KentuckyWorks
COLLABORATIVE

AGENDA

February 28, 2019 (9 am)

Kentucky History Center and Museum
Frankfort, KY

CALL MEETING TO ORDER.....SECRETARY SCOTT BRINKMAN

PURPOSE OF THE COLLABORATIVE.....GOVERNOR MATT BEVIN

OVERVIEW OF KENTUCKY'S INTEGRATED WORKFORCE SYSTEM.....MELISSA AGUILAR

DISCUSSION OF TASKS AT HAND AND NEXT STEPS.....COLLABORATIVE AS A GROUP

ADJOURNMENT

Strategic Plan Overview

Aligned with its mission as "a leader and catalyst in creating a comprehensive, customer-driven workforce development system that meets the changing needs of job seekers, incumbent workers and employers," KWIB has drafted a Commonwealth-wide workforce development strategy that:

- Sets a common strategic direction with an urgent call to action to guide workforce development activities across Kentucky;
- Prioritizes actions that are attainable and measurable through the application of performance metrics;
- Increases and improves communication and collaboration among employers, education and training providers, regional workforce boards and areas, and state and local government organizations; and
- Identifies challenges and opportunities to improve the workforce system through an increase in workforce participation and retention, attainment of wages that promote self-sufficiency, and the provision of high-quality, accessible, and effective workforce training programs targeted to areas of growth within the Commonwealth.

The strategies outlined in this plan were informed through direct dialogue with Kentucky's business community. Companies large and small, located across Kentucky's industry sectors and regions, articulated the workforce challenges they felt they must overcome to sustainably grow their operations into the future. Drawing upon this input, representatives of the public and not-for-profit sectors, many of whom lead and drive assets within the existing workforce development system, worked alongside their corporate counterparts to articulate four areas of focus for this statewide strategic plan:

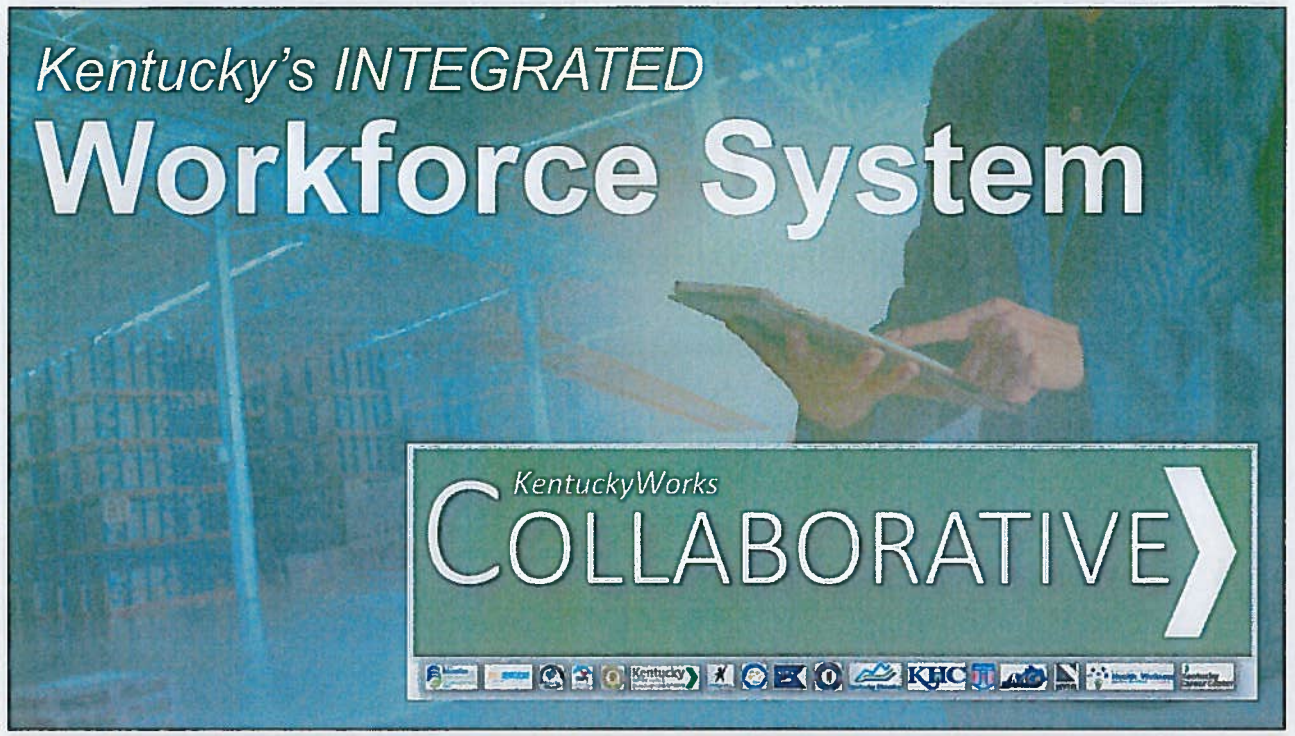
The goals and strategies articulated in the KWIB plan target accountability for workforce systems change along multiple dimensions. Representing the demand side of workforce development, the Commonwealth plans to align workforce programs to the most pressing concerns of employers. By employing continuous feedback from industry to refine program design and resource allocation, KWIB's employer goals improve accessibility and ease of use of workforce services by businesses, while enhancing the employability of citizen users, and improving the customer experience for both. To support the supply side of workforce development (i.e., the labor shed), the Commonwealth will focus on improving the quality and industry relevance of the training and education that Kentuckians receive, as well as identifying and removing barriers and disincentives to productivity that negatively affect workers' participation in the labor force. Lastly, the leaders of the Commonwealth workforce system will turn their focus inward, examining how to simplify a complex administrative infrastructure, and instill a culture of collaboration and data sharing across the many owners of workforce outcomes.

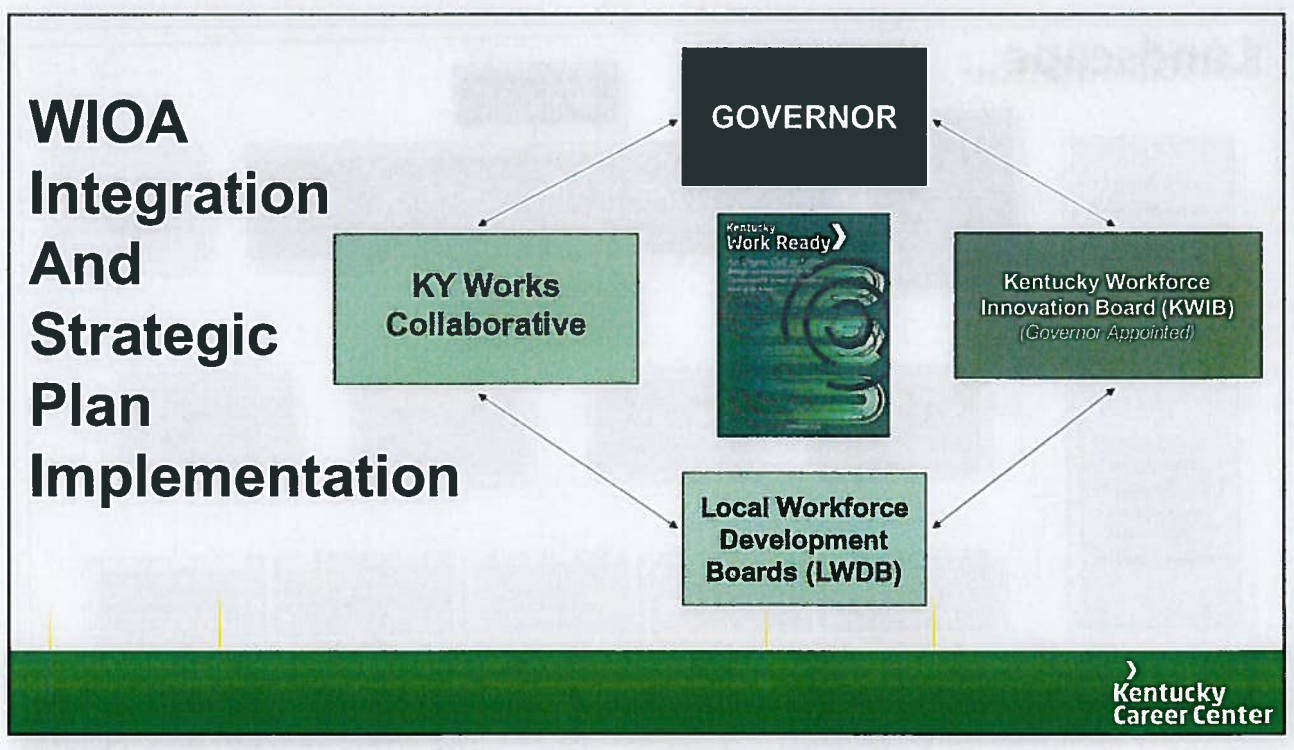
VISION AND DESIRED IMPACT

"Create a workforce development system that is value driven for employers, aligns education with industry demands, prepares Kentuckians for the future of work and drives economic development."

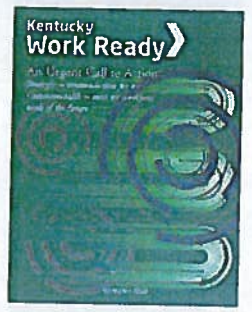
#1 Employers	#2 Education	#3 Workforce Participation	#4 Organization and Resource Alignment
STRATEGIC GOALS			
Goal #1: Actively engage employers to drive Kentucky's workforce development system.	Goal #2: Align and integrate P-12, adult education and postsecondary education to provide lifelong opportunities for Kentuckians that prepare them for the rapidly shifting realities of work in the future.	Goal #3: Increase Kentucky's workforce participation by creating opportunities, incenting workforce participation, and removing employment barriers for Kentuckians.	Goal #4: Focus resources on the most effective initiatives and improve the return on our workforce investment, utilizing data to constantly improve workforce development in Kentucky.
STRATEGIC OBJECTIVES			
1a: Create a workforce development system that is valued by employers. 1b: Establish a clear channel for employer engagement in workforce development services. 1c: Increase the number of employers participating in work-based learning experiences and apprenticeships while also establishing employer champions. 1d: Engage employers in education efforts from early childhood through Kindergarten, Grade 12, and post-secondary. 1e: Leverage employer data on workforce projections and training needs using the talent pipeline management system of the Kentucky Chamber of Commerce and a revamped business service team network.	2a: Increase career exploration opportunities while students are in P-12 and provide all P-12 students an opportunity to earn a certificate(s) or credential(s) prior to graduation, with emphasis on those credentials where dual secondary/post-secondary academic credit is awarded. 2b: Review and adjust the structure (locations, pathways, and resources) of pre-K through postsecondary delivery to identify ways to align and integrate the Commonwealth's educational infrastructure based on employer needs. 2c: Increase awareness of all market-relevant career pathways among students, educators, guidance counselors, career counselors and parents. 2d: Improve the sharing and use of data to inform the ongoing curriculum design for P-12 and postsecondary institutions. 2e: Create opportunities for early, mid, and later-career learning for all Kentucky workers in order to provide a range of learning opportunities for growth, upskilling, and adoption to changes in the nature and structure of work. 2f: Encourage the agility, responsiveness and desire for lifelong learning among older Kentucky workers.	3a: Strengthen collaboration across workforce development, social services, employers and non-profits to address barriers to employment for individuals. 3b: Mitigate disincentives to work and explore ways to incentivize workforce participation for individuals currently receiving social services benefits in order to support their transition to sustainable employment. 3c: Embed programs serving specific populations across cabinets to promote workforce participation. Examples of priority populations include veterans, individuals with disabilities, re-entrants from the corrections system, individuals in recovery from substance abuse, young adults transitioning out of foster care and others. 3d: Develop and promote strategies for employers to address employment barriers. 3e: Develop and pursue strategies that increase the number of Kentucklans, work-ready and free from the influence of substance abuse.	4a: Identify and address the organizational and structural changes that should be made to Kentucky's workforce development governance to improve collaboration and accountability. 4b: Develop a framework and supporting goals and metrics for Kentucky's workforce development programs. 4c: Identify gaps in the existing longitudinal data system and determine available sources to close those gaps. 4d: Define and create an effective communication approach for services to ensure a consistent, quality customer experience. 4e: Build a stronger, more coordinated relationship between state government and local governments, institutions and workforce innovation areas.

Based on stakeholder involvement and best practices from within Kentucky and across the United States, KWIB has created a bold strategy that addresses both structural and tactical root cause issues impacting the current workforce system. This plan represents a collaboration of education, workforce and economic development at all geographic levels, and the strategies outlined herein will leverage state, local, and private partnerships to improve workforce outcomes for Kentucky's current and future employers and job seekers.


Kentucky's INTEGRATED
Workforce System
KentuckyWorks
COLLABORATIVE


WIOA Integration And Strategic Plan Implementation
GOVERNOR
KY Works Collaborative
Work Ready
Kentucky Workforce Innovation Board (KWIB)
(Governor Appointed)
Local Workforce Development Boards (LWDB)
Kentucky Career Center

KWIB
Strategic Plan Goals



1. Increase Employer Engagement
2. Increase Educational Attainments and Completions
3. Increase Kentucky's Workforce Participation Rate *(currently 43rd)*
   ....ALL POPULATIONS INCLUDED
4. Resource Alignment of Partners

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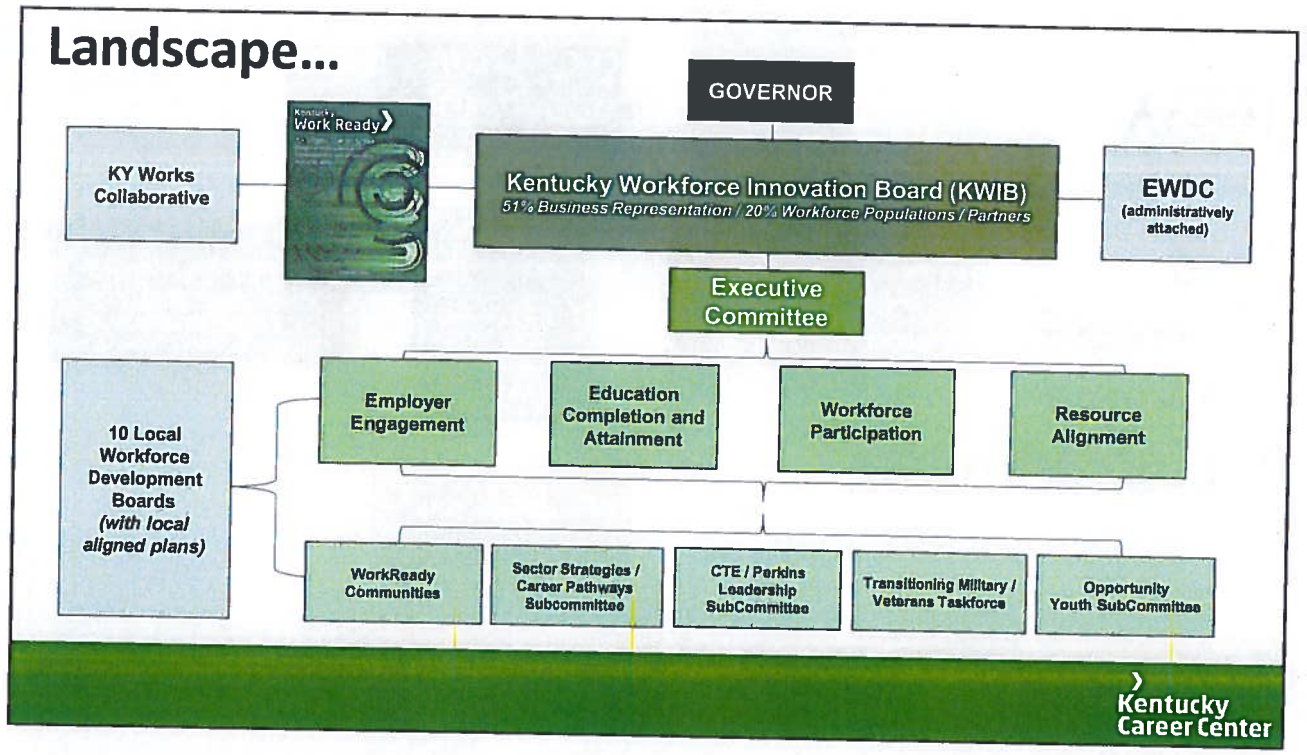
Landscape...



WIOA Core Partners ...All Located within EWDC / DWI

One of the first states to have
ALL 4 CORE WIOA TITLE PROGRAMS
in a Single Agency

Title 1 WIOA: Adult, Dislocated Workers, Youth, Job Corps, Youth Build, Native American Job Training Programs, Migrant & Seasonal Farmworkers

Title 2 Adult Education (newly incorporated by reorg)

Title 3 Wagner-Peyser

Title 4 Office of Vocational Rehabilitation
(includes Division of Blind Services formerly Office for the Blind)

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Additional WIOA Required Partners in the Kentucky Career Center System

- Senior Community Service Employment Program
- Carl D. Perkins Career and Technical Education
- Trade Adjustment Assistance
- Jobs for Veterans
- Community Services Block Grant
- Department of Housing and Urban Development
- Unemployment Insurance
- Second Chance
- TANF
- SNAP-Employment and Training (KY ONLY)

Comprehensive Career Centers must have access to partner services in one of three ways: through physical co-location on site, cross training of another partner program staff member to provide services or through direct linkage.
All required partners are included in the MOA/IFA if they are located and/or provide services in the LWDA.

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Operationally…

Each LWDA…

1 – Has a Local Plan Aligned to the State Strategic Plan
2 – Has MOU with Core and Required Partners
3 – Has an IFA with Core and Required Partners in the KCC
4 – May Have a Strategic Plan aligned with WorkReady Strategic Plan
5 – Has a WIOA Budget from EWDC
6 – Has Performance Measures which are Generated thru the help of the Partners
7 – Has a Service Delivery Mechanism for All Populations

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Operationally…

LOCAL RESPONSIBILITY AND ACCOUNTABILITY
…NEEDS STATEWIDE INTEGRATED SUPPORT

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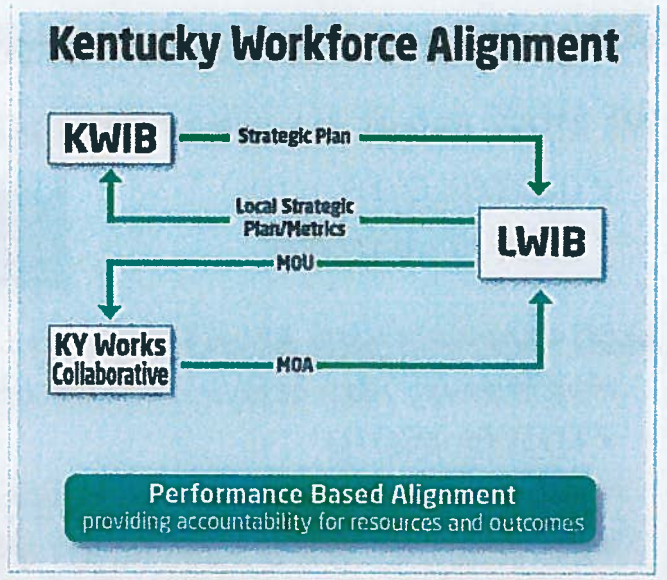
Operational Plan

1. Engage and Align with Workforce Partners (State and Local)
2. Deliver Services thru One Stop Methodology…
   Kentucky Career Center
3. Establish Memorandum of Understanding at Local Level to Deliver Services with Core and Required Partners
4. Establish Infrastructure Funding Agreements with Partners



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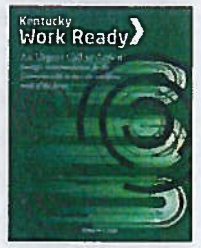
Why these 18 Collaborative Members?

Governor Bevin established the KentuckyWorks Collaborative to bring together key public and private stakeholders to implement WIOA and the KWIB's strategic plan - *Kentucky Work Ready: An Urgent Call to Action*.

These vested partners will develop new and enhanced approaches to building and strengthening Kentucky's workforce at the state level which then supports the local level in implementation and continued local strategies.



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Why these 18 Collaborative Members?

WE MUST ASSIST ALL JOB SEEKERS including…

- ✓UNEMPLOYED
- ✓UNDEREMPLOYED

ALSO EMPHASIZING ASSISTANCE TO…

- ✓VETERANS AND SERVICE DISABLED VETERANS
- ✓FOSTER YOUTH
- ✓INDIVIDUALS WITH CRIMINAL RECORDS
- ✓INDIVIDUALS WITH SUBSTANCE USE DISORDERS

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Collaborative Members

1. KY Governor or designee
2. KY Education and Workforce Development Cabinet - Secretary or designee
3. KY Cabinet for Economic Development - Secretary or designee
4. KY Labor Cabinet - Secretary or designee
5. KY Cabinet for Health and Family Services - Secretary of designee
6. KY Cabinet for Justice and Public Safety - Secretary or designee
7. KY Workforce Innovation Board - Chair of designee
8. Council on Postsecondary Education - President or designee
9. Council on Postsecondary Education Conference of Presidents - Convener or designee

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Collaborative Members

10. KY Department of Education - Commissioner or designee
11. KY Commission on Military Affairs - Executive Director or designee
12. Kentucky Chamber of Commerce - President or designee
13. KY Housing Corp. /U.S. Housing and Urban Development serving KY – Ex. Dir. or designee
14. Chief Local Elected Official (representing the LEOs through KACo)
15. Local Workforce Development Board Director (representing the 10)
16. KY National Federation of Independent Business - State Director or designee
17. KY Human Development Institute – Ex. Dir. or designee
18. Job Corps Center serving KY - Director (representing the 7)

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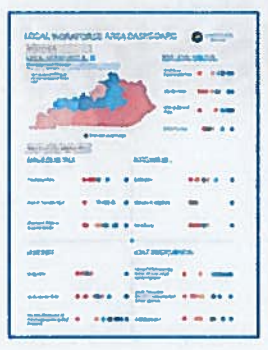
Metrics… How Will We Know Our Actions are Working?



NEW
And
In Development
Local
Workforce
Dashboard

WorkReady
Communities
Dashboard

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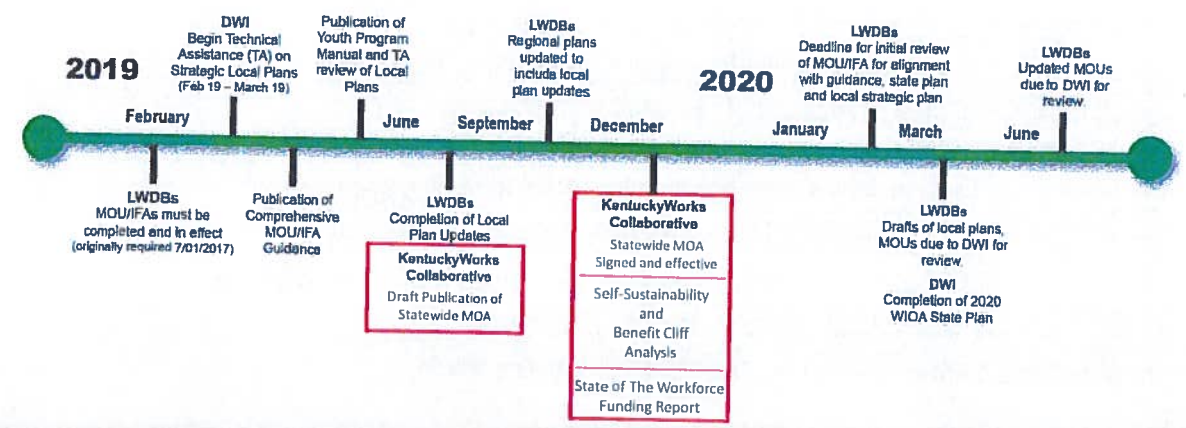
Our Immediate Tasks for 2019…



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Let's Get Started with QUESTIONS and DISCUSSION

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NEXT STEPS…

Task 1: State of Workforce Funding Report and Audit

1. Do We Need an RFP for Fiscal Audit Entity?
2. Collaborative Funding Mechanism for Fiscal Audit?
3. Form a SubCommittee to Outline RFP, Budget Guidelines, Etc.

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NEXT STEPS…

Task 2: Self-Sustainability / Benefit Cliff Analysis

1. Do We Need an RFP for Analysis?
2. Collaborative Funding Mechanism for Analysis?
3. Form a SubCommittee to Outline RFP, Analysis Guidelines, Etc.

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NEXT STEPS…

Task 3: WIOA SMEs

1. Form a SubCommittee to:
    a. Review WIOA and Become SME on MOU / IFA process
    b. Visit Kentucky Career Center and Meet with Staff
    c. Work On Outlining MOA

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NEXT STEPS…

Task 4: Metrics

1. What Metrics Does your Entity Use?
2. Is there a Report Out on Metrics Needed by Agency?
3. Who Needs to Establish the Consistency Scale on What We Measure as a State Additional to What's Already Measured on the Dashboards?

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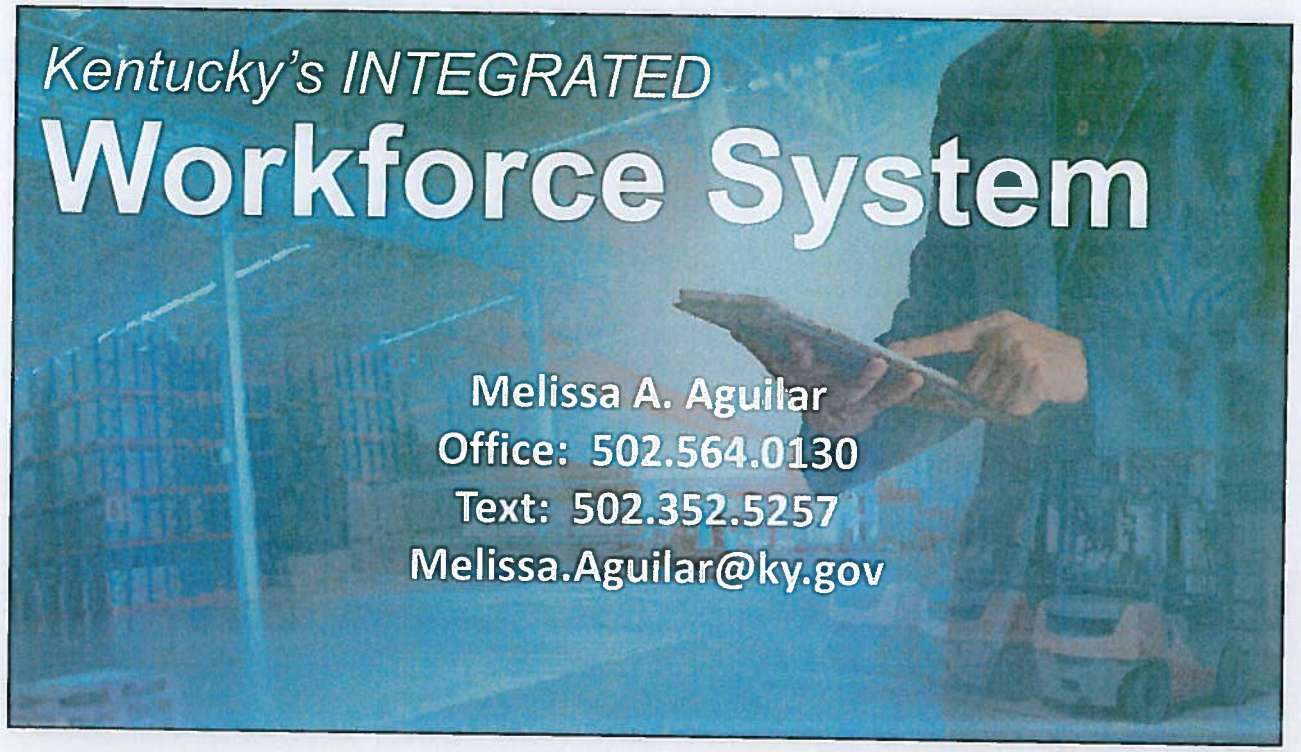
Kentucky's INTEGRATED
Workforce System
Melissa A. Aguilar
Office: 502.564.0130
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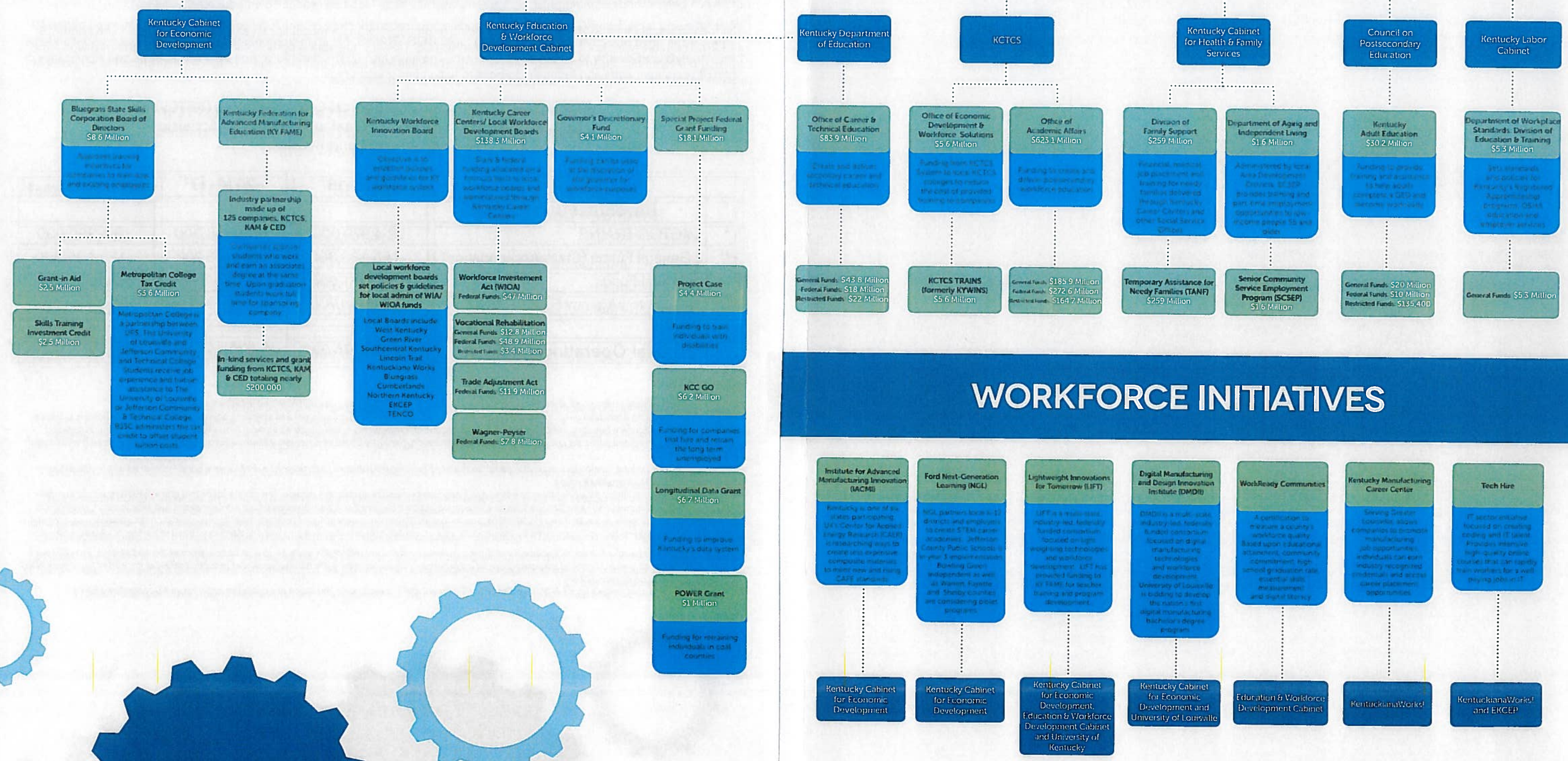
Melissa.Aguilar@ky.gov

KENTUCKY WORKFORCE RESOURCES — $1.2 Billion



WORKFORCE INITIATIVES

Source: Kentucky Cabinet for Economic Development

Kentucky's 10 workforce investment areas are governed by local boards (which receive federal and state funding through the Education & Workforce Development Cabinet). Area development districts (ADDs) manage many of the local boards; the arrangement is more successful in some communities than in others, and in some cases, challenges persist related to governance and accountability.

Legislation enacted by the 2017 General Assembly requires, among other things, that the state's 15 ADDs follow federal and state procurement statutes and regulations. The new law also requires a review of all the districts within the next four years to determine if their policies and internal controls are adequate. Further examinations would follow if necessary.

The Kentucky Community & Technical College System

While the Kentucky Community and Technical College System provides education services in addition to workforce training, there is a general understanding that the system's overall efforts focus on producing an educated workforce.

The following table from KCTCS includes spending information for more recent fiscal years than the illustration on pages 19 and 20. The table reflects a decline in funding for KCTCS TRAINS, the state-appropriated line item for customized workforce training delivered directly to business and industry. The table also shows that the source of funding has shifted significantly in recent years from state and federal resources to tuition and student fees.

Kentucky Community and Technical College System (KCTCS)
Revenue Sources for All Educational and Operating Activities
FY 2016, FY 2017 and FY 2018

		2015-16[1]	2016-17[2]	2017-18 (Budget)[3]
	Revenue Fund Source			
*	KCTCS TRAINS	$ 4,979,000	$ 4,426,300	$ 4,382,000
**	General Funds (State Appropriation)	185,183,300	177,178,700	175,406,900
***	Federal Funds	191,571,200	181,392,400	182,751,000
****	Restricted Agency Funds	221,044,700	203,789,400	268,666,500
	Total Operating Expenses	**$ 598,975,000**	**$ 570,590,000**	**$ 631,206,400**

Source: *KCTCS*

*KCTCS TRAINS: State funding dedicated to support workforce training, career pathway, and business and industry training projects.
**General Funds (State Appropriation): Unrestricted state funding that support KCTCS educational and operating activity (Instruction, Public Service, Libraries, Academic Support, Student Services, Institutional Support, Operations and Maintenance, and Student Financial Aid). NOTE: Within this funding is operating expenditures for dedicated public service units such as Fire Commission, Kentucky Board of Emergency Medical Services, Adult Agriculture, and the Kentucky Coal Academy.
*** Federal Funds: Federal funding that supports grants/contracts. Predominately student financial aid, i.e., Pell Grants, Supplemental Education Opportunity Grants (SEOG), and College Work Study.
**** Restricted Agency Funds: Includes tuition and fees, sales and service revenue, investment income, and private funds that support KCTCS educational and operating activities (Instruction, Public Service, Libraries, Academic Support, Student Services, Institutional Support, Operations and Maintenance, and Student Financial Aid), including life safety and security activities, smaller capital equipment purchases, and deferred maintenance projects not separately budgeted within KCTCS's Capital Budget. Revenue generated by various units support operating expenditures of the units, i.e., Kentucky Board of Emergency Medical Services.

[1] *Actuals reflective of audited financial statements operating expenses. Does not reflect 2% state budget reduction taken at the end of fiscal year 2015-16*
[2] *Actuals reflective of audited financial statements operating expenses. Does not reflect 2% reimbursement of reduction taken at the end of fiscal year 2015-16 and released in fiscal year 2016-17*
[3] *Projected current year budget (as of 1/3/18) reflective of 1 percent state appropriation reduction per executive order issued Decemeber 28,2017*

Striving to be Top Tier for Talent

Average Isn't Good Enough

A Report of the Kentucky Business-Education Roundtable

Preface

The Kentucky Business-Education Roundtable's work has focused on developing an ambitious agenda to improve the education attainment of citizens and the quality of the Kentucky workforce. The Roundtable has framed this work around the four key goals of:

1. Investing in early childhood and preschool
2. Reinventing high school
3. Ensuring every adult obtains a marketable degree or credential
4. Engaging employers to define needed skills and develop talent supply chains

The deliberations have generated numerous recommendations, detailed in this report, across the continuum of education and workforce development. Some of these will be disruptive to current policies and practices, others will require significant resources, and many will require the additional input of policymakers and practitioners.

To help ensure the long-term success of its effort, the Roundtable will continue the work in the months ahead – setting priorities for policy and programmatic changes, determining the resources that will be needed to support the work, and engaging other stakeholders in defining considerations and specific needs.

This longer report, as a result, should be viewed as a work in progress. As such, the draft recommendations it includes do not all have unanimous support from all Roundtable members, but they do reflect the group's discussions and deliberations. This report will continue to evolve as the Roundtable develops an agenda to move Kentucky forward in areas that are critical to ensuring a successful future for individuals and the state as a whole.

Introduction

Kentucky must up its game if we are going to compete.

Workforce is the No. 1 factor in businesses' success and economic development decisions. But we are failing to educate and train enough people to be productive and responsible employees and contributors to their own well-being and that of the state. Kentucky also struggles to retain and attract talent to create the jobs of the future that will fuel prosperity and encourage younger entrepreneurs, emerging leaders and business owners to live and work here.

If the business community, elected officials, educators, families, public policymakers and advocates don't join forces immediately to make significant changes, Kentucky will become trapped in a downward spiral where economic competitiveness and growth will be almost impossible to achieve – for individuals and the state as a whole.

Here is a snapshot of Kentucky as it is today – evidence of the need for action fueled by a sense of urgency:

- A 2018 business survey showing more than half of Kentucky employers struggling to find workers with the skills they need.

- With a 42nd-place national ranking in workforce participation (as of September 2018), at 59.3% vs. a 62.7% national average, workforce challenges that discourage economic investments.
- Recent scores on key academic measurements showing Kentucky in decline relative to other states; 4th grade reading and math scores and the state's national ranking on both, although still respectable, declining after years of improvement on the National Assessment of Educational Progress; too many students failing to perform well on Kentucky-only tests.
- An education attainment level that trails much of the nation; 22.7% of Kentuckians age 25 and older have a bachelor's degree or higher compared to 30.3% nationally.
- Barely more than half of our children (51.4%) prepared for kindergarten by the time they enroll in school.
- Just over 55% of third graders with reading skills that are proficient or better and less than 51% with math skills at that level.
- Persistent achievement gaps among groups of students, undermining academic progress and prospects for life success.
- More than 765,000 adults with no postsecondary education and more than 500,000 with some postsecondary credit but no credential.
- Work-based learning programs engaging only 3,187 of the more than 56,000 high school students eligible in 2016-2017.
- Thousands of available jobs unfilled due to the lack of skilled workers.
- A per capita income of $39,393, ranking 47th in the nation.
- Only 48% of workers being trained to the middle-skill level – jobs that require more than high school but less than a four-year-degree – while 58% of the state's jobs are at this level.
- 347,000 working-age adults (18-64) without a high school or GED diploma, 52% of them in their prime working years (ages 18-44).

Underpinning these disappointing realities are others that reflect the challenges Kentucky faces in moving many of its residents along an educational or workforce pathway that will lead to a better quality of life:

- A Social Security disability rate of 7.9%, compared to the national average of 4.6%.
- An overdose death rate of 33.5 per 100,000 residents; the national average is 19.8.
- A national health ranking of 42nd among the states.
- An incarceration rate of 869 per 100,000 residents; the national average is 698.

If we are to change the direction of our state, it is imperative that we change our thinking, our focus and our work. It is not enough to strive for average. We must set an ambitious goal of moving Kentucky into the Top Tier of states, to be first in the nation in improving the alignment of our talent development systems with employment opportunities and among the Top 10 states on key indicators reflecting education and workforce quality.

The challenges of doing this cannot be overstated, but Kentucky is up to the task. With hard work and a sustained commitment, we moved Kentucky from the bottom of national education rankings to a mid-level position in many categories – and even higher in some. But the fact that our progress has now slowed – and in some cases our gains have been reversed – requires a renewed commitment.

Aligning Efforts

The work of the Business-Education Roundtable is aligning with that of other organizations – evidence of the urgent need to improve education attainment and workforce quality. Two of these aligned initiatives have been developed by the **Kentucky Chamber of Commerce** and the **Kentucky Workforce Innovation Board.**

The **Kentucky Chamber** has had a long-standing emphasis on enhancing the quality of the state's workforce and is advancing the effort through its Workforce Center and other means. In the Chamber's most recent workforce report, "Kentucky's Workforce: Progress & Challenges," (January 2018) a number of recommendations reflect clear alignment with the agenda being developed by the Business-Education Roundtable. These include:

- Working with public partners on work-based learning initiatives.
- Actively engaging employers to raise awareness about available jobs and workplace requirements.
- Developing business-led collaboratives through the Talent Pipeline Management program to define employment and training needs.
- Improving alignment of programs to enhance collaboration and limit duplication of efforts.
- Emphasizing essential skills development through schools and workplace initiatives, incorporating a drug-free element into programs.

The **Kentucky Workforce Innovation Board's** strategic plan, "Kentucky Work Ready, An Urgent Call to Action," (February 2018) reflects four strategic goals:

1. Actively engage employers to drive Kentucky's workforce development system.
2. Align and integrate P-12, adult education and postsecondary education to provide lifelong opportunities for Kentuckians that prepare them for the rapidly shifting realities of work in the future.
3. Increase Kentucky's workforce participation by creating opportunities, incenting workforce participation, and removing employment barriers for Kentuckians.
4. Focus resources on the most effective initiatives and improve the return on our workforce investment, utilizing data to constantly improve workforce development in Kentucky.