



Welcome from Harlan Sands, COO / CFO of University of Louisville

1:30 CALL TO ORDER

--Swearing in of Kentucky Workforce Innovation Board Members--

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

1:35 STRATEGIC PLAN ITEMS / ACTION

Work Ready Community Certifications.....*Dr. Dale Winkler, Associate Commissioner
Office of Career and Technical Education*

Kentucky Career Center Certification.....*David Boggs, Member
Opportunity for Work and Learning*

2:15 PRESENTATION AND DISCUSSION

Partnering for Kentucky’s Economic Prosperity*Dave Adkisson, President & Chief Executive Officer
Kentucky Chamber of Commerce*

*Hugh Haydon, Chairman
Kentucky Bioprocessing, Inc. of Owensboro*

2:55 ADMINISTRATIVE ITEMS / ACTION

Discussion and Action.....*Hugh Haydon, Chairman
Kentucky Bioprocessing, Inc. of Owensboro*

- Rules of Procedure
- Board Authority / Etiquette
- Vice Chair / Executive Committee
- Meeting Schedule
- Lunch and Learns / Monthly Learn and Chat Sessions
- Organizational Structure

3:20 OTHER BUSINESS / DISCUSSION

Workforce Innovation and Opportunity Act Policy Update.....*Beth Kuhn, Commissioner
Department of Workforce Investment*

Legislative Updates.....*Thomas O. Zawacki, Secretary and Member
Education and Workforce Development Cabinet*

3:30 ADJOURNMENT

**DR. NEVILLE PINTO: EXPLANATION OF FIRSTBUILD
TOUR TO IMMEDIATELY FOLLOW WITH TRANSPORTATION PROVIDED**

MEMBERS PRESENT: Mike Bartlett for Governor Steven Beshear, Donna Davis for Dr. Jay Box, Rick Christman, Representative Larry Clark, James Cole, Roxann Fry, Hugh Haydon, Shirie Hawkins, Secretary Larry Hayes, Dr. Dale Winkler for Dr. Holliday, Reecie Stagnolia for Dr. King, Commissioner Beth Kuhn, Heidi Margulis, Pat Murphy, Dr. Lara Needham, Kelly Nuckols, Scott Pierce, Secretary Larry Roberts, Kevin Shurn, , Daryl Smith, George Steele, Lindy Casebier for Secretary Bob Stewart, Richard Wilson and Secretary Tom Zawacki

STAFF PRESENT: Melissa A. Aguilar, Terri Bradshaw, Deputy Secretary Beth Brinly, Robert Curry, Pat Dudgeon, Jason Dunn, Allison Flanagan, Ben Haydon, Lora Hawkins, Ryan Henson, Buddy Hoskinson, Jacqueline Korengel, Joanna Nuebert, Audra Perkins, Connie Schnell, Jane Smith, Kelly Thomas and Vickie Wade

CALL TO ORDER

Hugh Haydon, Chair, called the meeting to order at 1:30 p.m. and announced that the meeting would be the last regular meeting of the KWIB.

Minutes of Mar. 2, 2015 KWIB Meeting

ACTION: A motion was made by Secretary Roberts to approve the Mar. 2, 2015 minutes. Heidi Margulis 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 April 14th 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 review panel recommends that the Kentucky Workforce Investment Board certifies Boyd, Carroll, Greenup, Knott and Lawrence Counties as Work Ready in Progress and Hopkins County be approved to move from Work Ready in Progress to Work Ready and that Montgomery County be granted a one-year extension to their Work Ready in Progress status based on the applications submitted. Hopkins County may promote themselves as a Work Ready Community and Boyd, Carroll, Greenup, Knott and Lawrence Counties may promote themselves as Work Ready Communities in Progress with all the privileges and responsibilities listed in the individual certifications.

ACTION: Based on the recommendation of the review panel, Roxann Fry motioned that Hopkins County be certified as a Work Ready Community, that Boyd, Carroll, Greenup, Knott and Lawrence Counties be certified as Work Ready Communities in Progress, and that Montgomery County be granted a one-year extension on their Work Ready in Progress status. Kelly Nuckols seconded. Motion carried.

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

STRATEGIC PLAN ITEMS

Career Center Certification

Commissioner Beth Kuhn introduced and welcomed Jason Dunn who became the Director of OET as of May 1st, and then she presented the following Career Center Certifications/Recognitions:

- Lincoln Trail Workforce Investment Board
 - Elizabethtown – Comprehensive
 - Bardstown - Affiliate

- Barren River Workforce Investment Board
 - Bowling Green – Comprehensive
 - Glasgow – Comprehensive
- West Kentucky Workforce Investment Board
 - Paducah – Comprehensive

To meet WIOA requirements, every local area must have at least one certified center by July 1st. The good news is that Green River, Kentuckiana and Northern Kentucky are making great progress towards certification. Career center certification was a KWIB initiative long before it was a WIOA requirement.

Kentucky Apprenticeship Initiative

Secretary Roberts reported on the Apprenticeship Program. The Kentucky Labor Cabinet submitted a grant application on April 29th to the US DOL for five million dollars. The grant allows for employer incentives of \$1,000 for starting a new program and \$500 per apprentice who completes employment probationary period, is a member of an underserved population or completes the program. Special thanks go to Secretary Zawacki, Secretary Larry Hayes, Dr. Jay Box and their staff.

PRESENTATION

TechHire is a Whitehouse-sponsored program to bring local governments and employers together to sponsor online training, boot camps, college courses etc. in technology fields. There are half a million tech jobs open across the nation.

Kentuckiana and Eastern KY are among 21 communities across the nation participating in the program, and Eastern KY is one of only two of rural communities in the program.

Michael Gritton, Director of Greater Louisville, reported on Code Louisville which is an accelerated training program in coding. The Louisville public library bought a license from Treehouse which is a company in Portland Oregon that provides online curriculum for computer coding. Anyone with a library card can access the curriculum for free. In order to help individuals be more successful with their online training, Code Louisville marries online classes with weekly meet-ups of 12-14 people with mentors from tech companies in Louisville.

Jeff Whitehead, Director of EKCEP, presented on EKCEP's TechHire programs which are in the beginning stages. They partnered with entrepreneurs in Pikeville on a program to train coal miners in computer coding. EKCEP helped to advertise the program and had 900 applicants. The number was narrowed down to ten, and EKCEP paid their 40 hour a week wages until they completed the program. In March, they convened a meeting with two companies—Expansion out of Nebraska and Workforce Inc. out of Atlanta—who are successfully outsourcing IT jobs. They are also working with President Box of KCTCS to develop a regional strategy to produce accelerated IT training which will begin in high school. In addition, there is a new business starting in Pikeville called Bit Source which plans to train coal miners to code for websites, mobile apps. etc.

ITEMS FOR ACTION / DISCUSSION

Perkins Committee Recommendation

Dr. Dale Winkler gave a brief overview of Perkins Funds and how they are to be used based on the law. Then he presented the Perkins Fund Committee's recommendation for fiscal year 2016. This year, Kentucky received 17.9 million dollars in Perkins funds to promote the development of career and technical education. Eighty-five percent of the money is given directly back to technical education programs and ten percent is allocated at the state level for leadership activities. Allocations for the ten percent are determined/approved by the KWIB and

include assessing career and tech ed. programs, expanding the use of technology in career and tech ed., funding professional development programs, etc. Board members received a document detailing the committee's meetings and recommendation of allocations by the categories specified in the law.

ACTION: Dr. Dale Winkler motioned to accept the Perkins Committee recommendation. Representative Larry Clark seconded. Motion carried.

WIOA System Transformation

Commissioner Kuhn, co-chair of the steering committee, reported on the WIOA system transformation and Deputy Secretary Beth Brinly reported on the regional and local area designation policy up for adoption and the steering committee's recommendation.

- Update on Interlocal Agreements:
 - Must be in place by July 1, 2015
 - 4 of 10 have submitted drafts
 - Must be approved by the Dept. of Local Governance
 - Education and Workforce Development Cabinet is providing assistance through review
 - There are transition funds available to assist local areas
- Regional Identification and Local Area Designation Policy
 - Outlines specific definitions for "perform successfully" and "sustains fiscal integrity"
 - Reinforces the identification of regions and local areas
 - Outlines the consultation, public communication and comment process
 - Outlines the appeals process
 - Steering Committee wished to reiterate the following:
 - Although they're recommending the maintenance of geographic boundaries, they're not endorsing the status quo in terms of service delivery.
 - The fiscal agent should be procured competitively.
 - There should be a communication plan and technical assistance approach towards the difference between local areas and regions.

ACTION: Motion was made by Commissioner Beth Kuhn for the KWIB to adopt the policy as described by Deputy Secretary Brinly. Representative Larry Clark seconded the motion. Motion carried.

KWIB Local and Regional Designation

Final Regional and Local Area Designation Steering Committee Report and Recommendation

Areas meeting the criteria of being in place two years prior to the law, performed successfully and had fiscal integrity were allowed to remain the same if all local elected officials agreed to do so. Six of the eight areas meeting those criteria decided to remain the same.

- 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 as follows:
 - Cumberlands
 - Green River
 - Lincoln Trail
 - Northern Kentucky
 - TENCO
 - Western Kentucky

- Upon application of the criteria, factors, consultations and public comment, the following local areas that did not meet the initial designation criteria and/or where their Local Elected Officials were not in agreement also maintain their current local area configuration:
 - KentuckianaWorks
 - EKCEP
 - Barren River
 - Bluegrass

The steering committee was strongly in favor of a three-region design, but after input from the community, decided upon a four-region design.

- Upon application of the criteria, factors, consultations and public comment, the regional area recommendation is four intrastate regions:
 - Central comprised of Bluegrass, KentuckianaWorks, Lincoln Trail, and Northern Kentucky
 - East comprised of EKCEP and TENCO
 - South comprised of Barren River and Cumberlands
 - West comprised of Green River and Western Kentucky

ACTION: The following motion was made by Commissioner Beth Kuhn: As co-chair of the Local and Regional Designation Steering Committee, I make the motion that the Kentucky Workforce Investment Board receives and accepts the following recommendations of the Local and Regional Designation Steering Committee which were based on the criteria outlined in WIOA Section 106 and other relevant factors. Representative Larry Clark seconded the motion. Motion carried.

OTHER BUSINESS

Closing Comments

In light of the reconfiguration of the board, Secretary Zawacki thanked board members for their service and encouraged those who may not be on the new board to continue to be involved in workforce issues.

ADJOURNMENT

ACTION: At 2:55 p.m., with no further business, Hugh Haydon motioned that the meeting be adjourned. Scott Pierce seconded. Motion carried.

Kentucky Work Ready Communities Certification

Summary

What is the Kentucky Work Ready Communities Certification?

A Kentucky Work Ready Community certification is a measure of a county's workforce quality. It is an assurance to business and industry that the community is committed to providing the highly-skilled workforce required in today's competitive global economy. There are two levels of certification – counties can apply to be a Kentucky Work Ready Community or a Kentucky Work Ready Community in Progress. Most counties will apply for Kentucky Work Ready Community in Progress status (with detailed plans for improvement for any unmet criteria). A Kentucky Work Ready Community in Progress certification is an indication to employers that your county is on the move and that you are motivated to improve your workforce. If this status can be achieved, it becomes a framework to get your workforce to the next level.

The Kentucky Work Ready Community Steering Committee, which consists of representatives from all major stakeholders in the project (including employers, education, workforce development, economic development and more) worked to define the criteria initially. Further guidance was received by business and industry --- their input drove the final selections. As a result of this approach, Kentucky's program is the most comprehensive and innovative Work Ready program in the U.S.

Why is it Important?

The Kentucky Work Ready Community certification process has the ability to transform a community. It encourages counties to take a credible inventory of the current and future workforce, identify the gaps and carry out strategies to achieve a more knowledgeable, trained workforce. If Kentucky businesses are going to compete in a global environment, we need to have a workforce that is highly skilled and ready to go to work. The quicker we can create the best workforce, the quicker we can differentiate our state to attract and grow jobs.

What Role does the KWIB have in the certification?

The Kentucky Workforce Innovation Board is responsible for oversight of the certification process. They determine the baseline standards that counties must achieve for certification and they have final approval on granting Kentucky Work Ready Community or Kentucky Work Ready Community in Progress status on behalf of the Governor.



Statewide Performance

Counties

Kentucky Work Ready Community	18	15%
Kentucky Work Ready Community in Progress	38	32%
Letter of Intent Received	32	27%
Formative Stage	28	23%
Unengaged	4	3%
Total	120	100%

workready.ky.gov



KENTUCKY CAREER CENTER CERTIFICATION SUMMARY

WHAT IS CAREER CENTER CERTIFICATION?

- The Career Center Certification initiative is part of the KWIB's WorkSmart Kentucky 2010 Strategic Plan. It was developed in response to a challenge by Governor Steve Beshear to transform the state's workforce development system from one which managed prescribed federal programs to one which develops solutions based on demand and guided by the needs of business and industry.
- The purpose of Career Center Certification is to position Kentucky's workforce for success in a global economy by establishing standards to foster innovation and continuous improvement:
 - Consistent, high quality services to employers and job seekers
 - User-friendly, customer-focused services
 - Strategic alignment with education and economic development
 - Accountability for services and results
 - Maximization of all workforce development resources

WHY IS IT IMPORTANT?

- The Workforce Investment Act (WIA) began a drive toward transformation of our nation's workforce system in order to maintain its competitive edge in a global economy. It established standards of services that are key components of Career Center certification.
- The Workforce Innovation and Opportunity Act (WIOA) of 2014 reinforced the need to establish a new brand identity and standards to ensure consistency of services throughout the workforce system. The Act supports several standards for Career Center Certification, such as integrated intake, assessment, case management and co-location of services throughout the legislation.
- Per WIOA, certification of Career Centers is required in order to be eligible for infrastructure funding. The legislation requires all workforce areas to have at least one full-service center certified by July 1, 2015. All remaining centers (full-service and affiliate) must be certified by July 1, 2016. Recertification is required every three years.

WHAT ROLE DOES KWIB HAVE IN KENTUCKY CAREER CENTER CERTIFICATION?

- The KWIB is responsible for oversight of the certification process. It is also responsible for establishing the policy framework to serve as the baseline standards for certification of Kentucky Career Centers.

WHERE CAN I FIND THE STANDARDS AND MEASURES CURRENTLY ESTABLISHED FOR KENTUCKY CAREER CENTER CERTIFICATION?

- The standards and measures are detailed on the Application/Review Forms, which are available along with other documents relevant to the Career Center Certification process at the following link: <http://www.kwib.ky.gov/careercentercertification.htm>

**KENTUCKY CAREER CENTER CERTIFICATION RECOMMENDATION:
CLARIFICATION OF MEASURE REGARDING OPERATING HOURS FOR AFFILIATE
CENTERS**

Presented to the KWIB for consideration on August 20, 2015

Current Standard:

Affiliate Centers must operate on a full-time basis to be eligible for certification.

Background:

The original standards required Affiliate Centers to operate on a full-time basis. However, the overall expectation was that there must be flexibility due to the realities of providing services in remote areas with limited resources. Some Affiliate Centers have operating hours that are less than full time, but the hours are appropriate for the determined need in their local areas.

The main concern regarding removal of the full-time requirement was that it would dilute the effectiveness of the services available at the Affiliate Centers. However, the majority of the team felt confident that the effort the Center staff will need to invest in order to meet the remainder of the standards and measures will prevent that from happening. However, they did agree that some clarification regarding staffing expectations should be added to the standards and measures to ensure that there is sufficient staffing available in these Centers to contribute to that effort.

Recommendation:

Revise the Affiliate Center standards to remove the full-time operating hours requirement as a certification measure and amend the Affiliate Center Application/Review Form, Career Center Management section, Standard 1, measure g to read as follows: "Centers have flexible scheduling and work hours, as appropriate, to accommodate the needs of job seekers, including employed job seekers and employers. To the greatest extent possible, at least 2 of the 5 partners (funded programs, OET, OVR, OFB, WIA) maintain a schedule at the Center during operating hours."

workforce
government
infrastructure
jobs



4 Pillars Prosperity

Creating a Kentucky
Culture of Competitiveness



Kentucky Chamber
Uniting Business. Advancing Kentucky.



Kentucky Chamber

Uniting Business. Advancing Kentucky.

Contents

- 1 Executive Summary
- 4 Introduction
- 5 What Do the Numbers Say?
- 9 What Do the Rankings Say?
- 10 Trends Affecting Kentucky
- 14 What the Business Community Thinks
- 16 Four Pillars for Prosperity
- 17 The Building Blocks
- 19 Measuring Progress

Executive Summary

Can Kentucky create a culture of competitiveness that brightens the future for all of its citizens? Achieving that goal will require leaders that are informed and committed; citizens that are healthier, less dependent, more skilled and better educated; and businesses that are globally engaged, finding the talent they need and working collaboratively with elected leaders to increase success. We must all make a commitment to competing to win, not just maintaining our current position. Easy? No. Possible? Yes. Necessary? We believe, absolutely.

This report from the Kentucky Chamber of Commerce sets forth a vision for the Commonwealth that will build toward prosperity on the community and state-wide levels. It suggests a new focus on the issues that influence our economy and on the actions that will chart a path toward success.



4 Pillars Prosperity

Establishing a framework

To establish a framework for the vision, the report details:

- ◆ Kentucky's current and recent economic performance, including strengths and weaknesses
- ◆ The economic, workforce and technology trends affecting Kentucky
- ◆ The perspective of the business community on the issues in need of immediate attention, those that most affect their ability to be successful and whether the education and workforce systems are effectively aligned

The vision rests on four pillars:

Workforce: **A Healthy, Skilled Workforce**

To create a globally competitive talent development system that produces a healthy and skilled workforce, benchmarked against the best education and workforce preparation systems in the world

Government: **Sustainable State Government**

To create and sustain a state government that is financially stable and creates a competitive environment for economic growth

Infrastructure: **21st Century Infrastructure**

To create and maintain a modern infrastructure to capitalize on the state's strategic advantages and to advance its energy agenda

Jobs: **Aggressive Job Creation**

To create and implement a customized economic development program that recognizes the potential of Kentucky's distinct regions and industry sectors and encourages and rewards entrepreneurship and innovation

The pillars, in turn, encompass more than 50 building blocks that represent the specific progress points Kentucky must achieve to ensure a strong and prosperous future.



What will progress look like?

To gauge Kentucky's performance in building the pillars for prosperity, the Kentucky Chamber will monitor key indicators, make them available 24/7 through an online dashboard, and report regularly on the findings.

- ◆ Increased employment growth at a rate higher than the national average
- ◆ Increased education attainment levels
- ◆ Improved state rankings for businesses and competitiveness
- ◆ Per capita income growth higher than the national average
- ◆ Improved health rankings
- ◆ Gross State Product per capita growth at a rate higher than the national average
- ◆ Increased state exports per capita relative to the national average
- ◆ More postsecondary degrees and certificates
- ◆ Lower state poverty rate
- ◆ Decreased state debt per capita
- ◆ Improved state pension funding position
- ◆ Improved condition of state's physical infrastructure
- ◆ Increased availability of broadband
- ◆ Sustained low energy costs

Our hope is that someday soon leaders in Kentucky will value economic competitiveness the same way they value competitiveness in basketball. We want our leaders to plan for future years of sustainability with the same enthusiasm as when we anticipate a young colt, an aged bourbon or spring. We want to change the culture and the opportunities for every citizen in our state. To do that we offer *Four Pillars for Prosperity: Creating a Kentucky Culture of Competitiveness*.

Introduction



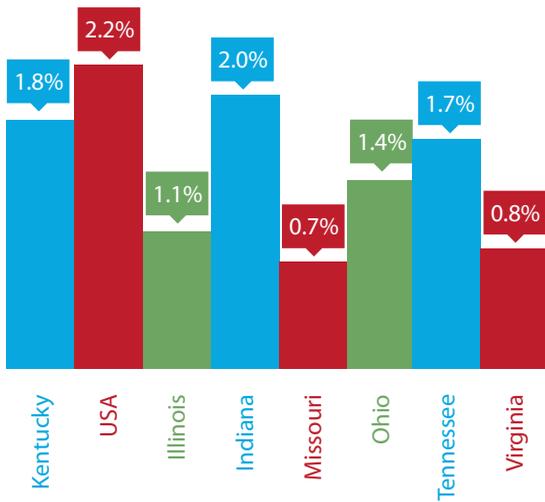
KENTUCKY AND THE UNITED STATES have experienced unprecedented change and significant economic challenges over the past 15 years. Transformational forces such as globalization and urbanization, fueled by technological advancements, have reshaped the foundations of competitiveness for places and people. The Great Recession reset our view of success, and the subsequent recovery has been uneven, leaving citizens and communities with no clear path to future prosperity. If we want better, and the members of the Kentucky Chamber of Commerce do, we have to engage more Kentuckians to push together toward common goals.

Kentucky enjoys a strong cultural identity, with a mix of Southern, Midwestern and Appalachian influences, that is framed by history, regional diversity and a strong sense of place. We all take great pride in where we have been and celebrate our successes. Yet, around kitchen tables and boardroom tables the future is less clear, and, often, less hopeful. How can communities keep and attract young people? What skills are needed for a good job? Can our leaders collaborate and get things done to make our lives better? How can Kentucky compete globally for jobs and investments?

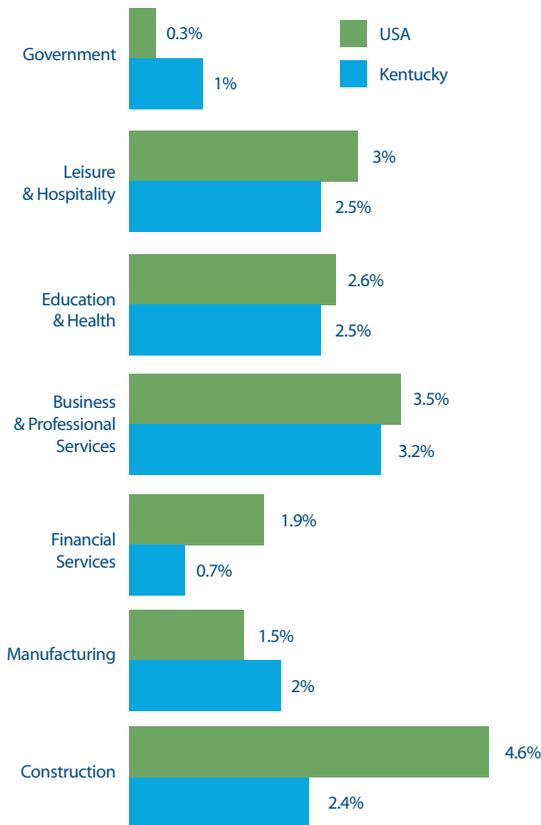
Simply, how can we create a culture of competitiveness that brightens the future for all Kentuckians? We cannot, unless our leaders are informed and aligned. We cannot, unless our citizens are healthier, less dependent, more skilled and better educated. We cannot, unless our businesses are globally engaged, finding the talent they need and working collaboratively with elected leaders to increase success. We can, if we chart a path toward a more competitive Kentucky, if we focus on the issues that influence our economy and if, together, we all make a commitment to competing to win – not just maintaining our current position. Easy? No. Possible? Yes. Necessary? We believe, absolutely.

What do the numbers say?

One Year Employment Change, April 2014-15



One Year Employment Change by Sector, April 2014-15



Source: Bureau of Labor Statistics, June 2015

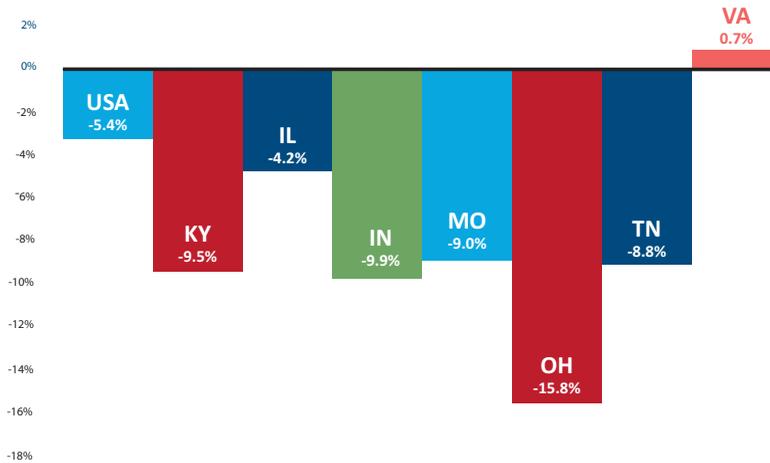


The need for a new focus

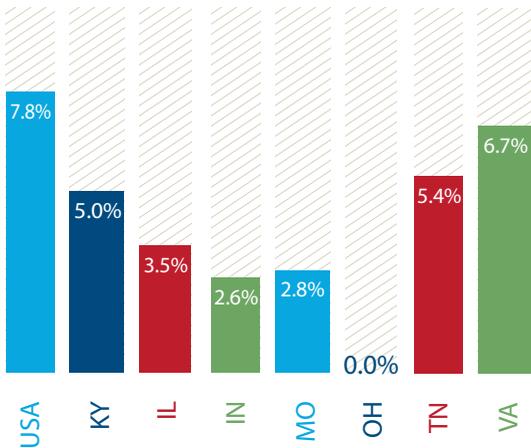
To evaluate the need for a new focus, the first step is to examine current and recent economic performance to decide if we are satisfied with the results.

Over the past year Kentucky jobs have grown by 1.8% compared to 2.2% growth for the United States. Kentucky's recent performance looks good when compared to its neighbors, but lags behind leading states. Kentucky's employment growth is uneven, with strong growth in manufacturing, but slower than national growth in many other sectors.

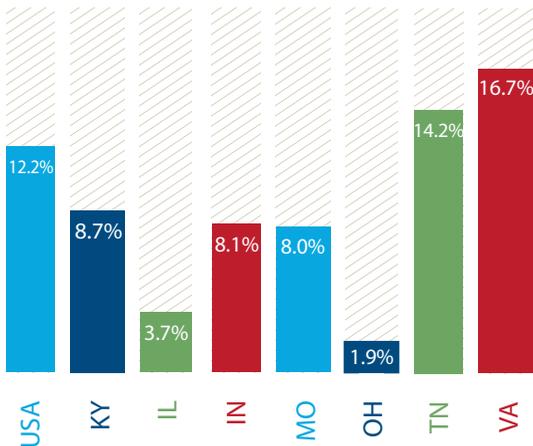
Real Change in Median Household Income, 2004-2013



Employment Growth, 2004-2013



Population Growth, 2000-2013



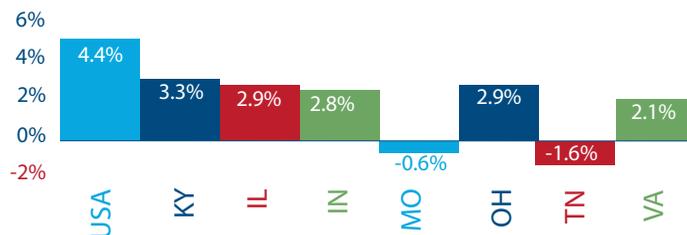
Source: Bureau of Labor Statistics, June 2015

Economic performance

A longer view of economic performance reveals some strengths and obvious weaknesses. Both population and employment growth in Kentucky has been stronger than its Midwestern neighboring states but remains slower than the national growth rate and the growth of its Southern neighbors.

Kentucky's Real Gross Domestic Product grew faster than all of the neighboring states' but was below the national average. The losses in Real Median Household Income were almost universal. It is easy to understand why many Kentucky families still feel the impact of the recession.

Real GDP Per Capita, 2004-2013



Source: Bureau of Labor Statistics, June 2011

Employment & Wage Growth in Kentucky's Nine Economic Regions

Kentucky

Employment Growth 7.5%
Wage Growth 23.8%

Louisville

Employment Growth 10.1%
Wage Growth 27.4%

Northern Kentucky

Employment Growth 7.5%
Wage Growth 32.3%

Ashland

Employment Growth -3.6%
Wage Growth 12.8%

Owensboro-Henderson

Employment Growth 5.9%
Wage Growth 25.8%

Paducah-Purchase

Employment Growth 2.7%
Wage Growth 22.2%

Lexington

Employment Growth 10.6%
Wage Growth 24.4%

Bowling Green-Hopkinsville

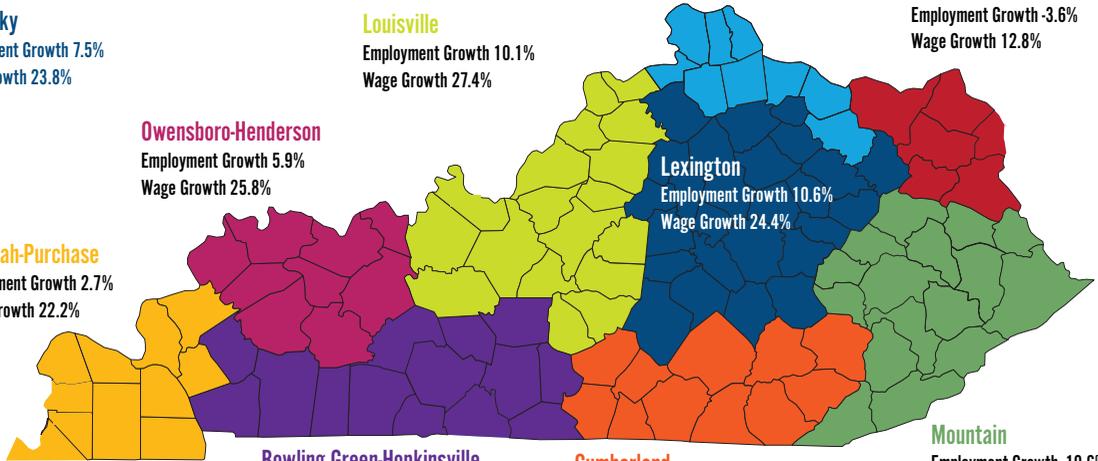
Employment Growth 9.7%
Wage Growth 22.9%

Cumberland

Employment Growth 0.9%
Wage Growth 13.2%

Mountain

Employment Growth -10.6%
Wage Growth -9.9%



Kentucky's Nine Regions

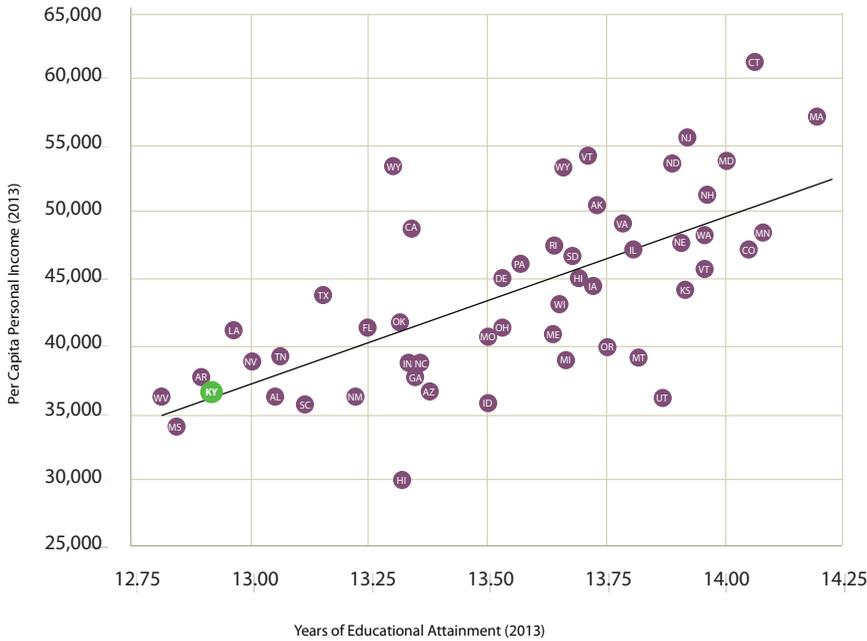
The economic performance of Kentucky's nine regions shows even more mixed results. In his June 2015 economic report for the Kentucky Chamber, economist Paul Coomes looked at how each of Kentucky's regions had recovered since the bottom of the last recession in terms of both employment and wages/salary. Eastern regions of the state have the poorest performance with the Mountain region still suffering severe job and wage losses. All regions continue to lag the United States in terms of average pay per job.

Kentucky vs. the National Average



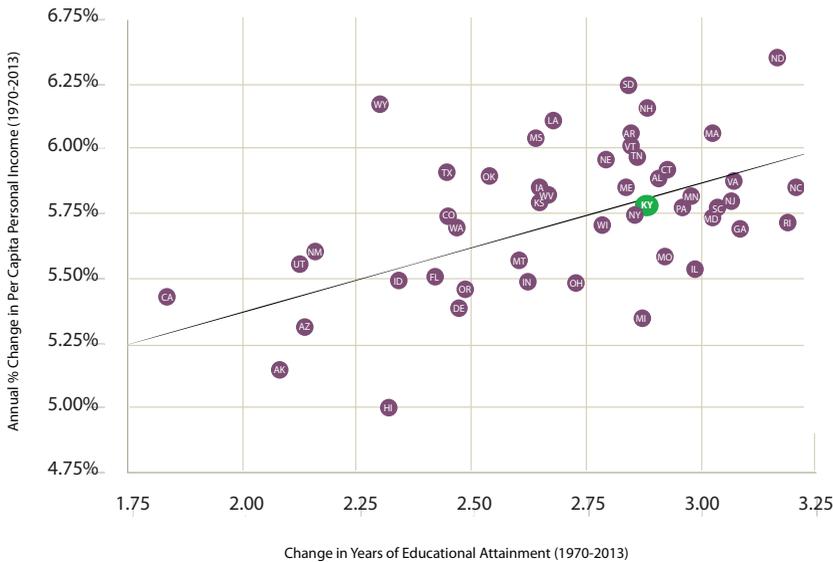
Per Capita Gross Domestic Product (2013)	\$49,115	\$38,830
Per Capita Personal Income (2013)	\$44,765	\$36,214
Average Annual Wage (2013)	\$49,808	\$40,793
Change in Real Productivity (2004-2013)	+4.5%	+4.3%
Change in Real Wages (2004-2013)	+2.6%	-0.3%
Total Goods Exports Per Capita (2013)	\$4,994	\$5,753

Income vs. Level of Education, 2013



Years of Educational Attainment (2013)
 (Source: "Small Differences in Education Drive Large Income Gaps Among States," by Mark Snead, President and Economist at Region Track, Inc.)

Income Growth vs. Education Gains, 1970-2013



(Source: "Small Differences in Education Drive Large Income Gaps Among States," by Mark Snead, President and Economist at Region Track, Inc.)

Income vs. education level

In today's economy, educational attainment and economic prosperity are inextricably linked. As the chart to the left shows, Kentucky continues to struggle in the lower left corner among the poorest states in income and in relative educational attainment (with about 12.9 average years of education).

However, this chart, measuring economic growth for the past 40-plus years, shows that Kentucky is in the middle of the pack in the rate of growth of per capita income (with about as many states above Kentucky as below) and in the growth of average educational attainment. Kentucky's increase of about 2.8 years per adult puts it closer to the top third of all states.

What do the rankings say?



How we see ourselves is important, but how Kentucky is viewed by outside decision makers will determine whether the state can attract new investments and jobs. Some national rankings have characterized Kentucky as less competitive than we would prefer. Two publications that base their rankings on specific categories are Forbes and CNBC. In its latest Best States for Business, Forbes ranked Kentucky 33rd among the states, with good marks for business costs (#14) and a middling ranking (#24) for regulatory environment. Kentucky earned low rankings for labor supply (#46) and quality of life (#34).

In CNBC's America's Top States for Business, Kentucky ranked 39th overall. Although ranked No. 1 for the lowest cost of living, the state scored among the bottom half of states in most categories, including 47th in access to capital, 46th in economy, and 42nd in quality of life.

The American Legislative Exchange Council's 2015 Rich States, Poor States ranks Kentucky 27th in economic performance and 30th in economic outlook. Site Selection Magazine looked at actual performance for new plant locations and firm activity and ranked Kentucky a solid 8th best. The state also was awarded Site Selection's Governor's Cup award for its first-place national ranking in new and

expanded industry activity per capita in 2014.

Two areas where Kentucky continuously scores low are health and the fiscal sustainability of state government. In the 2013 report, State of Kentucky Well-Being by Gallup, Kentucky scored 49th in overall well-being. The state scored 49th in emotional health, 49th in life evaluation, 49th in physical health and 49th in healthy behaviors. Only work environment scored better than 40th, ranking 25th.

The health of Kentucky citizens remains a huge competitive disadvantage.

Kentucky continues to be plagued by the unfunded liabilities – totaling tens of billions

of dollars – of its public employee pension systems. A 2014 estimate put the Kentucky Employee Retirement System's unfunded liability at 79%, with funding available to meet 21% of the future obligations to retirees. The Kentucky Teachers Retirement System, meanwhile, estimates it will need as much as \$400 million per year in additional funding to make up for underfunding in the past and ensure the fiscal viability of the system. This debt level has led national bond rating services to downgrade Kentucky – meaning higher costs for bond-financed projects.

Although ranked No. 1 for the lowest cost of living, the state scored among the bottom half of states in most categories.

Trends Affecting Kentucky



The most predictable constant in today's economic reality is accelerating change. Charting a path forward requires looking around the corner and preparing for what is next. As the often quoted line from Wayne Gretzky goes, "skating not to where the puck is, but where it will be." To see that future, we start by examining the trends that are reshaping the world in which we compete.

The United States has been rapidly urbanizing for more than a century. Today more than 90% of the country's GDP and 86% of the jobs are located in urban areas, with most growth happening in larger communities that offer new 21st century infrastructure such as commercial airports, large research universities and hospitals. This trend has a significant impact on us due to Kentucky's relatively high percentage of rural and small town residents. It also necessitates a nuanced approach to economic development that recognizes regional differences in both strengths and needs.

Educated workers, especially younger workers, seem to be even more attracted to an urban lifestyle. Census data shows that the larger the metropolitan area, the faster the growth in recent years.

According to Joe Cortright, an economist with the regional economy firm Impresa, "about 25 percent more young college graduates live in major metropolitan areas

today than in 2000, which is double the percentage increase in cities' total population." These choices ripple through and strengthen the urban economy. Enrico Moretti, an economist at the University of California, Berkeley, and author of *The New Geography of Jobs*, stated "For every college graduate who takes a job in an innovation industry, five additional jobs are eventually created in that city, such as for waiters, carpenters, doctors, architects and teachers." For Kentucky cities to compete for talent they must invest in downtown quality and also in the infrastructure that young talent demands.

Growth sectors continue to change. Now, five years into the rebound from the Great Recession, jobs are being generated at the best rate since the 1990s, and wages have begun to show some positive signs. But recovery has been slow and uneven. Over the past 20 years, manufacturing jobs, the foundation for many communities, have been reduced by globalization. Automation and efficiencies have also eliminated the need for many production workers. Although there is a constant drumbeat about the loss in manufacturing in the United States, the manufacturing share of national GDP has remained constant for decades, while the number of workers needed in that industry has dropped significantly.

Most experts do not expect significant manufacturing

job growth in the coming years, but this will not mean that manufacturing will be less important for Kentucky. Kentucky's challenge will be to successfully compete for emerging advanced industries. Brookings, in its 2015 report, America's Advanced Industries, concluded that, "Advanced industries tend to cluster in large metropolitan areas. Looking across the country, the 100 largest metro areas contain 70% of all U.S. advanced industry jobs." Smaller areas that have significant advanced industry jobs typically fall into two categories: places with major research universities or smaller communities that are the founding home of a major supplier. Kentucky's ability to provide highly skilled workers and connections to higher education expertise and innovations will determine success.

Today, a dense concentration of skilled labor is often the deciding factor in business locations and expansions. Finding workers with the right skills is one of businesses' top priorities. The talent bar—what is needed to be successful at any job—is rising. Having citizens with the right skills is a prerequisite for most places to successfully compete. Smaller communities with limited concentrations of talent and states with lower skill and educational levels are at a clear competitive disadvantage.

Nationally, job growth since the end of the recession has been concentrated in lower wage service sectors such as food preparation, administration and sales, and in highly skilled, highly educated sectors such as business, scientific and professional services. Currently there are too few people with the specific skills that are in high demand, creating a market that favors the employee and drives up the costs of finding highly qualified labor and the wages of those hired. At the same time, too many people with limited (or in low demand) skills are creating a market that favors the employer, stagnating the wages paid to low skilled labor and increasing the skill level of those that actually get hired. For many Kentuckians, life-long skill upgrades will be needed to increase their wages and standards of living.

The types of skills needed and the types of jobs being

Top factors for companies considering new investment

1. Highway accessibility
2. Occupancy or construction costs
3. Available land
4. Available buildings
5. Availability of skilled labor
6. Labor costs
7. Right-to-work state
8. Proximity to major markets
9. Energy availability & costs
10. Corporate tax rate
11. Tax exemptions
12. State & local incentives

Source: Area Development 29th Annual Survey of Corporate Executives, March 2015

created are different from what they were in the past, and they will be different in the future. A recent Bureau of Labor Statistics report concluded that, despite millions of people unemployed in America, businesses had millions of job openings, with 50% saying that they cannot find the talent they need.

Everyone is frustrated by the mismatch between available workers in need of work and employers who cannot find the skills they need to compete. Without expanding economic opportunity it is almost impossible to find good jobs. But even with a growing job base, some

citizens still struggle. For Kentucky a robust education and worker training system that is responsive to business needs can address many problems.

This will require a focus on the demand side of worker training. By focusing on the demands of business, this approach allows citizens and service providers to understand the opportunities that exist for current and future employment and what specific skills are necessary to take advantage of those opportunities. Some of the components of a demand approach include:

- An education system where curriculum is informed by business and where the graduates possess the skills and knowledge needed to successfully obtain in-demand employment
- Flexible training opportunities, widely available to citizens throughout their work life
- Structured linkages among employers, unions, educators, government, non-governmental organizations and individual citizens in the labor market to improve the content and delivery of skills
- Broad, promoted access to real-time labor market information
- Rethinking credentialing to certify and quantify skills mastery gained throughout life

Another trend is the corporate outsourcing of labor, but not necessarily overseas. The United States is experiencing rapid growth in the “free-agent” workforce. Sometimes referred to as freelancers, contractors, consultants or contingent workers, temporary workers have always been used to modulate the needs of business. But this growth is different. According to Workforce Software Inc., “sputtering global economies and tight labor markets have recently led to a dramatic increase in the number of individuals classified as ‘temp workers.’ Since 2009, for example, the United States temp services sector has been growing at a rate five times faster than that of other industries.”

Observable technological trends are affecting every facet of the economy and society. Robotics,



“1 in 3 Americans, or roughly 42 million people, are now freelancers, according to the Freelancers Union that tracks this demographic. That’s one-third of the U.S. workforce.”

Source: Elaine Pofeldt, CNBC.com

the Internet of everything, 3-D printing, drones and wearable technology are redefining corporate activities daily. Each offers new methods, current job displacement, new job opportunities and consumer choice and control. Chamber leaders from health, financial service, education and personal services can easily recount how their companies are being transformed.

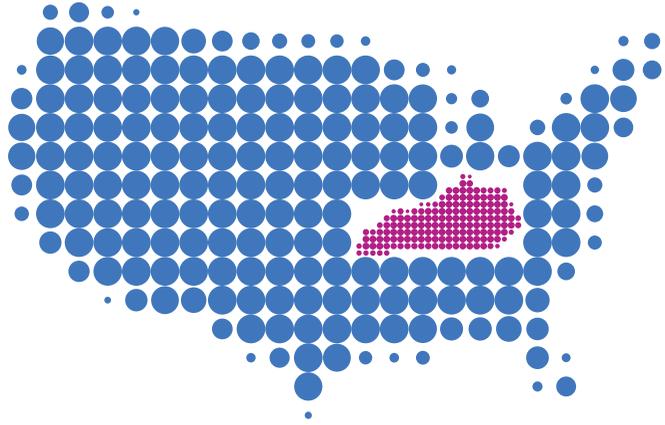
Electronic medicine is exploding. Health care in rural Kentucky is changing rapidly with remote, robotic surgery becoming more common. In the near future

tele-diagnostics and telemedicine will be available to any home with Internet access. Robotic home health aides are beginning to be deployed. The impact on rural Kentucky health care and especially rural hospitals is projected to be dramatic.

Crowd-capitalization is emerging across many platforms. Crowdfunding is “the practice of funding a project or venture by raising monetary contributions from a large number of people, typically via the Internet.” As this becomes mainstream it eliminates the need for some types of local financing and might reverse the problems that were created in micropolitan regions as banks consolidated and took lending decisions to larger metro areas.

Education and skill gamification — the use of game playing elements to teach skills — is displacing traditional classrooms. Education may be the industry sector facing the most pressure to change. Technology can provide self-monitored, individually tailored training on a broad variety of skills that are quantifiable. Technology and personal economics are driving pricing down, and industry is demanding more flexibility and more quantifying of actual skills.

Application technology is global. Unlike in previous technological advances, rural and micropolitan re-



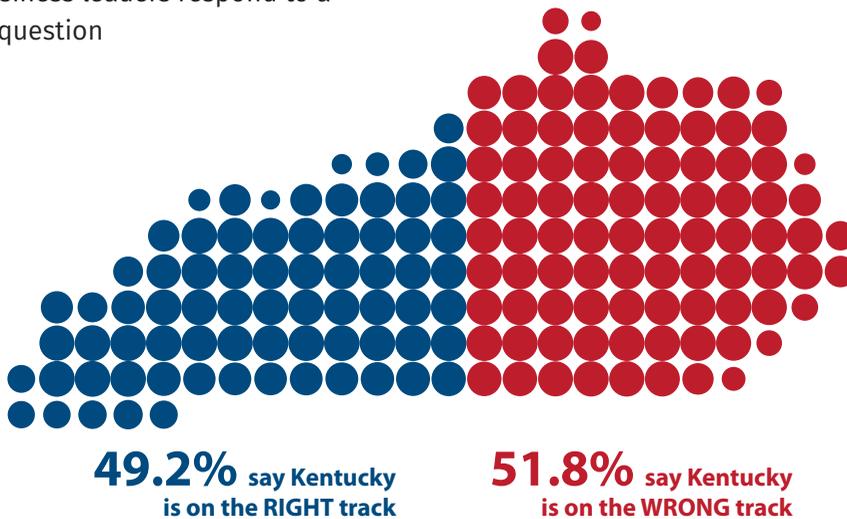
gions no longer experience a significant lag time for new innovations. New map software, consumer preference applications, businesses sharing services and many other “new, cool things” are released with coverage of the whole country at once.

Our conclusion — after looking at the economic numbers, reading how others rank our state, and examining the trends that are affecting our future — is that Kentucky’s economic performance needs to improve. The competition is growing more diverse, more determined and more formidable. We want increased investment and more good jobs for Kentucky. We want our citizens to prosper. If we expect better economic results we will have to address our weaknesses and maintain our strengths. We will have to take intelligent intentional actions. If we want better, we will need to do better.

What the business community thinks

Is Kentucky on the Right Track?

Kentucky business leaders respond to a 2015 survey question



In early 2015, almost 500 Kentucky businesses completed a survey that asked them to identify the issues they felt were important and needed immediate attention.

The first question showed that businesses shared the concern that the status quo was not sufficient, with more businesses believing the state was on the wrong track than thought it was on the right track.

When asked about their level of satisfaction on issues that affect their ability to be successful, statewide businesses were the most satisfied with the quality of life in their community, the availability of water and sewer, and the availability of affordable and reliable energy. They were the least satisfied with government regulations, business taxes, quality and costs of health care, and availability of workers with appropriate skills.

When asked to identify industry sectors that would be important to Kentucky's future, respondents named advanced manufacturing, health services, hos-

pitality and tourism, agriculture, educational services, and energy.

Business leaders felt strongly that the skills of the Kentucky workforce were a major concern. Less than 10% of respondents agreed that "Overall the local workforce has good skills." Almost one third, 27%, agreed that "Employers have trouble finding people with good soft skills," and another third, 33%, agreed "Employers have trouble finding people with the right technical skills."

Over a fourth of the respondents, 28%, felt there was a mismatch between what is being taught in K-12 and the skills employers have identified as necessary to be successful in the workplace. A quarter, 25%, responded the same way about what was being taught by higher education

When asked what could be done to help businesses in Kentucky, the most common responses could be grouped in two categories: education and skills training for employees and a competitive business climate.



Those areas receiving the most votes were:

1. Reduce government regulations
2. Invest more in K-12 education
3. Reduce business taxes
4. Promote Right to Work reforms
5. Invest more in higher education
6. Create more work experiences for students
7. Invest more in job training

Also included in the responses were:

- Greater emphasis on developing infrastructure (water/roads)
- Promote better health
- Better support for entrepreneurs
- Take a more active role in business retention and expansion
- Take a more active role in business recruitment
- Promote early childhood education
- Civil justice reform (tort reform)
- Promote tourism
- Provide more access to capital
- Kentucky Chamber acts as aggressive watchdog to push for sustainable government
- Emphasize exports and international trade

Respondents were also asked to identify the most important thing for state government to do to grow the Kentucky economy and create jobs. Improving the state's financial sustainability was the top action, followed closely by education for citizens, providing incentives and aggressive marketing to attract new jobs and companies.

In other comments, members stressed the need for bold leadership, continuous measurement and assessment of progress, and the articulation of a big vision.

Conclusion

Our hope is that someday soon leaders in Kentucky will value economic competitiveness the same way they value competitiveness in basketball. We want our leaders to plan for future years of sustainability with the same enthusiasm as when we anticipate a young colt, an aged bourbon or spring. We want to change the culture and the opportunities for every citizen in our state. To do that we offer *Four Pillars for Progress: Creating a Kentucky Culture of Competitiveness*.

Mission

Public and private leaders work together to improve the state's economic competitiveness, business growth climate and quality of life.

4 Pillars Prosperity

A Healthy, Skilled Workforce

To create a globally competitive talent development system that produces a healthy and skilled workforce, benchmarked against the best education and workforce preparation systems in the world

Sustainable State Government

To create and sustain a state government that is financially stable and that creates a competitive environment for economic growth

21st Century Infrastructure

To create and maintain a modern infrastructure to capitalize on the state's strategic advantages and to advance its energy agenda

Aggressive Job Creation

To create and implement a customized economic development program that recognizes the potential of Kentucky's distinct regions and industry sectors and encourages and rewards entrepreneurship and innovation

What will progress look like?

- ◆ Increased employment growth at a rate higher than the national average
- ◆ Increased education attainment levels
- ◆ Improved state rankings for businesses and competitiveness
- ◆ Per capita income growth higher than the national average
- ◆ Improved health rankings
- ◆ Gross State Product per capita growth at a rate higher than the national average
- ◆ Increased state exports per capita relative to the national average
- ◆ More postsecondary degrees and certificates
- ◆ Lower state poverty rate
- ◆ Decreased state debt per capita
- ◆ Improved state pension funding position
- ◆ Improved condition of state's physical infrastructure
- ◆ Increased availability of broadband
- ◆ Sustained low energy costs

Building blocks of the 4 Pillars

Realizing the vision of a culture of competitiveness in Kentucky will require sustained work on key building blocks under each of the four pillars.

Workforce

To create a globally competitive talent development system that produces a healthy and skilled workforce, benchmarked against the best education and workforce preparation systems in the world:

- ◆ Ensure high quality teachers in every classroom
- ◆ Invest in quality early education programs
- ◆ Create an education system that produces graduates who possess the skills and knowledge needed to successfully obtain in-demand employment
- ◆ Improve student outcomes and ensure accountability in the performance of postsecondary institutions
- ◆ Expand and enhance the research advancements of Kentucky's colleges and universities and the commercialization of intellectual property generated by those institutions
- ◆ Develop flexible training opportunities that are widely available to citizens throughout their work lives
- ◆ Link employers, unions, educators, government and individual citizens in the labor market to improve the content and delivery of skills
- ◆ Rethink credentialing to certify and quantify skills mastery gained throughout life
- ◆ Retain rigorous academic standards and tests
- ◆ Pass legislation to increase parental choice through Charter Schools
- ◆ Reduce tobacco use by passing smoke-free legislation
- ◆ Expand availability of substance abuse prevention and treatment programs
- ◆ Provide incentives to expand availability of workplace wellness programs

Government

To create and sustain a state government that is financially stable, as determined by relevant national rating agencies, and that creates a competitive environment for economic growth:

- ◆ Conduct a comprehensive management review of the operations of state government
- ◆ Audit, reform and appropriately fund public pension systems
- ◆ Continue cost reductions in Medicaid, employee health insurance and prisons
- ◆ Develop an actionable legislative agenda to make the tax code more competitive
- ◆ Promote responsible state debt levels
- ◆ Systematically review all state regulations to create transparent rules that balance economic and other goals
- ◆ Allow local option sales taxes

Infrastructure

To create and maintain a modern infrastructure to capitalize on the state's strategic advantages and to advance its energy agenda:

- ◆ Support public-private partnerships as an alternative method of procurement, construction, or financing of capital projects
- ◆ Build and maintain needed physical assets, including highways, bridges, airports and riverports
- ◆ Expand and improve broadband and wireless services statewide
- ◆ Maintain the state's low-cost energy advantage
- ◆ Support policies to enhance Kentucky's position as a leading exporter of coal
- ◆ Invest in the energy infrastructure for new and existing supplies of energy-producing fuel
- ◆ Promote energy efficiency

Jobs

To create and implement a customized economic development program that recognizes the potential of Kentucky's distinct regions and industry sectors and encourages and rewards entrepreneurship and innovation:

- ◆ Take deliberate actions to support Kentucky's strategic industry sectors
- ◆ Increase global engagement and trade
- ◆ Improve Kentucky's job creation efforts by passing Right to Work legislation
- ◆ Enhance Kentucky's entrepreneurial climate
- ◆ Broaden the role of postsecondary education in economic development initiatives
- ◆ Provide economic incentives to attract talent
- ◆ Develop a strategy to capitalize on Kentucky's central location
- ◆ Attract increased public and private research and development
- ◆ Develop economic development plans customized for Kentucky's nine regions

Measuring Progress: The Dashboard

Ensuring transparency about progress and helping Kentucky's elected officials, policymakers and civic and social leaders understand competitiveness issues will require ongoing measurements. These will include:

- ◆ Creating a public-private signature event to annually assess progress
- ◆ Developing, maintaining and promoting a state competitiveness dashboard of key indicators

Key Indicators: To gauge Kentucky's performance in building the pillars for prosperity, the Kentucky Chamber will monitor the following indicators, make them available 24/7 through an online dashboard, and report regularly on findings:

Workforce

1. Percentage of population ages 3-4 enrolled in preschool
2. Performance by 4th grade students on the National Assessment of Education Progress (NAEP) reading assessment
3. Performance by 4th grade students on the National Assessment of Education Progress (NAEP) math assessment
4. Performance by 8th grade students on the National Assessment of Education Progress (NAEP) reading assessment
5. Performance by 8th grade students on the National Assessment of Education Progress (NAEP) math assessment
6. High school graduation rate
7. Postsecondary remediation rate
8. Percentage of population with postsecondary education credentials
9. Percentage of population with a bachelor's degree or higher
10. Percentage of science and engineering degrees awarded
11. Average life expectancy
12. Violent crime rate
13. Average health rankings
14. Health care expenditures per capita
15. State poverty rate
16. Worker productivity

Government

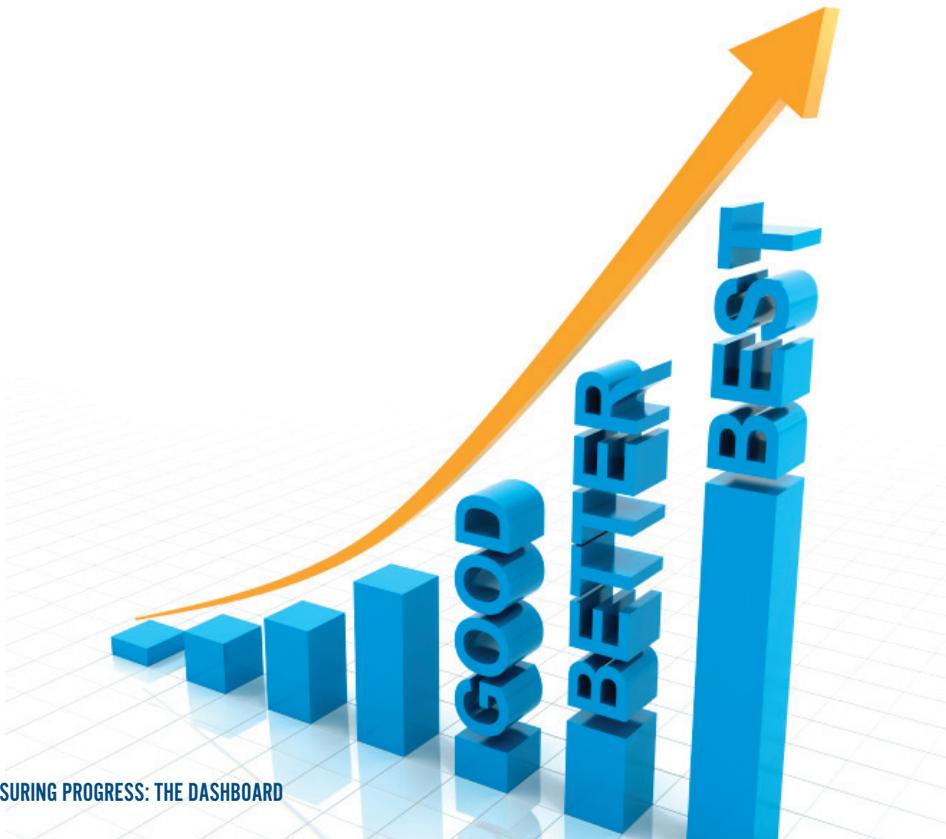
1. State debt per capita ranking
2. State and local tax burden per capita ranking
3. Total effective business tax rate
4. State and local tax burden as a percentage of state income ranking
5. State ranking in unfunded pension liability
6. State bond/credit rating compared to the 50 states
7. Annual General Fund expenditure growth vs. growth in GSP and/or state income
8. State government employee growth compared to growth in overall state employment growth
9. Rainy day fund balance as a percentage of expenditures (as reported by the National Association of State Budget Officers)
10. Growth in General Fund expenditures as a percentage of GSP

Infrastructure

1. Percentage of population without access to broadband
2. Broadband adoption rates
3. Total annual infrastructure spending
4. Percentage of roads and bridges in poor condition
5. State expenditures on roadways
6. Average commute time to work
7. Enplanements of passengers and cargo at all airports
8. Energy consumption per capita
9. Average retail cost per kilowatt hour
10. Average industrial cost per kilowatt hour
11. Energy exports

Jobs

1. Employment growth
2. Change in real GDP per capita
3. Change in real wages
4. Total small business openings less total small business closings
5. Manufacturing employment
6. Manufacturing output
7. Research and development percentage of GDP
8. Patents issued per 1 million workers
9. Technology sector employment growth
10. Venture capital funding per million dollars GDP
11. Total exports per capita
12. Regulatory and economic freedom ranking
13. Litigation environment ranking
14. CNBC Top states for business ranking





Kentucky Chamber

Uniting Business. Advancing Kentucky.



Kentucky Chamber
Uniting Business. Advancing Kentucky.

The Kentucky Chamber of Commerce provides leadership as a catalyst, consensus-builder and advocate to unite business and advance Kentucky.

464 Chenault Road, Frankfort, KY 40601 | 502-695-4700 | kychamber.com | twitter.com/kychamber

KENTUCKY WORKFORCE INNOVATION BOARD

STATEMENT OF EXECUTIVE AUTHORITY

AND

RULES OF PROCEDURE

ADOPTED: AUGUST 20, 2015

STATEMENT OF EXECUTIVE AUTHORITY

Public Law 113-128, now codified as 29 U.S.C. § 3101 et seq., known as the Workforce Innovation and Opportunity Act enacted by the Congress of the United States and signed by the President on July 22, 2014, provides Workforce Innovation and Opportunity Activities through statewide and local workforce investment systems, which are aimed at increasing the employment, retention and earnings of participants; increasing occupational skill attainment by participants; improving the quality of the workforce; reducing welfare dependency; and enhancing the productivity and competitiveness of the United States and its states. The Workforce Innovation and Opportunity Act, among other things, requires the Governor to establish a state workforce development board to initiate and oversee critical transition activities, to assist in the development, implementation, and modification of a state plan, to ensure a customer driven workforce delivery system for both jobseekers and employers is present, to increase accountability and transparency of the system, and to provide leadership and guidance in ensuring alignment of federal and state investments as related to workforce development activities to accomplish those purposes described in Public Law 113-128, now codified as 29 U.S.C. § 3101 et seq.

I. Establishment of the Kentucky Workforce Innovation Board

Steven L. Beshear, Governor of the Commonwealth of Kentucky, established the Kentucky Workforce Innovation Board through Executive Order 2015-422 effective July 1, 2015. The initial members of the Kentucky Workforce Innovation Board were named by the Governor through this same order.

II. Purpose of the Kentucky Workforce Innovation Board

The Kentucky Workforce Innovation Board was created and established to assist the Governor in creating an integrated statewide strategic plan for the workforce development system of Kentucky which will link workforce policies, education and training programs, and funding with the economic development needs of the Commonwealth and its areas and regions.

III. Duties of the Kentucky Workforce Innovation Board

- I. The Kentucky Workforce Innovation Board was created and established to assist the Governor in complying with the provisions of the Workforce Innovation and Opportunity Act. The duties of the Kentucky Workforce Innovation Board shall include assisting the

Governor in complying with the provisions and requirements of the Workforce Innovation and Opportunity Act and to perform any and all other duties and functions pursuant to 29 U.S.C. § 3101 et seq and pursuant to KRS 156.802(6)(b) to conduct state leadership activities referred to in 20 U.S.C.A. §2344 in accordance with the required and permissible uses of funds specified in the Carl D. Perkins Career and Technical Education Act of 2006 and subsequent amendments thereto.

- II. The Kentucky Workforce Innovation Board shall assist the Governor in duties outlined below as set forth in 29 U.S.C. §3111(d):
- (1) development, implementation, and modification of the State plan;
 - (2) the review of statewide policies, of statewide programs, and of recommendations on actions that should be taken by the State to align workforce development programs in the State in a manner that supports a comprehensive and streamlined workforce development system in the State, including the review and provision of comments on the State plans, if any, for programs and activities of one-stop partners that are not core programs;
 - (3) the development and continuous improvement of the workforce development system in the State, including
 - (A) the identification of barriers and means foremoving barriers to better coordinate, align, and avoid duplication among the programs and activities carried out through the system;
 - (B) the development of strategies to support the use of career pathways for the purpose of providing individuals, including low-skilled adults, youth, and individuals with barriers to employment (including individuals with disabilities), with workforce investment activities, education, and supportive services to enter or retain employment;

- (C) the development of strategies for providing effective outreach to and improved access for individuals and employers who could benefit from services provided through the workforce development system;
- (D) the development and expansion of strategies for meeting the needs of employers, workers, and jobseekers, particularly through industry or sector partnerships related to in-demand industry sectors and occupations;
- (E) the identification of regions, including planning regions, for the purposes of section 106(a), and the designation of local areas under section 106, after consultation with local boards and chief elected officials;
- (F) the development and continuous improvement of the one-stop delivery system in local areas, including providing assistance to local boards, one-stop operators, one stop partners, and providers with planning and delivering services, including training services and supportive services, to support effective delivery of services to workers, jobseekers, and employers; and
- (G) the development of strategies to support staff training and awareness across programs supported under the workforce development system;

(4) the development and updating of comprehensive State performance accountability measures, including State adjusted levels of performance, to assess the effectiveness of the core programs in the State as required under section 116(b);

(5) the identification and dissemination of information on best practices, including best practices for

- (A) the effective operation of one-stop centers, relating to the use of business outreach, partnerships, and service delivery strategies,

including strategies for serving individuals with barriers to employment;

- (B) the development of effective local boards, which may include information on factors that contribute to enabling local boards to exceed negotiated local levels of performance, sustain fiscal integrity, and achieve other measures of effectiveness; and
 - (C) effective training programs that respond to real-time labor market analysis, that effectively use direct assessment and prior learning assessment to measure an individual's prior knowledge, skills, competencies, and experiences, and that evaluate such skills, and competencies for adaptability, to support efficient placement into employment or career pathways;
- (6) the development and review of statewide policies affecting the coordinated provision of services through the State's one-stop delivery system described in section 121(e), including the development of
- (A) objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers described in such section;
 - (B) guidance for the allocation of one-stop center infrastructure funds under section 121(h); and
 - (C) policies relating to the appropriate roles and contributions of entities carrying out one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in such system;
- (7) the development of strategies for technological improvements to facilitate access to, and improve the quality of, services and activities provided through the one-stop delivery system, including such improvements to

- (A) enhance digital literacy skills (as defined in section 202 of the Museum and Library Services Act (20 U.S.C. 9101); referred to in this Act as “digital literacy skills”);
 - (B) accelerate the acquisition of skills and recognized postsecondary credentials by participants;
 - (C) strengthen the professional development of providers and workforce professionals; and
 - (D) ensure such technology is accessible to individuals with disabilities and individuals residing in remote areas;
- (8) the development of strategies for aligning technology and data systems across one-stop partner programs to enhance service delivery and improve efficiencies in reporting on performance accountability measures (including the design and implementation of common intake, data collection, case management information, and performance accountability measurement and reporting processes and the incorporation of local input into such design and implementation, to improve coordination of services across one-stop partner programs);
- (9) the development of allocation formulas for the distribution of funds for employment and training activities for adults, and youth workforce investment activities, to local areas as permitted under sections 128(b)(3) and 133(b)(3);
- (10) the preparation of the annual reports described in paragraphs (1) and (2) of section 116(d);
- (11) the development of the statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491–2(e)); and
- (12) the development of such other policies as may promote statewide objectives for, and enhance the performance of, the workforce development system in the State.

IV. Board Membership

The Kentucky Workforce Innovation Board is comprised of forty-two (42) members appointed by the Governor. Members are appointed in accordance with the provisions of 29 U.S.C. § 3111, Executive Order 2015-422, and other applicable state and federal statutes. The members of the Kentucky Workforce Innovation Board shall be initially appointed to serve staggered terms and thereafter for terms of four (4) years. Each member shall serve for the appointed term and until a successor has been appointed and duly qualified.

A Board member may send a designee or proxy, as appropriate depending on the type of membership appointment. A proxy must be confirmed in writing and provided to the Chair before the meeting. A member authorized to have a designee shall provide the Chair in writing the name and length of time period for designation.

The Governor shall select a Chairperson for the Kentucky Workforce Innovation Board from among the business representative membership to serve at the pleasure of the Governor.

The Chairperson of the Board presides at meetings of the Board, appoints a Vice Chairperson, an Executive Committee, and appoints the members to all committees, task forces and other representative bodies required to implement the Board's work (hereafter collectively referred to as "committees") except as provided in these bylaws. The Board may invite non-members to be approved by the Chairperson to serve on committees and workgroups. In the absence of the Chairperson, or in the event of his/her inability to act, or if that office is temporarily vacant, the Vice Chairperson exercises all of the powers and performs all of the duties of the Chairperson.

V. Board Member Expenses

Board members shall serve without compensation but shall be reimbursed in accordance with state travel expense and reimbursement regulations incurred in connection with their official duties as members of the Kentucky Workforce Innovation Board.

VI. Conflict of Interest

A member of the Kentucky Workforce Innovation Board may not vote on a matter under consideration by the Board: regarding the provision of services by such member (or by an entity that such member represents) or that would provide direct financial benefit to such member or the immediate family of such member. A member of the Board may not

engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State Plan.

In addition, the Kentucky Workforce Innovation Board members and the non-members serving on committees or workgroups of the Kentucky Workforce Innovation Board are hereby subject to the provisions of Executive Orders 2008-454 and 2009-882 as well as the gift and conflict of interest rules for Executive Branch public servants set forth in KRS Chapter 11A. Any conflict of interest issue shall be submitted to the Executive Branch Ethics Commission for resolution.

VII. Board Staff

The Kentucky Workforce Innovation Board is attached to the Education and Workforce Development Cabinet for administrative and staff purposes.

RULES OF PROCEDURE

I. Meetings

- A. The Kentucky Workforce Innovation Board shall hold regular meetings at least quarterly and as often as necessary to perform the duties outlined in the Statement of Executive Authority and Rules of Procedure. Meetings shall be called by the Chairperson, Vice Chairperson, or by the Secretary of the Education and Workforce Development Cabinet or his/her designee, and notice of all regular meetings shall be made in writing (including electronic communications) to all members. Special meetings may be called as above and shall be limited to issues identified in the meeting notice. Notices of all meetings shall be made at least 48 hours prior to the meeting date and time in accordance with the Kentucky Open Meetings law.
- B. A written notice of meetings will be sent to each member with each member to respond as to anticipated attendance.
- C. For the purpose of conducting business before the Workforce Innovation Board, the presence of twenty-two (22) voting members, shall constitute a quorum having a double quorum of at least 12 of the 22 being from the business and workforce representative sectors. For the purpose of conducting business before any committee, taskforce, or workgroup established under the Board's Rules of Procedure, Article II, Section I, or any committee, taskforce or workgroup otherwise formed under the express authority of the Board, the

presence of two (2) members for the Executive Committee and a majority of sub-committees, taskforces or workgroups shall constitute a quorum.

- D. The Chairperson shall approve an agenda for each meeting. Members shall submit a written request for consideration of an agenda item no less than three (3) days before the meeting. Those members of the public in attendance at any meeting of the Kentucky Workforce Innovation Board may address the Board only with the prior approval or at the request of the Chairperson.

II. Executive Committee & Coordinating Council

- A. The Governor may appoint a Coordinating Council to serve as the steering committee for the Board consisting of the Governor and senior policy and administrative officers. The Coordinating Council shall advise and provide the Board with access to the resources required to fulfill the Board's mission.
- B. There shall be an Executive Committee appointed by the Chair pursuant to Executive Order 2015-422.
- C. The Executive Committee is empowered to meet on an interim basis between regular full Board meetings and make emergency or time-sensitive decisions when necessary. Decisions made by the Executive Committee are subject to ratification by the full Board. The Executive Committee shall monitor the work of other Board committees and the Board staff, work with the Steering Committee to develop agenda items, work on legislative issues and make policy recommendations to the Board.
- D. Additionally, the Executive Committee may provide guidance and recommendations to the board in the areas of strategic planning, legislation, operations, and other areas. The Executive Committee may assist in the development of board meeting agendas.

III. Committees, Workgroups & Task Forces

- A. The Chairperson of the Board may appoint, authorize, or abolish committees, workgroups, task forces or other bodies to serve the Board. The Chairperson of the Board shall designate a Chairperson for each committee established and appointed. A Vice-Chair shall be designated for each committee in a process to be determined by the Committee Chair.

- B. Unless otherwise specified, Committees shall address broad issues with no set timeframe for completion. Committees may be of a size and composition required to accomplish the work program as determined by the Chairperson of the Board
- C. Workgroups or task forces shall have a well-defined scope and shall be designated for a set time frame in order to accomplish the scope of work. Workgroups or task forces may be of a size and composition required to accomplish the work program as determined by the Chairperson of the Board.
- D. Board staff shall provide a resource person for each committee upon consultation with the Chairperson.
- E. Meetings of committees, workgroups, or task forces may be called by the committee Chairperson and are subject to Kentucky Open Meetings laws. Committees, workgroups, or task forces may hold meetings concurrently with each other. All committee, workgroups, or task force members shall be notified in writing as to the date and time of the committee meeting.
- F. All members of the Kentucky Workforce Innovation Board may attend any committee, workgroups, or task force meeting, but only those members or nonmembers appointed to the committee shall vote on committee business.

IV. Parliamentary Procedures

The proceedings of the Kentucky Workforce Innovation Board shall be governed by Robert's Rules of Order (Newly Revised), unless contrary to the Rules of Procedure.

V. Amendments

A. Statement of Executive Authority

Amendments to the Statement of Executive Authority resulting from federal or state law or further Executive Orders shall not require the approval of the Kentucky Workforce Innovation Board.

B. Rules of Procedure

These Rules of Procedure shall be binding on the Kentucky Workforce Innovation Board and its members and nonmembers appointed to committees, workgroups or task forces. These Rules of Procedure may be altered or amended by the members of the Board with thirty

(30) days advance notice in writing. The Rules of Procedure of the Kentucky Workforce Innovation Board may be altered or amended by a majority vote of its membership provided that notice of the proposed change has been provided to members at least 30 days in advance and that consideration of the proposed change has been identified as an agenda item in accord with these rules of procedure.

DRAFT

Adopted August 20, 2015 by the Kentucky Workforce Innovation Board.

Hugh Haydon, Chairman

DRAFT



POLICY

POLICY NAME: Workforce Innovation and Opportunity Act (WIOA) – Local Workforce Development Board (LWDB) Member Nomination Guidelines, Office of Employment and Training (OET/agency) Confirmation Process and Board Certification

Policy Number: 15-001
Effective Date: July 1, 2015
Contact: OET Division Director, 502-782-3147

Applies /Of Interest To: Local Workforce Development Boards (LWDBs), Local Workforce Development Areas (LWDAs) staff, State Workforce Investment Board, Chief Elected Officials (CEOs) and Chief Local Elected Officials (CLEOs)

Subject	Policy on Local Workforce Development Board Member Nominations and Appointments process, OET confirmation process, and Board Certification
----------------	--

Purpose	This policy provides guidance and clarification to LWDBs regarding local board membership, OET board confirmation process and board certification
----------------	---

Background	Replaces Workforce Investment Act (WIA) guidance, policies and processes relating to Local Workforce Investment Boards (LWIBs) - referred to as “Local Workforce Development Boards” in WIOA.
-------------------	---

Definitions	See Attachment 1 for most relevant definitions relating to this topic.
--------------------	--

Attachments:	Attachment 1, A and B
---------------------	-----------------------

Policy	<p>LOCAL WORKFORCE DEVELOPMENT BOARDS (Sec. 107.)</p> <p><u>ESTABLISHMENT</u> (WIOA Sec. 107 (a)); Except as provided in subsection (c)(2)(A), there shall be established, and certified by the Governor of the State, a local workforce development board in each local area of a State to carry out the functions described in subsection (d) (and any functions specified for the local board under this Act or the provisions establishing a core program) for such area.</p> <p><u>MEMBERSHIP</u> (WIOA Sec. 107(b)(1) (2) (3) (4)(5) (6))</p> <p><u>(1)STATE CRITERIA.</u>— The Governor, in partnership with the State board, shall establish</p>
---------------	--

criteria for use by chief elected officials in the local areas for appointment of members of the local boards in such local areas in accordance with the requirements of paragraph (2).

(2) COMPOSITION.—Such criteria shall require that, at a minimum—

(A) BUSINESS REPRESENTATIVES- A majority [51%] of the members of each local board shall be representatives of business in the local area, who—(i) are owners of businesses, chief executives or operating officers of businesses, or other business executives or employers with optimum policymaking or hiring authority; (ii) represent businesses, including small businesses, or organizations representing businesses described in this clause, that provide employment opportunities that, at a minimum, include high-quality, work-relevant training and development in in-demand industry sectors or occupations in the local area; and (iii) are appointed from among individuals nominated by local business organizations and business trade associations.

Additional OET Guidance/Clarification

- Representatives from private not-for-profit entities that operate as businesses and are employers may be considered business sector members on the local WDB. The not-for-profit entities should align with the key industry sectors for the state and the local area, as identified in the WDB local plan.
- Representatives from proprietary schools cannot be considered a business sector member.
- **MINIMUM** number of business representatives: Ten (10)

(B) WORKFORCE REPRESENTATIVES (Labor, Community Based Organization and Youth Serving Organizations) - Not less than **20 percent** of the members of each local board shall be representatives of the workforce within the local area, who—(i) shall include representatives of labor organizations (for a local area in which employees are represented by labor organizations), who have been nominated by local labor federations, or (for a local area in which no employees are represented by such organizations) other representatives of employees; (ii) shall include a representative, who shall be a member of a labor organization or a training director, from a joint labor-management apprenticeship program, or if no such joint program exists in the area, such a representative of an apprenticeship program in the area, if such a program exists;(iii) may include representatives of community based organizations that have demonstrated experience and expertise in addressing the employment needs of individuals with barriers to employment, including organizations that serve veterans or that provide or support competitive integrated employment for individuals with disabilities; and (iv) may include representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives of organizations that serve out-of-school youth;

Additional OET Guidance/Clarification

- **MINIMUM** number of workforce representatives: Four (4)
- Where possible, align membership with designated state and/or local sectors.

(C) EDUCATION AND TRAINING REPRESENTATIVES - Each local board shall include representatives of entities administering education and training activities in the local area, who— (i) shall include a representative of eligible providers administering adult education and

literacy activities under title II; (ii) shall include a representative of institutions of higher education providing workforce investment activities (including community colleges); (iii) may include representatives of local educational agencies, and of community-based organizations with demonstrated experience and expertise in addressing the education or training needs of individuals with barriers to employment;

Additional OET Guidance/Clarification

- **MINIMUM** number of education and training representatives: Two (2)

(D) GOVERNMENT AND ECONOMIC DEVELOPMENT REPRESENTATIVES - Each local board shall include representatives of governmental and economic and community development entities serving the local area, who—(i) shall include a representative of economic and community development entities; (ii) shall include an appropriate representative from the State employment service office under the Wagner-Peyser Act (29 U.S.C. 49 et seq.) serving the local area; (iii) shall include an appropriate representative of the programs carried out under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), serving the local area; (iv) may include representatives of agencies or entities administering programs serving the local area relating to transportation, housing, and public assistance; and (v) may include representatives of philanthropic organizations serving the local area.

Additional OET Guidance/Clarification

- **MINIMUM** number of government and economic development representatives: Three (3)

E) OTHER MEMBERS - Each local board may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate.

(3) CHAIRPERSON.—The members of the local board shall elect a chairperson for the local board from among the representatives described in paragraph (2)(A) [BUSINESS]

4) STANDING COMMITTEES —

A) IN GENERAL—The local board may designate and direct the activities of standing committees to provide information and to assist the local board in carrying out activities under this section. Such standing committees shall be chaired by a member of the local board, may include other members of the local board, and shall include other individuals appointed by the local board who are not members of the local board and who the local board determines have appropriate experience and expertise. At a minimum, the local board may designate each of the following: (i) A standing committee to provide information and assist with operational and other issues relating to the one-stop delivery system, which may include members representatives of the one-stop partners. (ii) A standing committee to provide information and to assist with planning, operational, and other issues relating to the provision of services to youth, which shall include community-based organizations with a demonstrated record of success in serving eligible youth. (iii) A standing committee to provide information and to assist with operational and other issues relating to the provision of services to individuals with disabilities, including issues relating to compliance with section 188, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) regarding providing programmatic

and physical access to the services, programs, and activities of the one-stop delivery system, as well as appropriate training for staff on providing supports for or accommodations to, and finding employment opportunities for, individuals with disabilities.

(B) ADDITIONAL COMMITTEES.—The local board may designate standing committees in addition to the standing committees specified in subparagraph (A).

Additional – OET Guidance/Clarification

- Committees are encouraged to include non-board members
- Committees should be private-sector led

(C) DESIGNATION OF ENTITY.—Nothing in this paragraph shall be construed to prohibit the designation of an existing (as of the date of enactment of this Act) entity, such as an effective youth council, to fulfill the requirements of this paragraph as long as the entity meets the requirements of this paragraph.

(5) AUTHORITY OF BOARD MEMBERS.—Members of the board that represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority within the organizations, agencies, or entities. The members of the board shall represent diverse geographic areas within the local area.

(6) SPECIAL RULE.—If there are multiple eligible providers serving the local area by administering adult education and literacy activities under title II, or multiple institutions of higher education serving the local area by providing workforce investment activities, each representative on the local board described in clause (i) or (ii) of paragraph (2)(C), respectively, shall be appointed from among individuals nominated by local providers representing such providers or institutions, respectively.

Additional – OET Guidance/Clarification

1) Quorum - A quorum shall be defined as :

- A simple majority (51%) of members, excluding vacancies AND
- Of those members in attendance, no fewer than 51% are a combination of business and workforce representatives.

2) Appointments – LWDB member appointments must be signed by the appointing CLEO and submitted to the Administrative Entity. (Attachment A)

3) Change in Status – Acknowledgement that LWDB members who no longer hold the position or status that made them eligible Local Board members must resign or be removed by the CLEOs immediately as a representative of that entity; i.e. no longer work in the private sector, or no longer with an educational institution, etc.;

4) Mid-Term Appointment – LWDB members replacing out-going members mid-term will serve the remainder of the out-going member term.

5) Vacancies - LWDB vacancies must be filled within a reasonable amount of time of the vacancy as determined by the LWDA, but no later than 90 days from occurrence. The CLEO in a LWDA is authorized to make all reappointments of members. Reappointments must be made within a reasonable amount of time of the term expiration, but **no later than 90 days**. Any action taken by a LWDB, with a vacancy or term expiration beyond the time period described

in the LWDB by laws or later than the 90 days per this policy shall be void unless the LWDB has an approved waiver from the Office of Employment and Training prior to the LWDB meeting. Waivers are to be requested in writing to the Division Director of Workforce and Employment Services, Office of Employment and Training with an explanation of why a vacancy was not filled in the defined timeframe and a description of the process underway to fill the vacancy.

6) Removal - LWDB members must be removed by the CLEO if any of the following occurs: documented violation of conflict of interest, failure to meet LWDB member representation requirements defined in the WIOA and this policy, or documented proof of fraud and/or abuse. LWDB members may be removed for other factors outlined in the LWDB bylaws such as attendance. **OET strongly encourages LWDBs to establish and enforce attendance guidelines for its members.** The bylaws must define the specific criteria that will be used to establish just cause for such removal and the process that will be required to document proof, and the steps regarding filing an appeal and arbitration.

7) Proxy - If a member of a local board is unable to attend a meeting and wishes to send a proxy, that proxy must be from the same category of representation/membership as the member.

APPOINTMENT AND CERTIFICATION OF BOARD – (WIOA Sec. 107 (c))

(1) APPOINTMENT OF BOARD MEMBERS AND ASSIGNMENT OF RESPONSIBILITIES.—

(A) IN GENERAL.—The chief elected official in a local area is authorized to appoint the members of the local board for such area, in accordance with the State criteria established under subsection (b) [MEMBERSHIP].

(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—(i) IN GENERAL.—In a case in which a local area includes more than 1 unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials— (I) in the appointment of the members of the local board from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (b); and (II) in carrying out any other responsibilities assigned to such officials under this title. (ii) LACK OF AGREEMENT.—If, after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local board from individuals so nominated or recommended.

(C) CONCENTRATED EMPLOYMENT PROGRAMS.—In the case of an area that was designated as a local area in accordance with section 116(a)(2)(B) of the Workforce Investment Act of 1998 (as in effect on the day before the date of enactment of this Act), and that remains a local area on that date, the governing body of the concentrated employment program involved shall act in consultation with the chief elected official in the local area to appoint members of the local board, in accordance with the State criteria established under subsection (b), and to carry out any other responsibility relating to workforce investment activities assigned to such official under this Act.

(2) CERTIFICATION

(A) IN GENERAL.—The Governor shall, once every two years, certify one local board for each local area in the State.

(B) CRITERIA.—Such certification shall be based on criteria established under subsection (b), and for a second or subsequent certification, the extent to which the local board has ensured that workforce investment activities carried out in the local area have enabled the local area to meet the corresponding performance accountability measures and achieve sustained fiscal

integrity, as defined in section 106(e)(2).

(C) FAILURE TO ACHIEVE CERTIFICATION.—Failure of a local board to achieve certification shall result in appointment and certification of a new local board for the local area pursuant to the process described in paragraph (1) and this paragraph.

(3) DECERTIFICATION

(A) FRAUD, ABUSE, FAILURE TO CARRY OUT FUNCTIONS.—Notwithstanding paragraph (2), the Governor shall have the authority to decertify a local board at any time after providing notice and an opportunity for comment, for— (i) fraud or abuse; or (ii) failure to carry out the functions specified for the local board in subsection (d).

(B) NONPERFORMANCE.—Notwithstanding paragraph (2), the Governor may decertify a local board if a local area fails to meet the local performance accountability measures for such local area in accordance with section 116(c) for 2 consecutive program years.

(C) REORGANIZATION PLAN.—If the Governor decertifies a local board for a local area under subparagraph (A) or (B), the Governor may require that a new local board be appointed and certified for the local area pursuant to a reorganization plan developed by the Governor, in consultation with the chief elected official in the local area and in accordance with the criteria established under subsection (b).

FUNCTIONS OF LOCAL BOARD (WIOA Sec. 107 (d))

Consistent with section 108 [LOCAL PLAN], the functions of the local board shall include the following:

(Details for each function listed below are in Sec. 107 (d))

1. Local Plan
2. Workforce Research and Regional Labor Market Analysis
3. Convening, Brokering, Leveraging
4. Employer Engagement
5. Career Pathways Development
6. Proven and Promising Practices
7. Technology
8. Program Oversight
9. Negotiation of Local Performance Accountability Measures
10. Selection of Operators and Providers
11. Coordination with Education Providers
12. Budget and Administration
13. Accessibility for Individuals with Disabilities

Additional – OET Guidance/Clarification

- LWDBs By-laws to include: LWDB and CLEO agreements with the fiscal agent or grant subrecipient on payment processes and procedures
- LWDBs establish by-laws reflecting regional focus per WIOA guidelines

SUNSHINE PROVISION (WIOA Sec. 107 (e))

The local board shall make available to the public, on a regular basis through electronic means and open meetings, information regarding the activities of the local board, including information regarding the local plan prior to submission of the plan, and regarding membership, the designation and certification of one-stop operators, and the award of grants or contracts to eligible providers of youth workforce investment activities, and on request,

minutes of formal meetings of the local board.

STAFF (WIOA Sec. 107 (f))

(1) IN GENERAL.—The local board may hire a director and other staff to assist in carrying out the functions described in subsection (d) using funds available under sections 128(b) and 133(b) as described in section 128(b)(4).

(2) QUALIFICATIONS.—The local board shall establish and apply a set of objective qualifications for the position of director that ensures that the individual selected has the requisite knowledge, skills, and abilities, to meet identified benchmarks and to assist in effectively carrying out the functions of the local board.

(3) LIMITATION ON RATE.—The director and staff described in paragraph (1) shall be subject to the limitations on the payment of salaries and bonuses described in section 194(15).

LIMITATIONS (WIOA Sec. 107 (g))

(1) TRAINING SERVICES.

(A) IN GENERAL.—No local board may provide training services.

(2) CAREER SERVICES; DESIGNATION OR CERTIFICATION AS ONE-STOP OPERATORS.

—A local board may provide career services through a one-stop delivery system or be designated or certified as a one-stop operator only with the agreement of the chief elected official in the local area and the Governor.

Additional – OET Guidance/Clarification

To secure the Governor’s agreement, the local board must:

- conduct a competitive procurement process facilitated by the Department of Workforce Investment for the provision of career services or designation/certification as the one-stop operator;
- use a process and RFP that has been reviewed and approved by the Department of Workforce Investment;
- be identified as the highest scorer at the completion of the process; and
- in cases where the local board has previously provided services, have met performance accountability measures and achieved sustained fiscal integrity.

(3) LIMITATION ON AUTHORITY.—Nothing in this Act shall be construed to provide a local board with the authority to mandate curricula for schools.

CONFLICT OF INTEREST (WIOA Sec. 107 (h))

A member of a local board, or a member of a standing committee, may not (1) vote on a matter under consideration by the local board—(A) regarding the provision of services by such member (or by an entity that such member represents); or (B) that would provide direct financial benefit to such member or the immediate family of such member; or (2) engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State plan.

ALTERNATIVE ENTITY (WIOA Sec. 107 (i))

The State will not recognize or use any alternative local entity.

	<p>OET PROCESSES AND PROCEDURES</p> <p>OET developed form, Attachment A, must be completed for all LWDB member nominations/appointments and be signed by the appointing CLEO and submitted to the Administrative Entity.</p> <p><u>OET Review and Confirmation Process</u> OET will review and confirm that the composition of each LWDB, including the nomination and appointment process, complies with the criteria outlined in Section 107 of the WIOA and with OET policy. The composition of each LWDB will be evaluated annually during the local planning cycle/annual monitoring, reflected in the Appointment and Certification of Board (WIOA Sec. 107 (b) and (c)) and of this policy. This includes the review of:</p> <ul style="list-style-type: none"> • The OET created Nomination/Appointment form that must be completed for all LWDB member nominations/appointments, be signed by the appointing CLEO and submitted to the Administrative Entity. (Attachment A) • LWDB Roster Forms to be kept current and electronically updated as vacancies are filled, by a designated LWDA staff on the OET/"Team of Experts" website. (Attachment B)
--	---

Procedural	<i>Available for OET monitoring</i>
Guidance	<i>Workforce Innovation and Opportunity Act (WIOA) H.R. 803</i>

Required Action	<i>LWDAs should review current processes and procedures for compliance per effective date of this policy.</i>
------------------------	---

Supersedes/ Replaces	Public Law 105-220 Workforce Investment Act (WIA) of 1998; WIA Regulations, 20 CFR Part 652 et al, WIA Guidance Memo #03B
-----------------------------	---

Other References	WIA Guidance Memo #03B
-------------------------	------------------------

Technology Implications	Approved policy located on the Kentucky Career Center website/Team of Experts page.
--------------------------------	---

ATTACHMENT 1 – WIOA LOCAL BOARDS POLICY

SEC. 3. DEFINITIONS (Most relevant to Boards). Workforce Innovation and Opportunity Act, 29 U.S.C. 3101 et.seq.

(1) **ADMINISTRATIVE COSTS.**—The term “administrative costs” means expenditures incurred by State boards and local boards, direct recipients (including State grant recipients under subtitle B of title I and recipients of awards under subtitles C and D of title I), local grant recipients, local fiscal agents or local grant subrecipients, and one-stop operators in the performance of administrative functions and in carrying out activities under title I that are not related to the direct provision of workforce investment services (including services to participants and employers). Such costs include both personnel and nonpersonnel costs and both direct and indirect costs.

(9) **CHIEF ELECTED OFFICIAL.**—The term “chief elected official” means—

(A) the chief elected executive officer of a unit of general local government in a local area; and

(B) in a case in which a local area includes more than 1 unit of general local government, the individuals designated under the agreement described in section 107(c)(1)(B).

(12) **CORE PROGRAM.**—The term “core programs” means a program authorized under a core program provision.

(13) **CORE PROGRAM PROVISION.**—The term “core program provision” means—

(A) chapters 2 and 3 of subtitle B of title I (relating to youth workforce investment activities and adult and dislocated worker employment and training activities);

(B) title II (relating to adult education and literacy activities);

(C) sections 1 through 13 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.) (relating to employment services); and

(D) title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741) (relating to vocational rehabilitation services).

(14) **CUSTOMIZED TRAINING.**—The term “customized training” means training—

(A) that is designed to meet the specific requirements of an employer (including a group of employers);

(B) that is conducted with a commitment by the employer to employ an individual upon successful completion of the training; and

(C) for which the employer pays—

(i) a significant portion of the cost of training, as determined by the local board involved, taking into account the size of the employer and such other factors as the local board determines to be appropriate, which may include the number of employees participating in training, wage and benefit levels of those employees (at present and anticipated upon completion of the training), relation of the training to the competitiveness of a participant, and other employer-provided training and advancement opportunities; and

(ii) in the case of customized training (as defined in subparagraphs (A) and (B)) involving an employer located in multiple local areas in the State, a significant portion of the cost of the training, as determined by the Governor of the State, taking into account the size of the employer and such other factors as the Governor determines to be appropriate.

(23) IN-DEMAND INDUSTRY SECTOR OR OCCUPATION.—

(A) IN GENERAL.—The term “in-demand industry sector or occupation” means—

(i) an industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for advancement) on the State, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or

(ii) an occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency and opportunities for advancement) in an industry sector so as to have a significant impact on the State, regional, or local economy, as appropriate.

(B) DETERMINATION.—The determination of whether an industry sector or occupation is in-demand under this paragraph shall be made by the State board or local board, as appropriate, using State and regional business and labor market projections, including the use of labor market information.

(26) INDUSTRY OR SECTOR PARTNERSHIP.—The term “industry or sector partnership” means a workforce collaborative, convened by or acting in partnership with a State board or local board, that—

(A) organizes key stakeholders in an industry cluster into a working group that focuses on the shared goals and human resources needs of the industry cluster and that includes, at the appropriate stage of development of the partnership—

- (i) representatives of multiple businesses or other employers in the industry cluster, including small and medium-sized employers when practicable;
- (ii) 1 or more representatives of a recognized State labor organization or central labor council, or another labor representative, as appropriate; and
- (iii) 1 or more representatives of an institution of higher education with, or another provider of, education or training programs that support the industry cluster; and

(B) may include representatives of—

- (i) State or local government;
- (ii) State or local economic development agencies;
- (iii) State boards or local boards, as appropriate;
- (iv) a State workforce agency or other entity providing employment services;
- (v) other State or local agencies;
- (vi) business or trade associations;
- (vii) economic development organizations;
- (viii) nonprofit organizations, community-based organizations, or intermediaries;
- (ix) philanthropic organizations;

(x) industry associations; and
(xi) other organizations, as determined to be necessary by the members comprising the industry or sector partnership.

(33) LOCAL BOARD.—The term “local board” means a local workforce development board established under section 107, subject to section 107(c)(4)(B)(i).

42) ONE-STOP PARTNER.—The term “one-stop partner” means—

(A) an entity described in section 121(b)(1); and
(B) an entity described in section 121(b)(2) that is participating, with the approval of the local board and chief elected official, in the operation of a one-stop delivery system.

(47) PAY-FOR-PERFORMANCE CONTRACT STRATEGY.—The term “pay-for-performance contract strategy” means a procurement strategy that uses pay-for-performance contracts in the provision of training services described in section 134(c)(3) or activities described in section 129(c)(2), and includes—

(A) contracts, each of which shall specify a fixed amount that will be paid to an eligible service provider (which may include a local or national community-based organization or intermediary, community college, or other training provider, that is eligible under section 122 or 123, as appropriate) based on the achievement of specified levels of performance on the primary indicators of performance described in section 116(b)(2)(A) for target populations as identified by the local board (including individuals with barriers to employment), within a defined timetable, and which may provide for bonus payments to such service provider to expand capacity to provide effective training;
(B) a strategy for independently validating the achievement of the performance described in subparagraph (A);
and

(C) a description of how the State or local area will reallocate funds not paid to a provider because the achievement of the performance described in subparagraph (A) did not occur, for further activities related to such a procurement strategy, subject to section 189(g)(4).

(67) WORKFORCE DEVELOPMENT SYSTEM.—The term “workforce development system” means a system that makes available the core programs, the other one-stop partner programs, and any other programs providing employment and training services as identified by a State board or local board.

LWDB: _____

**MEMBERSHIP NOMINATION FORM
LOCAL WORKFORCE DEVELOPMENT BOARD – ATTACHMENT A**

NOMINATED BY: Name: _____
OR Agency: _____
RECOMMENDED Position: _____
Address: _____
Phone: _____

*Nominee to Represent Following: _____ Term: _____
(Business, Education, Organized Labor, CBO, Economic Development, One-Stop Partner) (Beginning & Ending Dates)
Workforce Sector (if representing Business) _____

Representing: (Check all that apply)	
<input type="checkbox"/> Labor/Representative of Labor	<input type="checkbox"/> Adult Education
<input type="checkbox"/> Employee Representative (Labor)	<input type="checkbox"/> Vocational Rehabilitation
<input type="checkbox"/> Community Based Organization	<input type="checkbox"/> Higher Education
<input type="checkbox"/> Youth Serving Organization	<input type="checkbox"/> Local Education Agencies
<input type="checkbox"/> Joint Labor-Management Apprenticeship Program	<input type="checkbox"/> Other (Specify below)
<input type="checkbox"/> Community Based Organization	_____
Category member represents:	
<input type="checkbox"/> Business	
<input type="checkbox"/> Workforce	
<input type="checkbox"/> Education and Training	
<input type="checkbox"/> Government and Economic Development	
<input type="checkbox"/> Other _____	
<u>*Entity represented is primary employer of nominee.</u>	
<u>Nominee is an individual with optimum policy and decision making authority for the organization.</u>	

Name of Nominee: Mr. or Ms. _____ Title: _____
(Please circle one)

Business Address: _____
(Street)

(City) (State) (Zip Code) (County)

Employer: _____ Business Phone: _____

Home Phone: _____ E-mail Address: _____

Explain Basic Responsibilities: _____

Organization Affiliations (Civic & Professional): _____

Qualifying Experience (Background information which reflects experience in human resource activities or Workforce Development related programs): _____

New Nomination or Replacement: _____
(Name of Former Member) (Group Represented)

For use by Chief Local Elected Official		
Appointed By: _____	_____	_____
(CLEO Signature)	(County)	(Date)
_____, Judge/Executive (CLEO Typed or Printed Name)		

Local Workforce Development Board Roster Certification Policy - Attachment B

WDB: _____ Date of this Submission/Update: _____

LWDA: _____

Indicate any vacant positions or other constituency represented as well.
(To add a row, highlight entire row, copy and paste. To delete a row, highlight entire row, and cut)

<u>Name/Address/Email Phone/Fax</u>	<u>Organization</u>	<u>Position</u>	<u>Business/Industry Represented (Private Sector Only)</u>	<u>Business Representation From Targeted Industry/ Occupation? (Yes/No)</u>	<u>Term Start and Term End/New Nomination or Replacement For:</u>
A. BUSINESS REPRESENTATIVES					
B. WORKFORCE REPRESENTATIVES					

C. EDUCATION & TRAINING REPRESENTATIVES						
D. GOVERNMENT & ECONOMIC DEVELOPMENT REPRESENTATIVES						
E. OTHER REPRESENTATIVES						

Structure - Partners

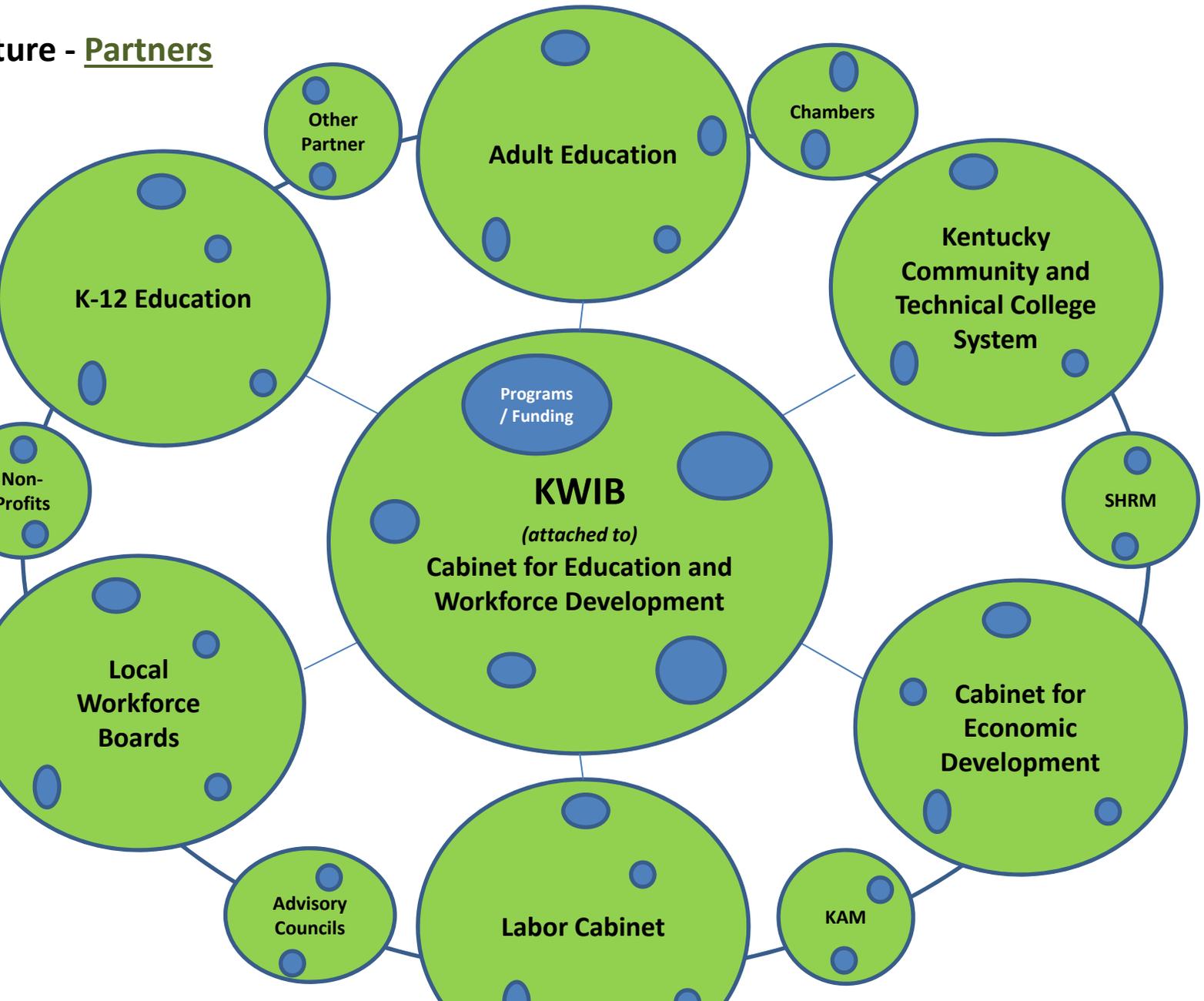
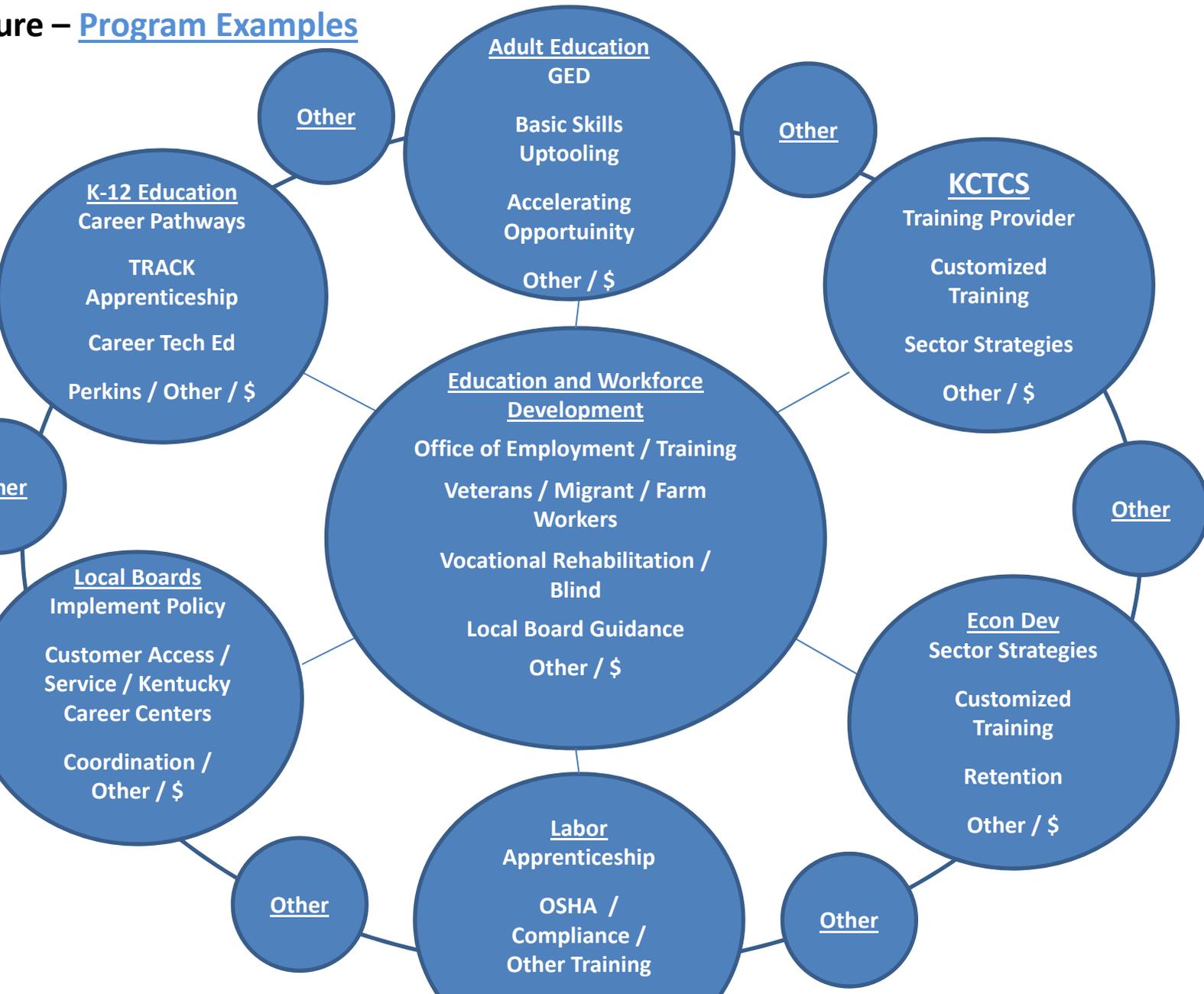


Figure – Program Examples





MEETING SCHEDULE

- Thursday, August 20, 2015
- Thursday, November 19, 2015
- Thursday, February 18, 2016
- Thursday, May 19, 2016



POLICY

POLICY NAME: Workforce Innovation and Opportunity Act - Interlocal Agreements, Chief Local Elected Official and Local Elected Official Roles and Responsibilities

Policy Number: 15-002
Date of Issue: March 4, 2015
Effective Date: March 4, 2015

For more info contact: Division Director, Workforce and Employment Services, Office of Employment and Training (OET), 502-564-5331

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

Subject	Workforce Innovation and Opportunity Act– Interlocal Agreements and Chief Local Elected Official and Local Elected Official Roles and Responsibilities
----------------	---

Purpose	This policy provides guidance and clarification to LWDAs relating to the Interlocal Agreement process and the roles and responsibilities under WIOA.
----------------	--

Definitions	<p>Chief Local Elected Official (CLEO) - The CLEO is the chief local elected official(s) elected among the consortium of Local Elected Officials representing the Local Elected Officials in the local Workforce Development Area (LWDA).</p> <p>Local Elected Official (LEO) - The LEOs are the local elected officials of a county. The highest elected official in counties and counties with merged government shall be considered the LEO for their respective county.</p> <p>Local Workforce Development Board (LWDB) - means a local workforce development board established under section 107, subject to section 107(c)(4)(B)(i).</p> <p>Interlocal Agreement - a written agreement that specifies the responsibilities of the CLEO and the individual LEO(s).</p>
--------------------	---

Background	<p>The Workforce Innovation and Opportunity Act (WIOA) of 2014 (Public Law 133-128, July 22, 2014) enacted by the Congress of the United States, provides for federal funds to be granted to states, and for each state’s Governor to designate LWDA within the state for the delivery of services and programs under the Act.</p> <p>WIOA Section 107 provides guidance and direction on the role of the CLEO and LEO in the LWDA as designated by the Governor. OET issuances provide support and clarification to the Act.</p> <p>Realizing that local employment and training programs cannot be fully effective or</p>
-------------------	---

	<p>implemented without intergovernmental coordination for such reasons that programs and their implementation cross governmental, departmental, agency and political jurisdictions, the LEOs shall enter into a written Interlocal Agreement. The Kentucky Interlocal Cooperation Act, KRS 65.210 through 65.300, permits local governmental units, upon approval by each fiscal court and the Department for Local Government, to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and to thereby provide services and facilities in a manner and form that will best accord with geographic, economic, population and other factors which influence the needs and development of local communities.</p>
--	---

<p>Policy</p>	<p>INTERLOCAL AGREEMENT</p> <p>As noted in WIOA Section 107(c)(1)(B), when a LWDA includes more than one unit of government, the LEO of each unit may execute a written agreement that specifies the responsibilities of the CLEO and the individual LEO(s):</p> <p><i>WIOA Section 107(c)(1)(B) MULTIPLE UNITS OF LOCAL GOVERNMENT IN AREA.—</i></p> <p><i>(i) IN GENERAL.—In a case in which a local area includes more than one unit of general local government, the chief elected officials of such units may execute an agreement that specifies the respective roles of the individual chief elected officials—</i></p> <p><i>(I) In the appointment of the members of the local board from the individuals nominated or recommended to be such members in accordance with the criteria established under subsection (b); and</i></p> <p><i>(II) In carrying out any other responsibilities assigned to such officials under this title.</i></p> <p><i>(ii) LACK OF AGREEMENT.—If after a reasonable effort, the chief elected officials are unable to reach agreement as provided under clause (i), the Governor may appoint the members of the local board from individuals so nominated or recommended.</i></p> <p>Additional OET Guidance/Clarification: An Interlocal Agreement is required for each LWDA.</p> <p>The above policy applies except in such areas designated as Concentrated Employment Programs:</p> <p><i>In the case of an area that was designated as a local area in accordance with section 116(a)(2)(B) of the Workforce Investment Act of 1998 (as in effect on the day before the date of enactment of this Act), and that remains a local area on that date, the governing body of the concentrated employment program involved shall act in consultation with the chief elected official [CLEO] in the local area to appoint members of the local board, in accordance with the State criteria established under subsection (b), and to carry out any other responsibility relating to workforce investment activities assigned to such official under this Act. (WIOA § 107(c)(1)(C)).</i></p> <p>All LEOs in a workforce area must enter into an agreement that determines how the</p>
----------------------	---

LWDB nominees will be selected, appointed, removed or reappointed. The process must be documented in the Interlocal Agreement. The LEOs shall enter into an Interlocal Agreement as a requirement to appoint the LWDB.

In addition to the Interlocal Agreement, the LEOs also shall enter into a Partnership Agreement with the LWDB. The Interlocal Agreement and the Partnership Agreement which are the two governing documents must be consistent. The requirement for consistency applies to any item that is addressed in both governing documents. Both agreements are dynamic documents that can, and should, be amended when a need or desire arises and the respective signatories agree.

Interlocal Agreement Required Inclusions. LEOs must enter into an agreement with each other that, at a minimum, include the following sections:

(1) State the purpose of the Agreement. Describe the purpose and the term of the Interlocal Agreement (not to exceed five years).

(2) Designation of a Chief Local Elected Official. The CLEOs are required by WIOA to approve or provide guidance on a number of LWDB activities. Therefore the Commonwealth requires LEOs to select a CLEO who will act on behalf of the other LEOs and to include the following information in the Interlocal Agreement:

- a) Selection/appointment process and term of the CLEO, which must include steps to ensure that his/her duties would not create or be perceived to create a conflict of interest between the consortium of LEOs, LWDB, fiscal agent or administrative entity; and
- b) The designation of the CLEO to serve as the signatory for the LEOs;
- c) Outline decisions that may be made by the CLEO on behalf of the LEOs; and
- d) Name, title, and contact information of the appointed CLEO.

To avoid conflict of interest, the CLEO shall not serve as the highest ranking officer on any Board or other entity that governs the fiscal agent or service delivery provider.

(3) Participating Local Elected Officials. The agreement must contain the name, representation, contact information and signature of each LEO in the local area. The Interlocal Agreement shall require a governing board of LEOs and bylaws and shall not be administratively attached to the fiscal agent, grant subrecipient, one-stop operator, or service provider.

The LEO governing board shall require a 65% supermajority to take the following actions:

- Selection of the CLEO;
- Designation of the fiscal agent or grant subrecipient;
- Authorization for the CLEO to request the Governor's consent for the LWDB to be the direct service provider;
- Approval of the LWDB annual budget; and
- Selection of the one-stop operator.

(4) Dispute Resolution. The Interlocal Agreement must state how disputes among LEOs

will be resolved regarding LWDB board appointments and carrying out other responsibilities under WIOA.

(5) Fiscal Agent or Grant Subrecipient Designation. The LEO governing board may designate an entity to serve as the local fiscal agent or local grant subrecipient for WIOA funds. In making such designation, the LEOs shall carry out a competitive procurement process conducted by the Department of Workforce Investment for fiscal agent services or grant subrecipient services, including a Request for Proposals that has been reviewed and approved by the Department of Workforce Investment and which provides that proposals will be evaluated and ranked based upon criteria including but not limited to quality of services, demonstrated experience of quality service delivery, cost, conflict of interest policies, and history of fiscal integrity.

Such designation shall not relieve the LEOs of the liability for any misuse of grant funds as apportioned in the Interlocal Agreement.

(6) Grant Recipient/Liability of Funds. The Interlocal Agreement must indicate the LEOs' acknowledgement of financial liability as noted in WIA 107(d)(12)(B)(i)(I) and outline the process for determining each LEO's share of responsibility. This determination could be based on allocation, population, expenditures, or other criteria determined by the LEOs. The Interlocal Agreement must contain a detailed process for reconciling disallowed costs. In most cases, liability for costs which are recommended for disallowance and which are not resolved, rest with the entity responsible for incurring the cost. In the event the entity responsible cannot or will not assume the liability, the Interlocal Agreement must provide the process on how funds will be reimbursed.

(7) Local Area Service Delivery Provider. As authorized in WIOA Section 107(g)(2), a LWDB may provide career services described in WIOA Section 134(c)(2) through a one-stop delivery system or be designated or certified as a one-stop operator only with the agreement of the CLEO and the Governor. See WIOA Policy regarding LWDB Member Nomination Guidelines, OET Confirmation Process and Board Certification by the (effective 7/1/2015) for conditions to obtain the Governor's consent including a competitive procurement.

In cases where the LWDB does not seek to provide career services, WIOA Section 121(d)(2) states that to be eligible to receive funds under this subtitle to operate a one-stop center, an entity (which may be a consortium of entities) shall be designated or certified as a one-stop operator through a competitive process. This process shall be outlined in the Partnership Agreement between the LEOs and the LWDB.

(8) Communication. Describe the process and procedures the CLEO will utilize to keep the LEOs informed regarding LWDB activities. Determine how many times a year the LEOs will meet and how often a joint meeting with the LWDB will be held.

(9) LWDB Budget Approval. Describe the process for reviewing and approving the LWDB annual budget among the LEOs. (WIOA Section 107(d)(12)(A)).

(10) LWDB Member Representation. Outline how LEOs will ensure LWDB representation

	<p>is fair and equitable across the LWDA and in accordance with WIOA Policy regarding LWDB Member Nomination Guidelines, OET Confirmation Process and Board Certification—effective 7/1/2015. Describe the process for determining the initial size of the LWDB and for selecting, appointing, removing or reappointing LWDB members. Describe the process to determine the terms of office for Board members. LWDB appointments do not require the signature of all the LEOs, but rather only the signature of the designated CLEO is required, as stated in the Interlocal Agreement.</p> <p>(11) Selection of a New Chief Local Elected Official. When a new CLEO is selected in accordance with the Interlocal Agreement, the newly selected CLEO must submit to the LWDB and the OET, a written statement acknowledging that he/she:</p> <ul style="list-style-type: none"> a) Has read, understands and will comply with the current Interlocal Agreement; and b) Apprises OET of the change in CLEO designation. <p>(12) Election of a New Local Elected Official. When a new LEO is elected within the LWDA, the newly elected official must submit to the LWDB a written statement acknowledging that he or she:</p> <ul style="list-style-type: none"> a) Has read, understands, and will comply with the current Interlocal Agreement; and b) Reserves the option to request negotiations to amend the Interlocal Agreement at any time during the official's tenure as a LEO. <p>(13) Amendment or Change to the Interlocal Agreement. Outline the process to be used for amendments or changes to the Interlocal Agreement. All amendments or changes must be submitted to the LWDB and the OET after approval by the Department of Local Government in accordance with KRS 65. 210 through 65.300.</p> <p>(14) Single County Local Areas. If any single county local area is designated, the LEO shall execute a written agreement that specifies his or her liability in accordance with WIOA.</p> <p>(15) Interlocal Agreement KRS requirements. Upon completion of the Interlocal Agreement and all LEO signatures have been recorded on the Interlocal Agreement and approved by each fiscal court, the Agreement shall be sent to the Department for Local Government for approval in accordance with the provisions of KRS 65.210 through 65.300.</p>
--	--

Required Action	Upon final approval by all LEOs and the Department for Local Government, the final document shall be submitted to the OET.
------------------------	--

Other References	Workforce Innovation and Opportunity Act (WIOA) of 2014 (Public Law 133-128, July 22, 2014); WIOA—LWDB Member Nomination Guidelines, OET Confirmation Process and Board Certification (effective 7/1/2015); The Kentucky Interlocal Cooperation Act, KRS 65.210 through 65.300.
-------------------------	---



POLICY

POLICY NAME: Workforce Innovation and Opportunity Act – Local Elected Official(s) and Local Workforce Development Board Partnership Agreement

Policy Number: 15-003
Date of Issue: March 4, 2015
Effective Date: October 1, 2015

For more info contact: Division Director, Workforce and Employment Services, Office of Employment and Training (OET), 502-564-5331

Applies /Of Interest To: Local Workforce Development Boards, Local Workforce Development Boards’ staff, and Local Elected Officials

Subject	Policy on Local Elected Official (LEO) and Local Workforce Development Boards (LWDBs) Partnership Agreement
----------------	---

Purpose	This policy provides additional guidance relating to the LEOs and LWDBs per Workforce Innovation and Opportunity Act (WIOA), Public Law 113-128. The governance and operation of the Local Workforce Development System is contingent on a successful partnership between the LEOs and the LWDB related to their respective roles which are outlined in this policy and partnership agreement template. This policy and template are provided to ensure that the necessary regulatory and operational elements are described, included and understood by both parties. LEOs and LWDBs may include additional agreed upon expectations. This partnership agreement will facilitate the delivery of optimal workforce development services for individuals and employers within the Local Workforce Development Areas.
----------------	--

Definitions	<p>Chief Local Elected Official (CLEO) - The CLEO is the chief local elected official(s) elected among the consortium of LEOs representing the LEOs in the Workforce Development Area.</p> <p>Local Elected Official (LEO) - The LEOs are the local elected officials of a county. The highest elected official in counties and counties with merged government shall be considered the LEO for their respective county.</p> <p>Local Workforce Development Board (LWDB) - means a local workforce development board established under section 107, subject to section 107(c)(4)(B)(i).</p>
--------------------	--

Background	This policy and template provide the initial foundation for understanding the separate and shared functions of LEOs and LWDBs envisioned under WIOA.
-------------------	--

<p>Policy</p>	<p>LEOs and LWDBs PARTNERSHIP AGREEMENT</p> <p>This LEO-LWDB partnership agreement policy reflects the definitions contained in the Interlocal Agreement Policy (Policy Number 15-002, Issued March 4, 2015), which states: “The LEOs are the local elected official of a county and the CLEO is the chief local elected official selected among the consortium of LEOs representing the LEOs in the Workforce Development Area.”</p> <p>This agreement is between the LEOs, represented by the CLEO, and the LWDB, represented by the designated Chair. Its purpose is twofold: (1) to define their operating relationship; and (2) to confirm that the LEOs and the LWDB have read, understood and agree on the functions, duties and responsibilities of the LEOs (represented by the CLEO) and the LWDB (represented by the Chair) as outlined in WIOA, Public Law 113-128 and in the policies issued by the (OET).</p> <p>The Interlocal Agreement, a written agreement that specifies the responsibilities of the CLEO and the individual LEO(s), must be consistent with the Partnership Agreement insofar as any item addressed by both agreements is concerned. Both governing agreements are dynamic documents that can, and should, be amended when a need or desire arises and the respective signatories agree.</p> <p>The partnership agreement template is in the form of an Attachment:</p> <ul style="list-style-type: none"> • Section I includes all required contents of the agreement, the joint duties, functions and responsibilities of the parties; • Section II includes other additional topics the parties may choose to address; AND • Section III records updates and amendments to the initial agreement as the need arises. <p>The initial agreement must be submitted to OET no later than 30 days prior to the effective date of the agreement for approval. The approved agreement must be shared with each new LEO and LWDB member. Subsequent updates and amendments must be recorded and submitted to OET for review, approval and recording, using Section III as described above prior to the effective date.</p>
----------------------	--

<p>Procedural Guidance</p>	<p>Available for OET monitoring and posting to designated OET “Team of Experts” website, if/as requested.</p>
-----------------------------------	---

<p>Required Action</p>	<p>LEOs and LWDBs should review current processes and procedures for compliance per effective date of this policy.</p>
-------------------------------	--

<p>Supersedes/ Replaces</p>	<p>NA</p>
------------------------------------	-----------

Other References	Interlocal Agreement Policy, effective 7-1-15 and WIOA-Board Member Guidelines Policy, effective 7-1-15
-----------------------------	---

Technology Implications	Approved policy located on the Kentucky Career Center website/Team of Experts page.
------------------------------------	---

SECTION I –
REQUIRED PARTNERSHIP AGREEMENT CONTENTS –
JOINT DUTIES FUNCTIONS AND RESPONSIBILITIES

Describe how the LEOs and LWDB will develop and submit a local plan and collaborate with other LWDBs and LEOs to prepare a regional plan for submission to the Governor (WIOA Section 107(d)(1)).

Describe how the LEOs and LWDBs will:

Conduct oversight for local youth workforce investment activities, local employment and training activities, and the one-stop delivery system in the local area. (WIOA 107(8)(A)(i)).

Ensure the appropriate use and management of the funds provided under subtitle B for the activities and system described in clause (i) and for workforce development activities. (WIOA 107(8)(A)(ii)).

Ensure the appropriate use, management, and investment of funds to maximize performance outcomes under section 116. (WIOA 107(8)(B)).

Describe how the LEOs and LWDB will prepare for negotiations with the State on local performance accountability measures. (WIOA Section 107(9)).

Describe how the LEOs and LWDB will designate or certify one-stop operators and the grounds and process for any subsequent termination for cause of the eligibility of such operators. (WIOA 107(10)(A)(i,ii)).

Describe how the LWDB will develop a local area budget and the process for obtaining CLEO approval. (WIOA 107(12)(A)).

Describe how operational issues and concerns relating to the designated fiscal agent/grant subrecipient shall be addressed.

Describe the process and procedures to be followed in the event there are unresolved disputes between the LEOs and the LWDB.

SECTION II -
OTHER ADDITIONAL TOPICS THE PARTIES MAY CHOOSE TO ADDRESS

Insert any additional topics the parties deem necessary.

This confirms that the CLEO, representing the LEOs and the Chair, representing the LWDB, are authorized to sign this agreement, understand the agreement, and agree to the terms and conditions contained in this agreement.

This also confirms that the LEOs and the LWDB have read, understood and agree on the functions, duties and responsibilities of the LEOs (represented by the CLEO) and the LWDB (represented by the Chair) as outlined in WIOA, Public Law 113-128 and in the policies issued by the Office of Employment and Training (OET).

It is further understood that updates and changes that affect this agreement (e.g. changes of CLEO, LWDB chair, policy revision/updates/additions), will require that this agreement be updated and reflect those amendments in Section III of this document. Any amendment must be submitted to OET for prior approval.

CLEO – Print name:	Board Chair – Print Name:
CLEO – Signature:	Board Chair – Signature:
Date:	Date:

SECTION III - UPDATES AND AMENDMENTS TO THE INITIAL AGREEMENT AS NEEDED.

<p>LEOs-LWDB AGREEMENT UPDATE</p> <p>To be completed each time an amendment or update is required to the initial WIOA- LEO-Board Partnership Agreement</p> <p>Record as Amendment # _____ of _____ (amendment(s) to the initial agreement); Date _____</p>	
<p>Explain/Detail the change/update to this agreement:</p>	
<p>Explain/Detail the reason for this change/update:</p>	
<p>Current authorized signatures to make this change:</p>	
<p>Except as amended above, all other terms and conditions of the partnership agreement are hereby ratified and confirmed.</p>	
<p>CLEO – Print name:</p>	<p>Board Chair – Print Name:</p>
<p>CLEO – Signature:</p>	<p>Board Chair – Signature:</p>
<p>Date:</p>	<p>Date:</p>

WIOA Transition Funds Investment Strategy - FY 2015

This investment strategy reflects \$2.3M in funding for state and local WIOA transition activities. Approximately \$1.8M in WIOA Transition Funds available for statewide activities comprised of \$1.5M generated via reallocation of Rapid Response funds and \$300,000 in remaining state level 1% transition funds. Local areas will have access to an additional \$500K in reallocated Rapid Response funds for WIOA Transition activities. It is important to note that the initial 1% transition funds for local areas have already been awarded and not included in the chart below.

Project and Description	FY 2015 Recommendation	Rationale
Fiscal and Management Accountability Information System - Kentucky has operated a fiscal reporting system known as the WORKS system; however, it has not required the same fiscal and management accountability information system across local areas. WIOA requires states to adopt such a system. This will be the first installment of resources to establish and roll-out such a system.	\$1,000,000	WIOA required statewide fiscal management system
Local Area Transition Funds - Each local area can draw down up to an additional \$50,000 beyond the initial 1% transition allocation, after submitting a plan and budget describing how the funds will be utilized.	\$500,000	Support local WIOA transition priorities
Regions Start-Up and Technical Assistance - Provide funding to support the formation of regions in the Commonwealth in accordance with WIOA. Resources would be used to support organizational work, facilitated discussions, establishing regional priorities and planning efforts.	\$200,000	Required state level activity under WIOA
Technology Adjustments – For data collection, data validation and changes in performance metrics required under WIOA.	\$200,000	Ensure systems meet new requirements
Technology Assessment - Assess the technology infrastructure of the four core partners in WIOA to determine the best approach to support integrated case management if an enterprise case management system is not funded in the upcoming legislative session and state and local program access to targeted customers like individuals with disabilities.	\$150,000	Assess customer access via technology platforms and enhance services
Workforce Academy - The Commonwealth will roll out the Kentucky Leadership Academy which will support the development of system leaders at all levels of the organization (\$20,000). It will support consistency and quality of WIOA implementation across Kentucky. In addition the Commonwealth will develop additional WIOA rollout training for state and local staff training activities (\$130,000).	\$150,000	Improve organizational effectiveness
Partner for Success – Policy development and planning with system partners will be conducted to identify and update key policies comprehensive service delivery benefiting our employer and individual customer needs and addressing critical WIOA requirements.	\$80,000	Support regional and local planning processes required under WIOA
Local Workforce Investment Area Leadership Training - Develop and deliver training to Chief Local Elected Officials, Local Elected Officials, Local Workforce Development Board members and staff across the Commonwealth regarding their roles and responsibilities as outlined in WIOA as well as the state level policy informing their work.	\$20,000	Ensure local partners understand respective roles/ responsibilities under WIOA

Statewide Reserve Fund Investment Strategy - FY 2015

Currently, the Commonwealth will receive approximately \$1.94 m in Statewide Reserve (SWR) funds as a result of the President’s Budget Proposal for FY 2015. A key to transforming the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians is investing these funds strategically. Below outlines the plan for the use of these funds based on the priorities established by the Kentucky Workforce Investment Board (KWIB) in the updated *WorkSmart Kentucky* strategic plan and aligning the system with expectations in the new Workforce Innovation and Opportunity Act (WIOA).

Project and Description	FY 2014 Funding	FY 2015 Recommendation	Rationale
Substance Abuse Reentry Pilot Program – Conduct a competitive grant process for pilot projects to assist former substance abuse offenders to reenter the workforce. Projects will be awarded based on the use of effective approaches for reducing recidivism consisting of employment-readiness training in state and regional sectors, work-based learning, job placement and intensive case management, including referrals for housing, health care and other programs. A strong mentoring component will be required including one-to-one and group mentoring.	0	\$400,000	Response to employers feedback that they do not want to hire individuals with substance abuse convictions
Sector/Career Pathway Development - Provide funding for talent development and career pathway work within regions addressing the state-level targeted sectors identified by the KWIB and the Economic Development Cabinet as well as regional targeted sectors. States, regions and local boards are charged with expanded roles in this area under WIOA (\$125,000). Provide funding for a fifth round of employer-led sector partnership start-up and training grants (\$225,000).	\$400,000	\$350,000	Support expanded responsibilities under WIOA and ongoing work in this area
Performance Incentive Fund - Provide resources to Local Workforce Investment Boards based on performance during PY 2014. These funds will be distributed on a formula basis for those areas that exceed negotiated performance standards. They are typically used to support local innovation, modernization and system improvements. This is a federal mandate under the Workforce Investment Act and WIOA.	\$250,000	\$300,000	WIOA required activity with these funds to reward Local Areas that exceed performance
Youth Collaborative around Work-Based Learning and Quality Youth Services - Some of the most significant changes in WIOA are around youth services. This collaborative would support state and regional level efforts to restructure youth service strategies around in-school youth and out-of-school youth. Emphasis would be placed on building a state-level work-based learning continuum with consistent definitions, performance metrics and quality service indicators across multiple state level partners (\$50,000). Resources would also be provided on a regional basis to assist in service redesign, training for service providers and employer outreach efforts (\$200,000).	0	\$250,000	Provide systemic support to retool youth service strategies to meet new WIOA expectations
Joint Fiscal Review Project with the Department of Aging and Independent Living (DAIL) - The Department of Workforce Investment will partner DAIL in a Request For Proposals process to conduct fiscal reviews of Area Development Districts that serve as fiscal agents for Local Workforce Development Areas.	0	\$200,000	Ensure greater fiscal integrity and accountability in the workforce system

Statewide Reserve Fund Investment Strategy - FY 2015 (Continued)

<p>Career Center Customer Flow State and Local Recommendations Implementation Support - Provide local areas funds to address specific recommendations regarding process and technology improvements to better meet the needs of business and individual customers (\$100,000). Also, provide resources at the state level to address service delivery improvements in Kentucky Career Centers across the Commonwealth (\$25,000).</p>	<p>\$125,000</p>	<p>\$125,000</p>	<p>Ongoing work to strengthen quality of services</p>
<p>Kentucky Career Center Outreach – Inform individual and employer customers of the Kentucky Career Center system and services via a media buy.</p>	<p>0</p>	<p>\$115,000</p>	<p>Educate the public regarding the brand and services</p>
<p>Veterans Services Partnership - Refresh the Hiring Kentucky Heros website to be more user friendly and informative as well as update cross agency outreach materials. Develop some common performance metrics across joint Veterans initiatives in Kentucky around placement, training provided, certifications obtained based on previous military experience transferred to non-military jobs, etc. Provide a best practices event for cross agency staff working with transitioning veterans.</p>	<p>\$100,000 Scholarships and licensure review</p>	<p>\$50,000</p>	<p>Website redesign to be more user friendly</p>
<p>High Impact WIB Standards Assessment Process - Provide resources to Local Workforce Investment Boards to structure and assess their board based on the revised High Impact WIB standards which are in alignment with local board responsibilities outlined in WIOA.</p>	<p>\$300,000 HIW Awards</p>	<p>\$50,000</p>	<p>Support new WIOA local board expanded expectations and ongoing work</p>
<p>Get Ready Kentucky - Provide resources to leverage with other state agency partners part of the NGA Policy Academy on the Talent Pipeline to support a statewide communications strategy regarding the goals and objectives of the initiative with our customers and stakeholders.</p>	<p>0</p>	<p>\$50,000</p>	<p>Support NGA Policy Academy Communication plan</p>
<p>State and Local Evaluation and Performance Report Design and Support - Collaborate with Local Workforce Development Boards to develop a report structure, elements and format regarding evaluation and performance reporting required at both levels in WIOA. Local areas will also have the opportunity to develop customized sections based on local and regional priorities. This will allow Kentucky’s stakeholders the ability to analyze results across the local areas and the Commonwealth.</p>	<p>0</p>	<p>\$50,000</p>	<p>WIOA required activity at the state and local board levels</p>