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**1:30 CALL TO ORDER**

Minutes of March 2015 KWIB Meeting.....*Hugh Haydon, Chairman  
Kentucky Bioprocessing, Inc. of Owensboro*

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**1:35 CERTIFICATION ACTION ITEMS**

Work Ready Community Certifications.....*Roxann Fry, Member  
Tennessee Valley Authority*

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**1:50 STRATEGIC PLAN ITEMS**

Career Center Certification.....*Beth Kuhn, Commissioner and Member  
Department of Workforce Investment*

Apprenticeship.....*Larry Roberts, Secretary and Member  
Kentucky Labor Cabinet*

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**2:10 PRESENTATION**

TechHire Initiative.....*Michael Gritton, Executive Director of Kentuckiana Works  
Jeff Whitehead, Executive Director of EKCEP*

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**2:30 ITEMS FOR ACTION / DISCUSSION**

Perkins Committee Recommendation.....*Dale Winkler, Associate Commissioner and Member  
Kentucky Department of Education*

WIOA System Transformation..... *Beth Kuhn, Commissioner and Member  
Department of Workforce Investment*

- Update on Interlocal Agreements
- Regional Identification and Local Area Designation Policy
- Final Regional and Local Area Designation Steering Committee Report and Recommendation

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**3:20 OTHER BUSINESS**

Closing Comments.....*Thomas O. Zawacki, Secretary and Member  
Education and Workforce Development Cabinet*

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**3:30 ADJOURNMENT**

**MEMBERS PRESENT:** Kenneth Allen, Governor Steven Beshear, Dr. Jay Box, Rick Christman, Rep. Larry Clark, James Cole, Roxann Fry, Debra Hampton (conference call), Hugh Haydon, Secretary Larry Hayes, Shirie Hawkins, Dr. Dale Winkler for Dr. Holliday, Reecie Stagnolia for Dr. King, Herb Krase, Commissioner Kuhn, Secretary Lassiter, Heidi Margulis, Pat Murphy, Dr. Lara Needham, James Neihof, Kelly Nuckols, Scott Pierce, Dr. Judith Rhoads, Secretary Larry Roberts, Kevin Shurn, George Steele, Daryl Smith, Elaine Walker for Secretary Stewart, Stacey Shane for Col. Thompson, Steve Willinghurst, Richard Wilson and Secretary Tom Zawacki.

**STAFF PRESENT:** Holly Neal, Melissa A. Aguilar, Adrian Douglas, Deputy Secretary Beth Brinly, Rose Holbrook, Clay Lamb, Cathy Lindsey, Mark White, Randy Justice, Lori Collins, Linda Prewitt, Ashley Parrott, Joanna Neubert, Allison Flanagan, Buddy Hoskinson, Cora McNabb, Susan Riddell, Ben Haydon, and Terri Bradshaw.

**CALL TO ORDER**

Hugh Haydon, Chair, called the meeting to order at 1:30 p.m. and announced that the Work Ready Community Action item would be moved up in the agenda before Governor Beshear addresses the board.

Representative Clark administered the Oath of Office for new KWIB members Dr. Jay Box and Commissioner Beth Kuhn.

Hugh Haydon congratulated Dr. Box and Commissioner Kuhn on their recent promotions.

**Minutes of Aug. 2014 KWIB Meeting**

**ACTION:** A motion was made by Scott Pierce to approve the Nov. 17, 2014 minutes. Judith Rhoads seconded. Motion carried.

**CERTIFICATION ACTION ITEMS**

Roxann Fry, Chair of the Work Ready Review Panel, reported that the Work Ready Communities Review Panel met on January 20th to review two applications for Work Ready Community in Progress status, one application to move from Work Ready in Progress to Work Ready and one extension request. The panel is recommending the certification of all three counties by the KWIB today and approval of the extension request for the one county.

**ACTION:** Based on the recommendation of the review panel, Roxann Fry motioned that Fleming County be certified as a Work Ready Community, that Ballard and Marshall Counties be certified as Work Ready Communities in Progress, and that Russell County be granted a one-year extension on their Work Ready in Progress status. Kenny Allen seconded. Motion carried.

Representatives from Fleming, Ballard and Marshall Counties were welcomed forward to receive their certificate, signage and be photographed. Russell County representatives did not attend.

**SPECIAL ADDRESS TO THE BOARD**

Governor Beshear began by expressing his appreciation to the board for their leadership and guidance. His comments included a summary of the following points:

- Kentucky as a whole is coming out of the recession better than a lot of other states.
  - During the depths of the recession, Kentucky had a 10.7% unemployment rate. As of last month, that rate was down to 5.7%.
  - In 2014, Kentucky had three hundred and fifty new location or expansion projects.

- Kentucky is third in the nation in auto making and has set export records.
- The Governor stated there is still work to be done as employers continue to need qualified, skilled, trained, healthy and drug-free workers.
- The WorkSmart Kentucky plan developed by the KWIB has served as a long-term strategy for developing a streamlined and collaborative workforce system and has successfully implemented many of the original 25 initiatives. At this time, the Governor explained WIOA can help re-energize Kentucky's workforce development delivery system and progressively move the Commonwealth into continuing improvements in governance, accountability and service delivery which includes a review of local and regional designation and re-designation of workforce investment areas. The Governor explained we must first make it a priority to adopt policies that address accountability and transparency which also helps produce a workforce pipeline that our companies need to be successful. The Governor made the following suggestions:
  - Require competitive procurement at the local level
  - Require a consensus by local elected officials on major decisions. (supermajority vote)
  - Clarify the roles of the local elected officials in decision making.

The Governor explained his biggest priority is to make sure that every Kentuckian has a good paying job.

## **STRATEGIC PLAN ITEMS**

### **Career Center Customer Flow**

Pat Murphy introduced Cora McNabb with the Office for the Blind who made the report to the Board. She explained the Career Center Customer Flow committee received the final report from Maher and Maher who was brought in last July with the goals of improving customer flow, improving the efficiency of services and enhancing the value of those services. As part of the evaluation process, they conducted one-day site visits at 10 centers of varying sizes and types of communities, conducted on-line surveys for employers and job seekers, and collected ideas from an employee work group of twenty-three individuals including managers and front line staff.

Maher and Maher found Kentucky Career Centers had many recent accomplishments with room for additional improvement. Opportunities to improve include enhancing individual and employer service delivery as well as enhancing and increasing staff knowledge and competency.

### **Career Center Certification**

The following Career Center Certifications were recognized by Commissioner Kuhn:

- Cumberlands Workforce Investment Board and center staff: Campbellsville
- Lincoln Trail Workforce Investment Board and center staff: Lebanon and Leitchfield

## **ITEMS FOR ACTION / DISCUSSION**

### **WIOA System Transformation Policy:**

Commissioner Kuhn reviewed the timeline as associated with the WIOA Transformation process and then reviewed the Interlocal Agreements policy that defines CLEO and LEO roles and responsibilities. She then continued with a review of the Partnership Agreement policy that defines the relationship/partnership between LEO's and LWDBs.

**ACTION:** Commissioner Kuhn motioned to approve the interlocal agreement policy and partnership agreement policy. Rep. Clark seconded. Motion carried with three opposing votes.

### **Local Area and Region Designation/Redesignation Steering Committee Report:**

Commissioner Kuhn, co-chair of the steering committee, reported. Chairman Hayden suggested the Regional / Local Designation Review Subcommittee reconvene for one last meeting to review implications of the new policies passed at the meeting which should then lead to a final recommendation at the next KWIB meeting by the subcommittee.

## **OTHER BUSINESS**

### **Legislative Updates**

Secretary Zawacki reported. There are a number of bills that are of concern. There are two bills related to Area Development Districts, two bills related to the Workforce Investment Boards and a bill about creating a department for oversight and compliance of the workforce investment activities. The Legislature may have good intentions in creating these bills, but the Cabinet doesn't support any of the bills. Additionally, there are two unemployment insurance bills introduced. HB 295 & HB 293 have a negative impact on the trust fund of which the Cabinet is not in favor of passing. Finally, HB 332 was introduced last year (STARS Bill) and is related to establishing an early childhood development quality rating system for early care and education programs in KY and will allow parents to understand the quality of daycare or early childhood ed. centers. It has passed the House and is now in the Senate. The Cabinet supports this bill.

Hugh Haydon mentioned the best practices summit for Work Ready Communities on Apr. 29<sup>th</sup> (per the handout in the packets) at the KCTCS location in Versailles. He urged everyone to attend from a community aspect.

## **ADJOURNMENT**

**ACTION:** At 3:40 p.m., with no further business, Kelly Nuckols motioned that the meeting be adjourned. James Cole seconded. Motion carried.

May 14, 2015

**KENTUCKY**  
**Work Ready**  **Request for Certification:**  
**COMMUNITIES**

**Work Ready**

Hopkins

**Work Ready in Progress**

Boyd

Carroll

Greenup

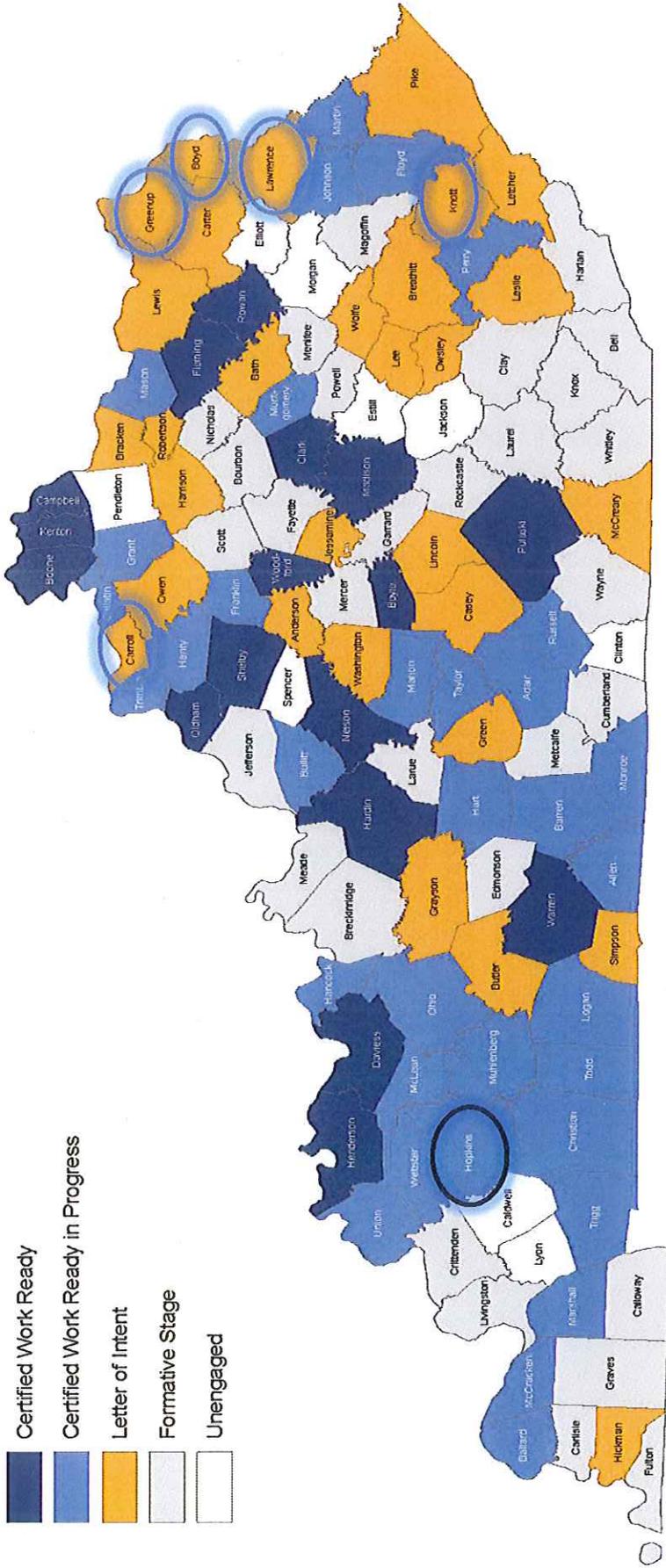
Knott

Lawrence

**Extension for 1 Year**

Montgomery

**Requesting Certification**  
**May 14, 2015**





## Kentucky Career Center Certification Recognition

### **Lincoln Trail Workforce Investment Board**

- Recognition of Certification
  - Elizabethtown - Comprehensive
  - Bardstown - Affiliate

### **Barren River Workforce Investment Board**

- Recognition of Certification
  - Bowling Green - Comprehensive
  - Glasgow - Comprehensive

### **West Kentucky Workforce Investment Board**

- Recognition of Certification
  - Paducah - Comprehensive

# KENTUCKY APPRENTICESHIP INITIATIVE

## Grant Application

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**Application Amount:** \$5,000,000.00

**Grant Partners:** Kentucky Skills Network (Labor Cabinet, Cabinet for Economic Development, Department for Workforce Investment, KCTCS) Office of Career and Technical Education, Kentucky Hospital Association, Lightweight Innovations For Tomorrow (LIFT), Commonwealth Office of Technology.

**Key Employer Partners:** Norton Hospital, Baptist Hospital, COT, Gibbs Die Casting, Dr. Schneider Automotive, Stober Drives

**Sector Focus:** Healthcare, Information Technology, Advanced Manufacturing, Business Services

**Populations to be served:** Incumbent workers, women, young men and women of color, secondary students, veterans and other underrepresented populations.

**Employer Incentives:** \$1000.00 for starting a new program. \$500.00 per apprentice upon completion of probation, \$500.00 for an apprentice that is a member of an underserved population, \$500 for each apprentice upon program completion.

**Program Activities:** The Kentucky Labor Cabinet, in association with the listed partners, will launch a statewide program, the Kentucky Apprenticeship Initiative (KAI) that builds on the Kentucky Workforce Investment Board's successful strategic plan that led to the formation of the Kentucky Skills Network, that has business services teams across the Commonwealth working with businesses and pools of applicants to create a supply of employees to meet the demands of businesses. The KAI will develop what it has termed "Ready/Flex" apprenticeship models. The "Ready/Flex" system is signature ready for companies that find the model suitable for their use, but also customizable to ensure the best fit for KAI's four focus sectors.

**Grant Team:** Mike Donta, Beth Brinly, Mary Taylor, Beth Kuhn, Lori Collins, Ben Haydon, Mark Herald, Larry Ferguson, Josh Benton, Linda Prewitt, Sheila Vaughn.



# <code> LOUISVILLE >

KWIB Presentation

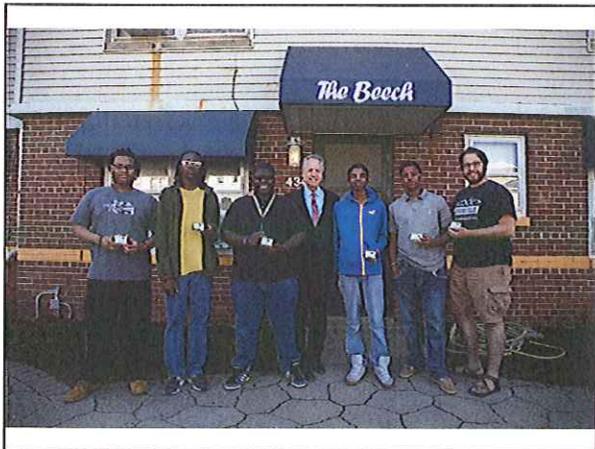
## Code Louisville Overview <code> LOUISVILLE

Goal : Gain and demonstrate the skills of a junior developer

## How it Works <code> LOUISVILLE

## By the numbers <code> LOUISVILLE

- 160 Students from November 2013 through April 2015
- 254 Students in the May 2015 cohort
- 21 Students in new jobs related to Code Louisville
- 850 Placement goal through September 2018



<code>  
LOUISVILLE

Questions?



## **Information on EKCEP's IT Leadership: The TechHire Designation for Eastern Kentucky, And the Bit Source, LLC Computer Coding and Training Firm**

In addition to its regular role of administering and delivering Workforce Investment Act (WIA)-funded services throughout Eastern Kentucky to businesses, unemployed or underemployed adults and youth, and workers who have lost jobs, Eastern Kentucky C.E.P., Inc. (EKCEP) is taking a leadership role in moving the region toward a digital economy. As aspects of this leadership, EKCEP is the lead agency in the White House's Tech Hire initiative for Eastern Kentucky, and has also initiated an innovative partnership between the public workforce system and the private sector to help launch the Bit Source, LLC computer coding and training firm in Pikeville, KY.

- **TechHire Designation for Eastern Kentucky**

- EKCEP was selected as the convener and lead agency to head the White House's TechHire initiative in Eastern Kentucky.
- TechHire will work to increase employment in Information Technology (IT) fields by creating accelerated IT training, internships and apprenticeships, identifying/developing IT job opportunities, and matching jobseekers to those opportunities.
- Of the 21 communities selected across the nation for TechHire, Eastern Kentucky is one of only two that are rural.
- EKCEP's active engagement with this White House-sponsored initiative also qualifies our region to apply for special grants from \$100 million in U.S. Department of Labor funding specifically targeted to encourage and advance innovation, IT training, and economic development within the region.
- Private sector leaders are also announcing commitments for TechHire communities to provide free training through online training slots and expanding coding "bootcamps" – which provide intensive training for well-paying jobs, often in the course of just a few months.
- EKCEP initiated TechHire activities in the region on March 16 by organizing and hosting the TechHire Convening event in Hazard, Kentucky, at which:
  - Nearly 100 individuals from the public and private sector attended, including leaders from: KCTCS and its regional colleges in Hazard, Big Sandy, Southeast Kentucky, Ashland, and Maysville; the region's major hospitals; several rural telephone cooperatives; Community Trust Bank; and the economic development staff of the Federal Reserve Bank of Cleveland.
  - Sally Smyth, then of the White House's National Economic Council, delivered information on TechHire and statistics on the available IT jobs in America—including that there are 500,000 open IT jobs in America at present, and that by 2020 the U.S. is projected to be 1.4 million people short of being able to fill the available IT jobs across the nation.
  - CEOs and Presidents of two major IT companies—Rural Sourcing of Georgia and Xpanxion of Nebraska—spoke about how they are "insourcing" IT jobs back to rural America for major clients like Apple, Coca-Cola and other companies, and how Eastern Kentucky, with appropriate planning, execution, and investment, could successfully follow a similar model.
- As part of its ongoing leadership role in Shaping Our Appalachian Region (SOAR), EKCEP will provide leadership and backbone support for SOAR's TechHire Action Team, a special subcommittee formed at the request of the SOAR Executive Committee as a direct result of EKCEP's TechHire Convening. This Action Team will help draft and implement strategic planning for advancing the regional goals and outcomes attached to the TechHire designation.

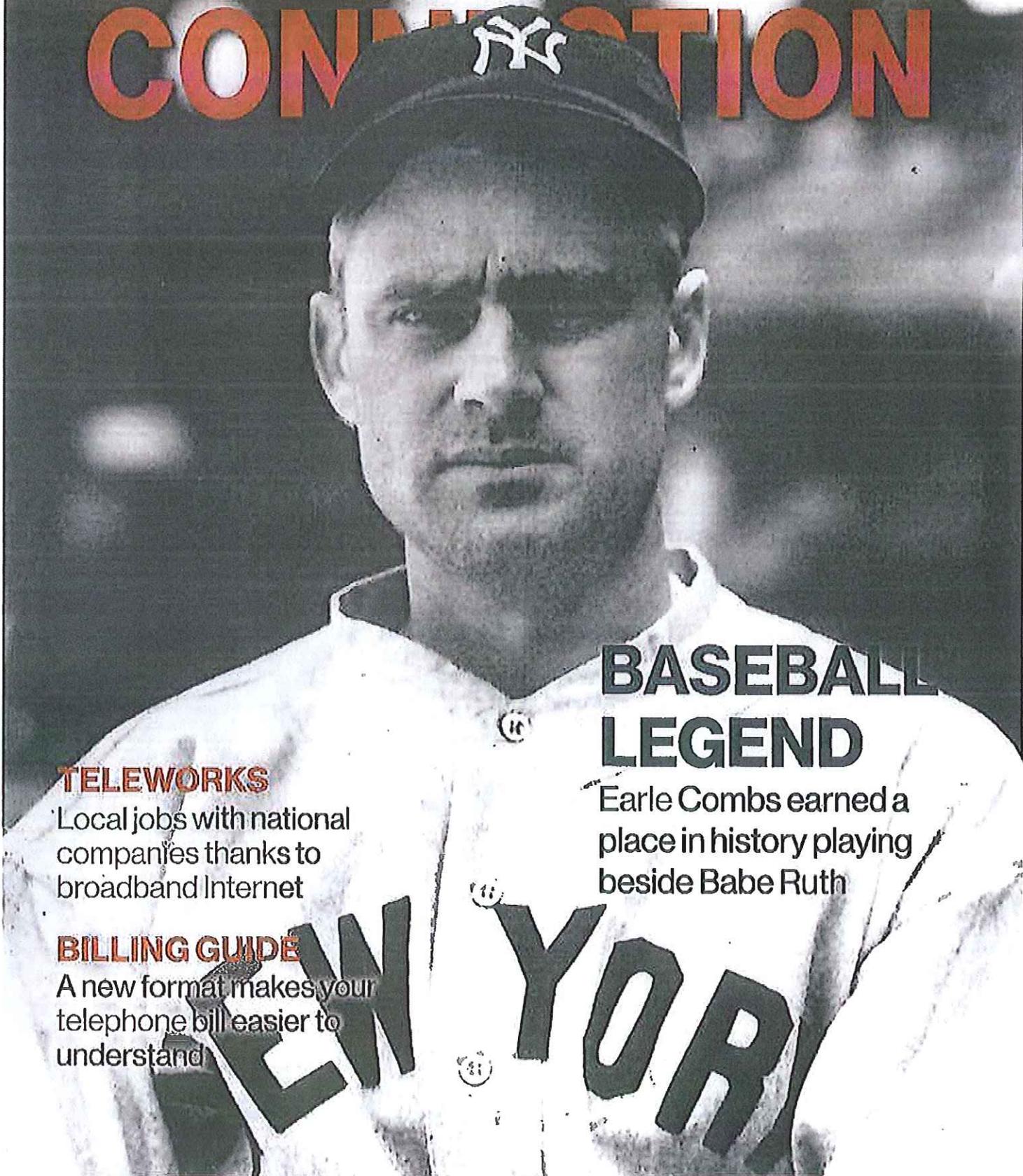
- **Bit Source, LLC Computer Coding and Training Firm**

- Bit Source, LLC is a computer coding and training firm established in Pikeville, Kentucky by partners Charles “Rusty” Justice and M. Lynn Parrish, two successful Eastern Kentucky businessmen.
- Bit Source is the first computer coding and training firm of its kind in Eastern Kentucky, with an initial mission to recruit dislocated former coal industry workers, retrain them as computer coders, and put them to work in coding jobs.
- Once successfully trained as junior coders, these workers would then work full-time at the Bit Source firm in Pikeville doing coding work that the company secures under contracts with outside clients in a similar model—on an albeit smaller scale initially—to the aforementioned Rural Sourcing and Xpanxion companies featured at EKCEP’s March 16 TechHire Convening.
- More on the mission of Bit Source may be viewed here: <http://bitsourceky.com/press/041115/bit-source-our-story> and here: <http://bitsourceky.com/what-we-do>
- Training is being conducted by Bit Source staff with the company’s own curriculum for a period of 22 weeks at the Bit Source facility on Hambley Boulevard near downtown Pikeville. The firm is located in a renovated, historic building that formerly housed a Coca-Cola bottling plant. On-the-job training will follow for approximately six months as junior coders begin working on the coding jobs secured by the firm.
- Bit Source’s first training cohort consists of 10 individuals, nine of whom are former dislocated coal industry workers. More information on the Bit Source trainees may be viewed here: <http://bitsourceky.com/who-we-are>
- EKCEP is providing public workforce system support to Bit Source by using workforce training funds to cover the full-time, 40-hour-per-week training wages for these 10 individuals during their training period. EKCEP views this as a critical step in helping transition Eastern Kentucky toward a digital economy that is in perfect alignment with the goals of TechHire, as well as with SOAR’s IT focus and broadband-expansion efforts.
- EKCEP launched an aggressive regional marketing and recruitment campaign on behalf of Bit Source on Jan. 1, 2015, to locate individuals—primarily dislocated coal industry workers—interested in the initial training slots at the firm.
- In less than two months of public marketing, nearly 900 people had applied for Bit Source’s training positions, including a large percentage of dislocated coal industry workers with skills congruent to IT careers. EKCEP views this response as strong confirmation that there is a significant potential IT workforce already in the region that merely needs appropriate training, and that there is a high demand for skilled IT careers that will not require citizens to relocate out of the region.
- U.S. Secretary of Labor Thomas Perez will travel to Eastern Kentucky on May 11<sup>th</sup> to attend the SOAR Summit in Pikeville, but he will first visit Bit Source in order to recognize EKCEP’s successful workforce-system partnership with private-sector innovation exemplified by this new coding and training firm.

The PRTC

MAY/JUNE 2015

# CONNECTION



## TELEWORKS

Local jobs with national companies thanks to broadband Internet

## BILLING GUIDE

A new format makes your telephone bill easier to understand

## BASEBALL LEGEND

Earle Combs earned a place in history playing beside Babe Ruth

NEW YORK



## Learning to work from home

Teleworks is connecting Eastern Kentucky job seekers with “brand name” companies

*Editor's note: This story is the second in a series of articles that will highlight PRTC's Smart Rural Community award from NTCA—The Rural Broadband Association.*

**E**xpectant mother Paige Adkins needed work, but she did not want to face a nearly 30-mile, one-way commute.

“The closest job I would have been able to find would have been in London,” says Adkins, who lives in Gray Hawk, Kentucky. “There are no jobs here at all.”

Free training provided through Teleworks USA, however, may prepare her for a job with one of the growing number of companies developing remote, Internet-connected workforces.

“We’ve had folks who are working with Sony, Apple, Amazon and U-Haul,” says Owen Grise, deputy director of the Eastern Kentucky Concentrated Employment Program.

The classes, held at Jackson County Industrial Park and at the Kentucky Career Center JobSight in Hazard, Kentucky, are funded mostly through the U.S. Department of Labor.

The self-directed training usually requires four to six weeks. Afterward, employers recruit from the pool of certified candidates. “We have one employee in Eastern Kentucky working for a company in Paris, France,” Grise says.

### CONNECTING WORKERS TO JOBS

Teleworks was one of the first initiatives nationally to embrace the idea of training people in rural areas and connecting them with companies building remote workforces. In addition to training, the company manages a website to connect employers with job seekers.

Teleworks helped about 500 people



An advisor answers a student's question during a Teleworks USA class at the Jackson County Industrial Park.

secure jobs in just less than four years, Grise says.

Classes can accommodate about 15 people. Each trainee works through the program at his or her own pace. Certifications might require a testing fee, but qualified students can receive financial assistance.

Pay for an entry-level job is about \$20,000 annually, and many jobs will include benefits, Grise says. For counties such as Jackson, the jobs can provide a welcome economic boost. “If we produce 15 people in a month or six weeks who can land those jobs, that’s \$300,000 in wages, before taxes, that wasn’t in the county before,” Grise says.

Waiting lists exist for classes at both locations, Grise says.

### DEVELOPING CUSTOMER SERVICE SKILLS

Adkins has worked since she was 16 years old. Most jobs were in customer service.

“I want to do good for people, and I want people to be happy with what they’re getting,” she says. “I know this will be good for me.”

She hopes a work-from-home job will allow her to stay employed while also preparing for her new baby.

“Classes are three days a week from 9 o’clock until noon,” she says. “We go through lessons each day. We watch videos explaining what good customer service is, and how to present yourself when doing customer service.”

Then, each lesson includes sample questions. Afterward, a quiz determines if each person passes a section. At the end of training, job seekers can earn certifications verifying their new skills.

Without the program, Adkins says she would find it difficult to pay for training. "I've been married almost two years, and we do good," she says. "But, it would be hard to pay for schooling if we had to pay for it out of pocket. I feel very blessed."

### BUSINESS TOOLS AT HOME

Training, however, is only one part of succeeding at a work-from-home job. "It's a different situation than most folks are used to," Grise says.

Hurdles might include lack of a good computer, or coping with family and pets unaccustomed to someone working from home.

For a time, however, new employees might have the opportunity to work from the training center while they get their home office ready. "We can let them work here for a little while as they get their feet on the ground, a routine down and better understanding of the demands of the job," Grise says.

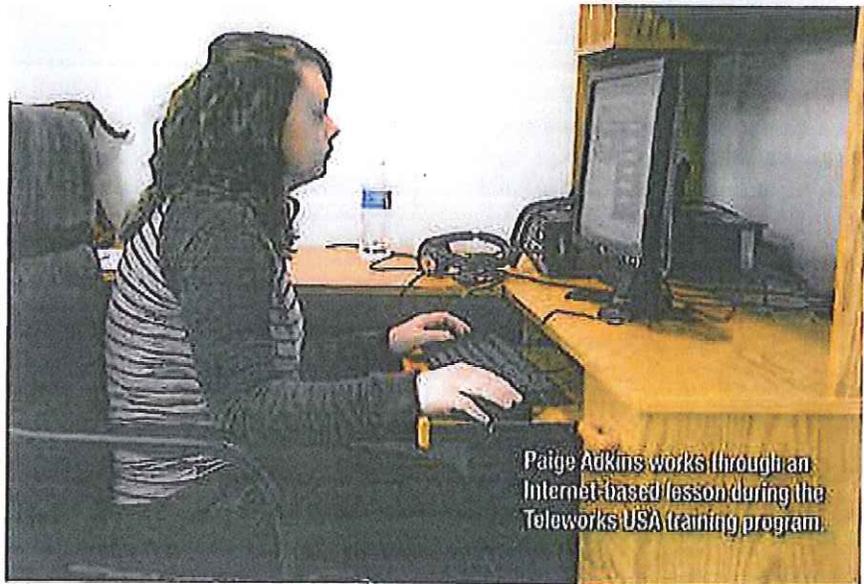
While many work-from-home employees face a transition, quality Internet access is not a concern.

"One of the things about being here is that Jackson County is so well connected," Grise says. "It's an opportunity that many of them don't realize they have."

Peoples Rural Telephone Cooperative's service area was designated a "Smart Rural Community" by NTCA—The Rural Broadband Association. NTCA developed the award as a way to recognize cooperatives that are promoting and using broadband networks to foster innovative economic development, education, health care and government services.

### CHANGING BUSINESS STRATEGIES

Introducing people to the idea of work-from-home jobs is key for Teleworks. "You have to convince them that this is real — it's not a scam," Grise says. "These companies will hire you, even though they've never seen you."



Many national employers are "off-siting" part of their workforce. The move saves on office space, utilities and other costs associated with call centers, Grise says.

Employees connect through the Internet to a company's servers. And despite the distance, employers can still track each worker.

Grise believes demand will continue to

increase for employees who work from home. Soon, the concept will need little explanation.

"We're raising a generation of people right now who can't imagine being out of touch," Grise says. "Those folks are going to grow up where it's not at all a strange concept that they should know an employer only through a laptop." ☺

» Learn more about Teleworks USA jobs: [www.teleworksusa.com](http://www.teleworksusa.com)

KWIB – PERKINS LEADERSHIP COMMITTEE  
MEETING NOTES

The KWIB Committee on Perkins Leadership Funds met for the first time via conference to consider allocations for Fiscal Year 2016 on Wednesday, April 15, 2015. The following individuals participated: Larry Ferguson - KCTCS, Keith Gannon – Boneal, Karla Tipton – KDE, Srimi Matam - Toyota, Jacqueline Korengel – CPE/Adult Education, Sharon Johnston – CPE/Adult Education, Reecie Stagnolia – CPE/Adult Education, Melissa Aguilar – KWIB, and Dale Winkler – KDE.

The meeting began with an overview of the required and permissible uses of the Carl D. Perkins Leadership Funds. The required uses of the Leadership Funds include:

- An assessment of the career and technical education programs;
- Developing, improving, or expanding the use of technology in career and technical education;
- Professional development programs for CTE teachers, faculty, administrators, and career guidance and academic counselors;
- Support career and technical education programs that improve the academic skills of students;
- Providing preparation for non-traditional fields in current and emerging professions;
- Supporting partnerships among local educational agencies, institutions of higher education, adult education providers, and as appropriate, other entities such as employers and labor organizations;
- Serving individuals in State institutions, such as State correctional institutions that serve individuals with disabilities; and
- Support for programs for special populations that lead to high skill, high wage, or high demand occupations.

This discussion followed with a review of the FY2015 allocations of Leadership funds and the amount expended at the close of the year. The committee members asked questions about allocations and requested the opportunity for additional funding of projects. Thus, there is a consensus for each agency to submit proposal requests to OCTE by Wednesday, April 22. Dale Winkler agreed to compile the requests and send a summary to the committee. A second conference call was planned.

On Wednesday, May 6 the following individuals participated in a conference call to discuss the information provided by Dale Winkler and determine how to best allocate funds: Karla Tipton – KDE, Reecie Stagnolia – CPE/Adult Education, Jacqueline Korengel – CPE/Adult Education, Melissa Aguilar – KWIB, and Dale Winkler – KDE. Larry Ferguson was contacted later and provided information about the discussion. The attached document contains the allocations the committee will present in the form of a recommendation to the Kentucky Workforce Investment Board on May 14.

**PERKINS LEADERSHIP FUNDING  
FY 2016 ALLOCATION**

Title 1: Basic Grant \$17,905,647

**Administration**

5% of TOTAL \$895,282

KCTCS \$50,000

**Leadership**

10% of TOTAL \$1,790,565

**\$1,790,565**

Nontraditional (Required) \$60,000

Sector Work (Summer Institutes) \$156,315

State Institutions

Department of Corrections \$60,000

Youth Development Centers \$20,000

KDE School for Deaf \$30,000

Curriculum

Secondary \$175,000

Postsecondary (KCTCS) \$197,000

SREB HSTW/Advanced Career \$55,000

Auto Melior Curriculum \$62,500

Professional Development

Secondary \$100,000

Postsecondary (KCTCS) \$125,000

Technical Update \$50,000

Assessment

Secondary (KOSSA/CTECS) \$210,000

Postsecondary (KCTCS) \$30,000

Teacher Preparation

EPSB \$90,000

NTI/NPI \$15,000

Teacher Educators \$128,000

Teacher Educator PD \$45,750

NOCTI \$5,000

Other

Special Populations \$8,000

OSHA Training \$13,000

Adult Education \$155,000

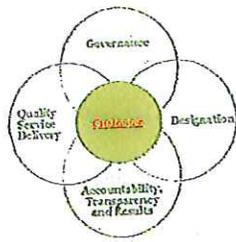
**\$1,790,565**

## WIOA System Transformation

KWIB MEETING  
MAY 14, 2015

## Regional Identification and Local Area Designation Policy

- Process was already approved and underway
- A policy was mandated to be in place by 7/1/15 via TEG 27-14



## Agenda

- Update on Interlocal Agreements
- Summary of Regional Identification and Local Area Designation Policy
- Final Local and Regional Designation Steering Committee Report and Recommendation

## Policy Summary

- Definitions
  - Performed successfully
  - Sustained fiscal integrity
- Policy
  - Identification of regions and designation of local areas
    - ✕ Request to Governor for local area designation
    - ✕ Role of Steering Committee
    - ✕ Consultation and public comment process
    - ✕ KWIB recommendation
    - ✕ Governor issues Executive Order
  - Appeal process

## Interlocal Agreements

- Required for all local areas by July 1, 2015
- DWI currently providing review and comments
  - As of today, four local areas have submitted drafts to DWI for feedback
- WIOA transition funds available to support the development process

## Steering Committee Process Review

11/17/14	KWIB established process
12/19/14	Finalized Steering Committee
01/23/15	Developed initial options/recommendations
02/07/15	DWI completed local input process
02/11/15	Steering Committee reviewed feedback
02/24/15	Discussed and reached preliminary agreements
03/02/15	KWIB reviewed process and status report
04/14/15	Steering Committee recommendations

### Local and Regional Designation Steering Committee Recommendation

- System Transformation Summary
  - Maintaining geographic boundaries is not an endorsement of the status quo in service delivery
  - Fiscal agent must be competitively procured
  - Communication plan and technical assistance is needed around the distinction between a local area and a region

5/13/2015

### Regional Recommendation - Four Intrastate Regions

- Central Region - Bluegrass, KentuckianaWorks, Lincoln Trail, and Northern Kentucky
- East Region - EKCEP and TENCO
- South Region - Barren River and Cumberlands
- West Region - Green River and Western Kentucky

5/13/2015

### Local Area Recommendation - Maintain Current Configuration

Met initial requirements: Upon analysis and review:

• Cumberlands	• KentuckianaWorks
• Green River	• EKCEP
• Lincoln Trail	• Barren River
• Northern Kentucky	• Bluegrass
• TENCO	
• Western Kentucky	

5/13/2015

### Steering Committee Regional Recommendation

**Regional Option A - Four Intrastate Regions**

5/13/2015

### Local Area Recommendation

**Local Area Option 1 - No Change**

5/13/2015



**POLICY**

**POLICY NAME:** Identification of Regions and Designation of Local Workforce Development Areas

**Policy Number:** 15-004

**Date of Issue:** May 14, 2015

**Effective Date:** May 14, 2015

**For more info contact:** Department of Workforce Investment Commissioner, 502-564-0372

**Applies /Of Interest To:** Local Workforce Development Boards (LWDBs), Local Workforce Development Areas (LWDAs) staff, Chief Local Elected Officials (CLEOs) and Local Elected Officials (LEOs)

<b>Purpose</b>	To establish policy for identification of regions and designation of local workforce development areas in compliance with the Workforce Innovation and Opportunity Act (WIOA) (Public Law 113-128, July 22, 2014).
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<b>Background</b>	<p>WIOA Title 1, Chapter 2, Section 106 outlines the requirements and process for the determination of regions and local areas including identification, types of regions, initial designation, subsequent designation, process, considerations, designation on recommendation by the State Board, and appeals.</p> <p>Per Training and Employment Guidance Letter (TEGL) 27-14 issued by the US Department of Labor on April 15, 2015, <i>“the Governor must develop a policy for designation of local workforce development areas. The purpose of a local area is to serve as a jurisdiction for the administration of workforce development activities using Adult, Dislocated Worker, and Youth funds allocated by the State and to coordinate efforts related to the other core programs at a local community level. WIOA Section 106(b) establishes that the Governor must designate local workforce development areas (local areas) in order for the State to receive Adult, Dislocated Worker, and Youth funding under Title I subtitle B. ... The Governor must follow the requirements provided in this guidance until the final regulations take effect.”</i></p> <p>By July 1, 2015, the Governor, in consultation with the Kentucky Workforce Investment Board or its successor (State Board), must develop a policy and procedure for the designation of all local areas, as well as a policy for the designation of new local areas. The policy must include:</p> <ul style="list-style-type: none"> <li>a. Consultation with the State Board;</li> <li>b. Consultation with the chief elected officials and affected Local Boards; and</li> <li>c. Consideration of comments received through a public comment process.</li> </ul> <p>The public comment period must offer adequate time for public comment prior to designation of the local workforce development area and provide an opportunity for representatives of interested business, education, and labor organizations to have input into the development of the formation of the local area.</p>
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<p><b>Definitions</b></p>	<p>In addition to the definitions of “performed successfully” and “sustained fiscal integrity” in WIOA, Section 106(e), the following definitions apply for the purpose of determining initial local area designations in accordance with TEGL 27-14, section 5.C.:</p> <p><b>Performed successfully-</b> the local area met or exceeded the levels of performance the Governor negotiated with the local board and chief elected official and the local area has not failed any individual measure for the last two consecutive program years before the enactment of WIOA (per TEGL 27-14)</p> <p>Exceeded- when the actual performance achieved against an individual performance measure is in excess of 100 percent of the negotiated level of performance for the measure (per TEGL 25-13);</p> <p>Met- when the actual performance achieved against an individual performance measure falls in the range of 80 to 100 percent of the negotiated level of performance for the measure (per TEGL 25-13);</p> <p>Failed- when the actual performance achieved against an individual performance measure is less than 80 percent of the negotiated level of performance (per TEGL 25-13).</p> <p><b>Sustained Fiscal Integrity-</b> the Secretary of the US Department of Labor has not made a formal determination that either the grant recipient or the administrative entity of the area misexpended funds due to willful disregard of the requirements of the provision involved, gross negligence, or failure to comply with accepted standards of administration for the two year period preceding the determination (per TEGL 27-14).</p>
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<p><b>Policy</b></p>	<p><b>IDENTIFICATION OF REGIONS</b></p> <p>As noted in WIOA Section 106(a)(1) and (2), the Commonwealth shall identify regions:</p> <p><i>(a) REGIONS.—</i></p> <p><i>(1) IDENTIFICATION.—Before the second full program year after the date of enactment of this Act, in order for a State to receive an allotment under section 127(b) or 132(b) and as part of the process for developing the State plan, a State shall identify regions in the State after consultation with the local boards and chief elected officials in the local areas and consistent with the considerations described in subsection (b)(1)(B).</i></p> <p><i>(2) TYPES OF REGIONS.—For purposes of this Act, the State shall identify—</i></p> <p><i>(A) which regions are comprised of 1 local area that is aligned with the region;</i></p> <p><i>(B) which regions are comprised of 2 or more local areas that are (collectively) aligned with the region (referred to as planning regions, consistent with section 3); and (C) which, of the regions described in subparagraph (B), are interstate areas contained within 2 or more States, and consist of labor market areas, economic development areas, or other appropriate contiguous subareas of those States.</i></p>
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**LOCAL AREAS**

As outlined in WIOA Section 106(b)(1) through (5), the Governor must designate local areas in accordance with the following:

*(b) LOCAL AREAS.—*

*(1) IN GENERAL.—*

*(A) PROCESS.—Except as provided in subsection (d), and consistent with paragraphs (2) and (3), in order for a State to receive an allotment under section 127(b) or 132(b), the Governor of the State shall designate local workforce development areas within the State— (i) through consultation with the State board; and (ii) after consultation with chief elected officials and local boards, and after consideration of comments received through the public comment process as described in section 102(b)(2)(E)(iii)(II).*

*(B) CONSIDERATIONS.—The Governor shall designate local areas (except for those local areas described in paragraphs (2) and (3)) based on considerations consisting of the extent to which the areas—(i) are consistent with labor market areas in the State; (ii) are consistent with regional economic development areas in the State; and (iii) have available the Federal and non-Federal resources necessary to effectively administer activities under subtitle B and other applicable provisions of this Act, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools.*

*(2) INITIAL DESIGNATION.—During the first 2 full program years following the date of enactment of this Act, the Governor shall approve a request for initial designation as a local area from any area that was designated as a local area for purposes of the Workforce Investment Act of 1998 for the 2-year period preceding the date of enactment of this Act, performed successfully, and sustained fiscal integrity.*

*(3) SUBSEQUENT DESIGNATION.—After the period for which a local area is initially designated under paragraph (2), the Governor shall approve a request for subsequent designation as a local area from such local area, if such area—(A) performed successfully;*

*(B) sustained fiscal integrity; and (C) in the case of a local area in a planning region, met the requirements described in subsection (c)(1).*

*(4) DESIGNATION ON RECOMMENDATION OF STATE BOARD. — The Governor may approve a request from any unit of general local government (including a combination of such units) for designation of an area as a local area if the State board determines, based on the considerations described in paragraph (1)(B), and recommends to the Governor, that such area should be so designated.*

*(5) APPEALS.—A unit of general local government (including a combination of such units) or grant recipient that requests but is not granted designation of an area as a local area under paragraph (2) or (3) may submit an appeal to the State board under an appeal process established in the State plan. If the appeal does not result in such a designation, the Secretary of Labor, after receiving a request for review from the unit or grant recipient and on determining that the unit or grant recipient was not accorded procedural rights under the appeals process described in the State plan, as specified in section 102(b)(2)(D)(i)(III), or that the area meets the requirements of paragraph (2) or (3), may require that the area be designated as a local area under such paragraph.*

**Additional OET Guidance/Clarification for Regions and Local Areas:**

In accordance with WIOA, Section 106(b)(4) and TEGL 27-14, change 1, section 2.A., at any time the CLEO and LWDB from any unit of general local government or combination of units may submit a request for designation as a workforce development area. The State Board must determine if the request for a new local area meets the considerations required in WIOA section 106(b)(4) and TEGL 27-14, section 5.B. and recommend to the Governor approval or denial of the request. The Governor may approve or deny the request, after reviewing the State Board's recommendation and the considerations, and notify in writing the CLEO and LWDB.

As authorized by TEGL 27-14, change 1, section 2.B., a Concentrated Employment Program (CEP) grant recipient that requested designation as a local area in accordance with Workforce Investment Act (WIA) section 116(a)(2)(B) and which was designated a local area for the two-year period preceding the date of enactment of WIOA may request designation as a local area under WIOA in accordance with the procedures in 5.C. of TEGL No. 27-14. Any such requests for initial designation are subject to the requirements in WIOA section 106(b)(2) that the CEP local area performed successfully and sustained fiscal integrity.

The process for identification of regions and designation of local areas is as follows:

- For a designation of a local area, request made to Governor.
- Establish Steering Committee;
- Steering Committee develops draft recommendations for consideration;
- DWI completes local input and public comment process on recommendations and any other alternatives;
- Steering Committee considers feedback, federal guidance and finalizes recommendations;
- KWIB reviews the input received and the final recommendations from the Steering Committee;
- KWIB makes recommendation to the Governor on region and local area designations;
- Governor issues Executive Order on regions and local area designation/redesignation; and
- Appeals process is initiated for initial and subsequent designation requests.

The appeal process is outlined as follows:

- 1) A unit or combination of units of local government or a rural concentrated employment program grant recipient that requests but is not granted designation of an area as a local area under WIOA Section 106(b)(2) or (3) by the Governor may submit an appeal to the State Board. 29 U.S.C.A. § 3121(b)(5).
- 2) The appeal shall be filed no later than thirty days after receipt of the denial of designation of an area as a local area by the Governor.
- 3) The appeal shall be conducted pursuant to the administrative hearing requirements

In KRS Chapter 13B.

- 4) A unit or combination of units of local government or a rural concentrated employment program grant recipient that is dissatisfied with the decision of the State Board may request a review by the United States Department of Labor Secretary.
- 5) The request for review shall be filed no later than thirty days after receipt of written notification of the denial from the State Board. The request for review shall be submitted by certified mail, return receipt requested, to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. A copy of the request for review shall be simultaneously provided to the State Board in care of the Executive Director, Kentucky Workforce Investment Board, Education and Workforce Development Cabinet, 500 Mero Street, 3rd Floor, Frankfort, KY 40601 and the Executive Director, Office of Employment and Training, 275 East Main, Frankfort, Kentucky 40621.
- 6) On review, the United States Department of Labor Secretary shall consider whether:
  - a. The unit or grant recipient was not accorded procedural rights under the appeal process set forth in the State plan, or
  - b. The unit or grant recipient meets the requirements for designation as a local area under 29 U.S.C.A. § 3121(a)(2) or (a)(3), as appropriate.
- 7) The request for review shall be conducted in accordance with procedures established by the United States Department of Labor Secretary.
- 8) The United States Department of Labor has confirmed that there is no appeal available regarding determinations under WIOA Section 106(b)(4).

**Process to Date:**

Prior to the issuance of TEG 27-14, the following activities occurred in accordance with a process adopted by the State Board in November 2014 regarding regional and local area designation based on WIOA Section 106.

A Steering Committee was formed including State Board members, state partners, local partners, core programs and stakeholders to consider requests and regions. The Steering Committee utilized the criteria outlined in Section 106 and other relevant factors to make an initial recommendation on regions and local areas for designation and any redesignation.

Once draft recommendations were formed, a meeting with the current CLEOs was held by the Department of Workforce Investment (DWI). Then a series of three regional convenings in the Eastern, Western and Central part of the Commonwealth were conducted by DWI. The three convenings included a LEOs session, a Local Workforce Investment Board (LWIB) members session and a Stakeholders session open to system customers, staff, partners and stakeholders. In addition, the recommendations were posted for public comment at the same time.

After the input sessions were completed by DWI, the Steering Committee met to consider the input received through the multiple forums and insights from State Board WIOA policies

	<p>and made final recommendations.</p> <p>The KWIB will review the Steering Committee recommendations and processes. Determinations by the KWIB will then go to the Governor for review and final action.</p>
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<p><b>Other References</b></p>	<p>Training and Employment Guidance Letter 25-13 Training and Employment Guidance Letter 27-14</p>
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## **Local and Regional Designation Steering Committee Process Overview and Recommendation Summary**

**Background** - The Workforce Innovation and Opportunity Act (WIOA) charges the Governor with the establishment of regions as well as the designation/redesignation of local areas. The process has been highly consultative in nature including input from critical system partners at the state and local levels. Title 1, Chapter 2, Section 106 of WIOA outlines the requirements and process for the determination of regions and local areas including Identification, types, initial designation, subsequent designation, process, considerations, designation of recommendation by the State Board, and appeals.

**Status** - A 16 member Steering Committee was formed including KWIB members, business, state partners, local partners, core programs and stakeholders. The Steering Committee utilized the criteria outlined in Section 106 and other relevant factors to make an initial recommendation on regions and local areas for designation and redesignation.

It was determined based on initial designation requests received by the Governor that six local areas met the initial designation criteria and there was agreement by the Local Elected Officials to maintain their existing local area. Those areas are: Cumberlands, Green River, Lincoln Trail, Northern Kentucky, TENCO and Western Kentucky.

The Steering Committee then asked the staff to prepare local options for the remaining areas and regional options for their consideration based on their guidance regarding data analysis. They discussed three local area options and three regional options as well as had the opportunity to offer any modifications or alternate options. The Steering Committee agreed to put forward two local options and one regional recommendation for initial feedback via Stakeholder Listening Sessions. A written public comment process was also offered and communicated to ensure maximum participation.

The following Stakeholder Listening Sessions were held between January 30 and February 6, 2015 across the Commonwealth:

- one Chief Local Elected Officials (CLEOs) session;
- three Local Elected Official sessions;
- three Local Workforce Investment Board member sessions; and
- three Community Stakeholders sessions open to system customers, staff, partners and stakeholders.

There were 7 CLEOs, 164 attendees at the sessions, with 40 people commenting. In addition, 39 written comments were received through the formal process.

Summary documents were prepared and additional local and regional options were presented to the Steering Committee for their consideration. The Committee reviewed the feedback from the Stakeholder Listening Sessions and public comment and began discussions on a local and regional recommendation at its February 11<sup>th</sup> meeting. The Steering Committee then met on February 24<sup>th</sup> to complete its work. A decision tree was developed to craft the local area recommendation. Then the Steering Committee discussed the two regional options still on the table.

The Steering Committee reviewed the following options for local and regional area designations:

### ***Local Area Designation Options***

- No Change
- LEO Requests
- Commuter Pattern Change
- Employer Stakeholder Request

### ***Regional Options***

- Four Interstate Regions
- Four Intrastate Regions
- Three Intrastate Regions
- Ten Intrastate Regions

**Strategy to Achieve Consensus** - The approach used by the Steering Committee to reach consensus on a local area recommendation was as follows:

- Remind the committee of the requirements outlined in Section 106 of WIOA;
- Review the Local Areas that meet the requirements for initial designation and those that do not;
- Reach consensus on the 2 local areas not under debate (KentuckianaWorks and EKCEP);
- Discuss Barren River/South Central Kentucky Local Area proposals and reach consensus;
- Discuss Bluegrass/Fayette/Employer Stakeholder proposals and reach consensus; and
- Outline recommendations and approved policy to ensure system innovation and transformation outside designation, for example, governance, quality service delivery, and accountability and results.

As for the approach toward a decision on a regional recommendation, the following process was used:

- Remind the committee of the requirements outlined in Section 106 of WIOA;
- Review the Regional Coordination expectations; and
- Discuss the 3 region and 4 region options and reach consensus.

**System Transformation Summary** - The Steering Committee wanted to share the following statements with the KWIB:

- Maintaining geographic boundaries is not an endorsement of the status quo in service delivery;
- Fiscal agent being competitively procured; and
- Communication plan and technical assistance around the distinction between a local area and a region.

**Local Area Summary and Recommendations** - Below captures the Steering Committee discussion and recommendations regarding those areas that did not meet the initial designation criteria and/or where their Local Elected Officials were not in agreement in maintaining the existing local area:

- KentuckianaWorks maintains current configuration
- EKCEP maintains current configuration
- Barren River/South Central Kentucky – vote 9 to 5
  - Pro SCK – broken beyond repair, employer input
  - No SCK – available federal funds, new governance opportunity to work, if eager to make change (LEOs, employers) why not in existing structure, decision not on factors
- Bluegrass/Lexington-Fayette/8 county – 9-5 vote to maintain current configuration
  - Pro existing structure – geography of other options do not work, governance issues can be worked out, economic data and structure supports, LEO consensus
  - No to existing structure – same old structure, auditor’s report, employer sentiment not addressed

Therefore, the Steering Committee recommendation was that all four of the above local areas maintain their current configuration within the context of the system transformation statements above.

**Regional Area Recommendation** - The regional area recommendation was as follows:

- Four Intrastate Regions – vote 13 to 1 configuration (only no vote was a proxy)

# Local Area Option 1 - No Change

## Local Area Option 1 - No Change

- Barren River
- Bluegrass
- Cumberlandands
- EKCEP
- Green River
- Kentuckiana Works
- Lincoln Trail
- Northern Kentucky
- TENCO
- Western Kentucky

