

Regional and Local Designation and Redesignation Steering Committee Meeting

February 24, 2015

2:00 P.M.

Capital Plaza Tower, 3rd Floor Large Conference Room

Attendees

Committee Members: Nick Brake (by phone), Josh Benton (for Erik Dunnigan), Larry Ferguson, Tim Gibbs, Greg Higdon (Co-Chair), Beth Kuhn (Co-Chair), Wendell Lawrence, Malcolm Ratchford, Dana Russell (by phone), Reecie Stagnolia, Diana Taylor, Jeff Whitehead, Steve Wimsatt (by phone)

Staff to Committee: Beth Brinly

Others: Secretary Tom Zawacki, Melissa Aguilar, Rosemary Holbrook, Lori Collins, Elizabeth Hack, Linda Prewitt, Meredith Robinson, Greg Coker

Beth Kuhn welcomed the committee and facilitated introductions. She stated that the purpose of the meeting is to reach a consensus by using the decision tree on Workforce Innovation and Opportunity Act (WIOA) transformation recommendations to the Kentucky Workforce Investment Board (KWIB). She asked the committee to spend a couple of minutes to think about additional recommendations.

A motion to accept the minutes of the February 11 meeting was made by Wendell Lawrence and seconded by Reecie Stagnolia.

Diana Taylor asked where will it be required that the fiscal agent be competitively procured.

Beth Brinly stated that if the Chief Local Elected Official (CLEO) elects to competitively procure a fiscal agent, this action will be stated in the Interlocal Agreement which is the governance document.

A motion was made by Diana Taylor that the committee recommend to the KWIB that the fiscal agent be required to be competitively procured. Seconded by Greg Higdon.

Wendell Lawrence expressed that there has not been any issue concerning the fiscal agent in the previous 20 years.

Jeff Whitehead suggested that competitively procuring a fiscal agent is not the intent of the law. It is the Chief Local Elected Official's option.

Beth Brinly stated that in researching other states' procedures, found where two states had procured fiscal agent.

Diana Taylor inquired as to whether there any prohibition to procuring a fiscal agent.

Beth Brinly responded none.

Beth Kuhn called for a vote on a recommendation to the KWIB to require that the fiscal agent be competitively procured. The vote was six to six to recommend to the KWIB that it be required to

competitively procure the fiscal agent. It was suggested that this process be introduced as a best practice.

Diana Taylor suggested KWIB be informed that a six to six vote was taken by the committee.

Larry Ferguson suggested that a more clear definition of regionalism be shared with the KWIB because of the confusion over the regional vs. local designations during the listening sessions. There needs to be a clear communication strategy showing the distinction between the regional designation options and the local area designation options.

Reecie Stagnolia agreed there should be a comprehensive communication plan and what it means regionally and locally.

Beth Kuhn recommended that the committee review and vote on the designation/redesignation of each local area in play.

Wendell Lawrence made a motion to make the recommendation to the KWIB to retain KentuckianaWorks designation. Seconded by Diana Taylor. Vote taken and motion carried.

Ferguson made a motion to make the recommendation to the KWIB to retain EKCEP designation. Seconded by Greg Higdon. Vote taken and motion carried.

Diana Taylor made a motion to make the recommendation to the KWIB to split the current Barren River Area into two areas. South Central KY consisting of Allen, Logan, Simpson and Warren would be one designation and the remaining six counties would form the second designation. Seconded by Steve Wimsatt.

Beth Brinly asked the committee to evaluate and consider recommendations based on three factors: economic region, local labor market area, and available federal and non-federal funds. These factors would be taken into consideration in an appeal process.

Larry Ferguson asked if the split will result in any unintended consequences? Are we setting a precedent? Is funding adequate? Are administrative funds adequate?

Wendell Lawrence stated that if Barren River splits, they will still have to work together. They cannot run an effective program with limited funding. They should remain intact. Fiscal agent procurement could take care of the governance issue.

Nick Brake said the bottom line is we can't really expect areas with large populations, 60% of population and jobs, to allow smaller counties have a larger say in what goes on. Give the area the opportunity to steer their course and work together to let the second option [split] go through.

Malcolm Ratchford asked if area remains intact, will there be trust to move forward. Do they have enough funds to operate?

Jeff Whitehead agreed with the intent of what has been said. Need to review transformative strategies and corrective action plan and how they can work together and see if the transformation process is

working; if split, the opportunity to implement transformative strategies and corrective actions is taken away. The current designation should be retained.

Tim Gibbs asked how they currently make it.

Beth Brinly mentioned that four counties have raised \$500K and they have stated they will take any county.

Diana Taylor suggested there needs to be the emphasis on the employer buy-in, trust. This is an opportunity to communicate to the employer community that we are responding to request advanced to us. Seize the opportunity for positive change by responding to employer voice.

Dana Russell had discussions concerning labor market information and funding and how they are addressed. These are legitimate needs. What you hear is legitimate. It's time to do something different. Recommend Option 2 [split].

Steve Wimsatt came to the same conclusion as Taylor and Russell. Recommend Option 2 [split].

Reecie Stagnolia asked since the six counties have declined to go with the four requesting the split, do we know the possibility of the six to go with other local areas.

Wendell Lawrence said some counties do not fit in other areas' economic regions.

Josh Benton shared that WIOA has provided a way forward to make changes. Why is Barren River opposed to making changes within their region? WIOA gives opportunity for new governance, board—a new way forward. If split, would be dealing with same issues. This region has a reputation of working together. It will raise new challenges if they split.

Wendell Lawrence suggested that if the six counties were to join other local areas, they are saying there is no leadership issue. Still working across county lines. Split would be for all the wrong reasons.

Diana Taylor indicated that she wished fixing governance could happen, but it is irreparable. There would be continued divisiveness.

Beth Kuhn asked how do we make LMI, economic development and funding argument for split. Will it hold up in an appeal? Two years from now, designation and/or redesignation again.

Vote taken on original motion from Taylor with second by Wimsatt to recommend to the KWIB to split the current Barren River Area into two areas: South Central KY consisting of Allen, Logan, Simpson and Warren would be one designation and the remaining six counties would form the second designation.

Final vote was seven to seven. This resulted in no consensus. The committee was split and it will be reported to the KWIB.

There was a short discussion concerning the three options for the Bluegrass Area.

Wendell Lawrence made a motion to make the recommendation to the KWIB to retain Bluegrass designation in current structure. Seconded by Jeff Whitehead.

Diana Taylor stated it seems like with the auditor's report and strong employer sentiment, we have the opportunity to make change and not keep the status quo.

Josh Benton said it is less about boundaries—more about governance.

Wendell Lawrence mentioned that the economic data points to 17 counties. It would be counterproductive to slice out the major economic city.

Vote taken and motion carried. Vote was nine to five in favor of retaining the Bluegrass Area in current configuration.

The committee reviewed and discussed both the three-region and four-region options.

Larry Ferguson made a motion to make the recommendation to the KWIB to accept the four-region concept. Seconded by Diana Taylor. Vote taken and motion carried. Vote was 13 to 1 in favor of the four-region configuration.

Beth Brinly stated that a document will be put together regarding the recommendations to the KWIB from the committee.

Larry Ferguson made a motion to adjourn. Seconded by Reecie Stagnolia.

DRAFT