

KENTUCKIANAWORKS BOARD MEETING
GREATER LOUISVILLE WORKFORCE DEVELOPMENT BOARD
Thursday, March 22, 2018
8:30 A.M.
Shelby County Area Technology Center

Members Present:

Tony Georges—*Chair*, Jackie Beard, David Bizianes, Tony Carriss, Rebel Chreste, Lisa Kaminski, Tom Quick, John Snider, Kent Oyler, Mary Ellen Wiederwohl, Kristin Wingfeld for Dr. Marty Pollio

Greetings and Welcome – *Tony Georges*

Mr. Georges welcomed everyone at 8:41a.m.

Recognition of Special Guests – *Michael Gritton*

Mr. Gritton welcomed and acknowledged some of the key leaders in Shelby County’s workforce development efforts, including Ray Leathers, Shelley Goodwin, Libby Adams, and Judge-Executive Dan Ison

Review and Approve Minutes of February 22, 2018 – *Tony Georges*

No action taken due to the lack of a quorum.

Progress and Innovation in Shelby County Workforce Efforts – *Ray Leathers, Shelley Goodwin, Michael Hesketh*

Michael Hesketh of Superb IPC Industries spoke about the 70 plus industrial companies in Shelby County with 30 active members of the Associated Industries of Shelby County. Shelby County got started with workforce development and training initiatives with input from Josh Benton at the state economic development cabinet, who encouraged us to pursue a Bluegrass State Skills grant and to set up a training consortium to address incumbent worker training needs. We now have companies participating in soft skills training, advance training and a number of other things with a focus on the existing workforce.

Shelby County struggles with a workforce shortage. Our mission is to define and implement a system for matching the supply (workforce) with a demand of industries and bring them together to build the workforce and fill the positions they have. Our vision is an integrated and coordinated effort in all areas of their community ideally including Shelby, Spencer, Anderson, Henry, and Oldham counties.

We are happy to leverage our excellent school system. Shelby County Schools recently updated their 4-year strategic plan that includes a commitment to an advanced manufacturing center. They received a Work Ready grant from the state in the amount of \$3.2 million to invest in the Area Technology Center and the Community College to provide an advanced manufacturing center to provide the skills and training for our workforce to meet the higher skilled jobs for the future. We are focusing now on a potential career center, and how the demand side from our employers can inform our supply side education partners what they see as immediate and long term jobs as well as the specific skills necessary for the workforce to begin training.

Mr. Hesketh talked about the “Floundering Five,” the five years after high school where many young people either wander into the workforce without skills or direction, or they start college but soon drop-out without having gained marketable skills. He and his colleagues are trying to build a better system for the Shelby County region that will help prevent the “Floundering Five,” and will get more high school graduates on productive paths directly out of high school.

As they struggled to get their employers engaged in this work, Shelby County leaders realized they needed someone full-time to work on these issues. They needed someone to bring the industries and education system together in getting the students out into industry internships, co-ops and getting the industries to define what their needs were. With the outstanding support of their community including judges and mayors of Shelbyville and

Simpsonville along with KentuckianaWorks in funding a workforce coordinator position which would be a key role to their success, they hired Shelley Goodwin for the position.

Shelley Goodwin shared her work history at the Chamber of Commerce before becoming the Workforce Coordinator for Shelby County Schools. Her number one goal was to put students into work-based learning opportunities primarily for all high school students in Shelby County. She has worked with students who have graduated as well as helped with middle and elementary schools to raise awareness in the education part of pathways. Her focus is with all four high schools in Shelby County, with all students from those who are struggling, to those with a 4.0 grade point average, by helping them think through pathway options and letting them intern or job shadow. She praised the Shelby County school system about their focus on having a student-centered individualized personalized learning plan. Her position is jointly funded through a partnership of Associated Industries of Shelby County, Shelby County Industrial Development Foundation, cities of Shelbyville and Simpsonville, Shelby County Fiscal Court, Shelby County Public Schools and KentuckianaWorks. She also manages the Training Consortium working with the Area Technology Center, JCTC and Workforce Solutions. They received a maximum award of \$75,000 for the consortium for this year through a Bluegrass State Skills grant.

Ray Leathers talked about his history as the CEO of Roll Forming in Shelby County, and now his primary mission to address the issue of employer engagement in the workforce system through his role as an assistant to Secretary Hal Heiner. With 120,000 employers in the state, last year the Kentucky workforce system only served 6,000 – about 5% of the total. By comparison, Texas -- which is the benchmark for workforce development among the states -- served roughly 20% of their employers last year. We would like to see Kentucky triple their involvement with employer engagement in the state. He has interfaced with the 10 local workforce development boards in the state and found it to be a challenging system.

His message to business and industry leaders is, “if they don’t get involved in workforce development, the 400,000 jobs they predict will be created will be difficult if not impossible to fill.” We have to bring employers to the table and they have to get involved with workforce development opportunities. One of the ways he presented this to the Governor’s office is by asking how we use the Memorandum of Understanding which is a requirement of WIOA law. With the tremendous wealth of workforce development resources in the state, we need to turn those MOUs into actionable items that align with Board priorities to be assigned to agencies and hold them accountable for executing on their part of that work

The second thing we need to provide them is a single point of contact. There must be a focus on our resources and provide the best possible services through one source to employers if we’re going to use the strategic plan of the Board to get them involved in our system. The third reason to have employers on board is the employers in this state are the largest and most powerful constituency in the state and they are not represented in Frankfort. We have to get employers to the table and not only get involved in workforce development but also involved in the legislation to move Kentucky forward and become more of a benchmark such as Texas. This is his push and what he is advocating.

Tony Carriss talked briefly about the number of residents in Shelby County, the high quality of life there, and the fact that Shelby County is one of the top growing counties in the state.

Judge-Executive Dan Ison looks forward to working with Ray Leathers and this Board on this work. He talked briefly about Shelby County’s problem of not being able to fill 100 jobs open today starting at \$30,000 annually with benefits due to the lack of workers.

Michael Gritton mentioned that in both strategic planning sessions done by the Board in the last two years, “alignment issues,” particularly between high schools and employers, emerged as the Board’s top priority. Part of why we wanted to visit here was for you to see with your own eyes the great work being done here in Shelby County. As we began work under the Workforce Innovation and Opportunity Act back in 2014-2015, and began having regular meetings with the county judges from our regional counties, it became clear that our team at

KentuckianaWorks had not been paying enough attention to issues in these counties. Once we learned about the great work being done by business leaders like Michael, Ray and Tony, along with their government, chamber, industrial foundation and education partners, it became obvious that one key way we could support their work was to provide some financial support to help pay for Shelley Goodwin's position. We are now contributing \$15,000 a year to support that position, and it should be obvious that we're getting a lot of return on that modest investment.

KentuckianaWorks is now having conversations with business leaders like Michael Hesketh to discuss how we can help support this work more deeply in the future. We're exploring how the new Medicaid project may allow us to re-open a career center in Shelby County, and how we can help connect more job seekers with these job opportunities here. We have set up monthly meetings in Shelby County to work with Mr. Hesketh and team to figure out how this would work.

Judge Dan Ison has offered a physical location at no cost in Shelby County for KentuckianaWorks to operate out of. We may be able to create a full-fledged career center there depending on the amount of money received from the Medicaid Waiver.

Update and Discussion on Two Key Topics: Medicaid and Potential Move of the Kentucky Career Center in Louisville – Michael Gritton

Michael gave an update on two things:

1. Potential to move the career center most customers would still identify as “the Unemployment Office” at 6th and Cedar to a new location. Regina Phillips, Mary Rosenthal and partners have done work on making a move and a first offer was made on the United Building located at 7th and Chestnut to rent all four floors. KentuckianaWorks has given notice of its intent to move to the state, Commissioner Beth Kuhn and John Pallasch. Michael asked Ray Leathers for help in making the move. He hopes the Office of Employment and Training and Vocational Rehab make the move with KentuckianaWorks. Our office wants to be in the new space by August 1, to get everything ready by October 1.

Kent Oyler asked about the term of the lease. Michael responded KentuckianaWorks typically does one-year leases with four renewable terms. Because of the way funding is received we are not allowed to do long-term leases. Kent hoped we had taken a longer term perspective. He spoke briefly about a space he had visited in Northern Kentucky called the Life Learning Center. He felt the move should be more west of downtown, more attractive and accessible. Michael stated that the staff will take Kent's comments under advisement. He stated KentuckianaWorks is still planning to be in west Louisville in force at the NIA Center with potential to make it better and more vibrant.

Tony Georges stated the intent is to consolidate to some degree but not to one. The centers that will be moved are: Kentucky Health Career Center, Kentucky Career Center at Cedar, the Power of Work (TANF) Program and potentially the Kentucky Youth (Young Adult) Career Center all into one location.

Jackie Beard commented they looked into moving the Kentucky Health Career Center into 6th and Cedar but due to the community perception of the building that made it impossible to go there. Tom Quick referenced Michael's comment to Ray Leathers about the mistake it would be if the state didn't move as well into the new location, truly making it a one-stop center for services. It would be a major problem if the state partners are not there.

Ray Leathers stated these challenges can be presented to Secretary Hal Heiner next Thursday on a conference call that has been scheduled with the 10 Workforce Board Chairs.

Tony Carriss asked if this all happens would it be called a life center. Due to the branding and the naming the state chose years ago, Michael stated it would still have to be called a career center. This would be another topic of conversation with Ray Leathers and what the current administration is thinking about.

Kent Oyler stated it's important to make some investment to ensure it is an attractive place so people can feel respected and businesses can get excited about visiting for which our current offices are not. As a Board, Michael stated they could use help because the challenge of the federal law won't allow us to make capital improvements on buildings. There's no funding stream for this. He has been advised by Kristi Putnam that we can spend some Medicaid dollars on the build out of a new space, but the dollars are likely to be very limited. Having outside money is helpful. Kent stated it should be something we could get a grant for. Mr. Gritton explained that KentuckianaWorks has recently received grants from the James Graham Brown Foundation and the Gheens Foundation, and the challenge for us is there are only 3-4 foundations of any scale that could potentially fund a grant like the one envisioned.

2. Michael spoke about the last Board meeting and the hesitancy of Kristi Putnam and Secretary Scott Brinkman to describe the October 1 change for the work to begin on receiving Medicaid Waiver customers. They have now clarified that we are moving forward with October 1 (not July 1). Even if this is true, we are trying to communicate to the state in order to be ready October 1, there's a short timeline in the next four weeks to get information from them to put out an RFP to secure the services to be ready October 1. Michael talked about the building of a schedule that will allow the Board to select the vendor(s) that would provide case management at the career centers at the June Board meeting for which the proposals would need to be in by mid-June. The RFP will have to be out by mid-May for review in June. The RFP also has to filter through the city system before it can even be posted to the public.

Clarification is still needed on what the RFP will pay for and what the services are. He referenced the terms Ms. Putnam has used like "pre-eligibility and case management services." This is not WIOA language or any federal funding stream we're aware of. We're looking for guidance on this, a definition and what is it we can provide for people when they come to the career centers for Medicaid and what can't we provide.

The state has given us a draft contract regarding the services to be provided by frontline people helping customers, and one of the items would have our contractors reporting hours for customers toward their 20-hour a week commitment. This is not business KentuckianaWorks wants to be in as it would turn us into the "Unemployment Office" for Medicaid, so we are negotiating with the state to get that language removed. He also mentioned the draft language that appears to put a lot of the liability risk from lawsuits from customers on the Board (and thus the 7 local governments that backstop the Board financially). There are many details to work out with state colleagues before signing the contract.

John Snider talked about not leaving out marketing companies. He wants to make sure marketing is out there to pull in capable people for lower skilled jobs. He suggested changing the thought process on skill sets in getting people. Michael stated John is right about we need marketing with the businesses but under WIOA we're not allowed to do "advertising" whereas "outreach" is allowed. Staff will have conversations with Kristi on how much money can be used to market the program to employers and potential job seekers. We're happy to spend the money as long as somebody tells us this is not a disallowed costs and not on KentuckianaWorks. This will all be negotiated in the next four weeks. Michael stated that when people come in and they lack skills to get a job at least at the \$12-\$13 range, we want to be positioned to train them and not be resigned to putting them in an \$8 per hour job because that's all their skill-set will qualify them for. That would entrap them into a job of poverty and no path forward. The state is still trying to figure out the job training money – both the amount they are going to provide us and the sources of the funding. The position Michael is taking on behalf of the Board to the state is telling them we need enough money for training in order to meet the expected demand for it, which is likely to be large.

John Snider asked if there's a way to do a 2-step program by getting them into a job and within 6-8 months we provide training at that point versus a 1-step process. Is there a way to setup a program with the state or somebody else to get them employed but within six months we want this person to be employed and allow him to have training for XYZ job? Tony Georges agrees but says this is a journey. He stated to start the 2nd shift cook job at the Waffle House might be a better opportunity than unemployed. As Kent

stated, the pot of gold is in private money. Waffle House resources can get that person job training and advance them out.

Ray Leathers stated there are a couple more elements to this such as the 20 hour requirement, volunteering or go to school with some latitude. There is an opportunity for people going for skill training. Jackie Beard said this is where the case management piece would come into the new space we're trying to move into. She echoed what Tony Georges said about Waffle House. There are a lot of different levels of employability for those that will be served at the career center.

Tom Quick suggested getting a number of employers (large or small) sitting around the table letting them know what's coming. What will make sense to you? What can we find out about the population that will come through the doors? Who are the people that need to avail themselves to the services? We're interested in the people who need a job. We need to take advantage of the time we have them in the Career Centers to get them ready for the jobs we all have open.

Tony Carriss asked if we will have to put into place measures to understand the volunteer work and how will we know what the volunteer work is. What will we be required to do when bad economic times come and there aren't enough job openings for the people required to meet this 20 hour a week requirement?

Michael stated he's hearing the Board say they are more interested in putting people into a job first even if it's at Waffle House for \$8 an hour, and then let's try to figure out how to get them moving there rather than let's train you to get to the \$13 per hour job. John Snider talked about work training and skill sets and the need to look at criminal backgrounds to see what a company would accept.

Kent Oyler stated the need to get data on entry type jobs for individuals with skill sets, we expect to understand the demographics and have a good inventory of that well in advance of October to know which employers to talk to. Hospitality and food and beverage will be some of the bigger ones. We serve the employers in our city and we want the best for the individuals entering the system, the mindset is employer centric. What do the employers need and how do we utilize this opportunity to get the people into the workforce versus volunteering?

Rebel Chreste talked about her experience with the SNAP ("Food Stamp) Employment and Training program that began as a pilot in January. The majority of the jobs out there are full-time 40 hours a week jobs. That is not the requirement of these programs, which typically only require 20 hour a week. Many participants do not express interest in a 40 hour a week job – they only want to work the minimum 20 hours required. Finding the placements and employers that are willing to take Medicaid people on a part-time basis is going to be a challenge. This is a critical piece of the success of this and if we don't have the placements in place, the nation is looking at us and this isn't going to be a success. Michael asked if she has found that customers don't want 40 hours per week but want 20. Ms. Chreste replied certainly, the customers have stated this because this is all that is required.

Kent Oyler stated our objective should be full-time employment, self-sustainability and not minimum requirements. Catherine Hoagland from UPS asked how we would stratify our customers coming, there will be some that only want 20 hours per week, and there will be some that will have a lot of potential that could be going to training. She wouldn't put anyone in a certain bucket as soon as they walk in the door. Some will have more potential, some with less and some with more challenges in getting to work. The career counselors will really need to assess the individuals to see where they fit. Rebel stated assessments and case management will be critical to make sure the customers that are sent out to employers will be a good fit and good customers. We don't want to lose partnerships and connections.

Adult Education is in the room, and we've heard that half the state estimates about half the people we will be working with do not have a high school diploma or GED. Natasha Murray stated that for Jefferson County there are about 15,000 that don't have a diploma. Part of the challenge will be are we going to try

to get them into work and not worry about that or try to get them into something. We'll have more conversations about this.

Review and Approve Consent Agenda Items – *Cindy Read*

No action taken due to the lack of a quorum.

Tour of Area Technology Center – *Michael Gritton*

Principal Steve Coleman talked about the \$10 million completion and process of updating the Area Technology Center and the equipment to offer more for their students. There are eight programs at the technology center (business, IT, health sciences, machine tool, diesel technology, welding, presentation room for project based learning, industrial maintenance). He then led Board members and guest on a tour of the facility.

Staff:

Michael Gritton
Almeta Abernathy
Jaime Disney
Gloria Fuqua
LaShala Goodwin
Joi McAtee
Huston Monarch
Jennifer Novak
Regina Phillips
Cindy Read
Mary Rosenthal

Guests:

Libby Adams
Steve Coleman
Shelley Goodwin
Michael Hesketh
Ray Leathers
Steve Meador
John Weiland

Observers:

Marsha Berry
Debra Giordiano
Joyce Griffith
Catherine Hoagland
Natasha Murray
Rena Sharpe
Ryan Troutman
Renee Walters