARTSimple* is the grants management system that will be implemented December 17. It will assist in managing and promoting effectiveness and efficiency around grant funds administration. Dashboards and other report cards/key metrics will be created that help measure the effectiveness of the system.
- *Coursera* is a platform for online training including certifications leading to higher credentials. The platform is utilized in three ways: to reach to the job seeker to help them upskill, as incentives to employers help them design customized training that helps move an employee to a higher position, and staff development. They intend to work with their HR department to set up some standardized training across their teams to have a well-trained workforce.

Closing Remarks and Adjourn

Chairman Berry noted the 2022 meeting dates and asked members to lock them on their calendars to prevent calendar conflicts. He also noted that moving forward, next year we're going to try to do it without paper. Members who need paper were encouraged to print copies of the electronic versions before coming to the meetings. It was moved by Rhonnie Brewer and seconded by Mayor Morton to adjourn the meeting at 12:36 PM.

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

3-28-22
Date