



MATTHEW G. BEVIN
GOVERNOR

EXECUTIVE ORDER

Secretary of State
Frankfort
Kentucky

2019-011
January 3, 2019

**RELATING TO THE CREATION OF THE
KENTUCKYWORKS COLLABORATIVE**

WHEREAS, the Commonwealth of Kentucky recognizes that the continual development of Kentucky's workforce is imperative to meeting the needs of Kentucky's current employers, prospective employers and the citizens of the Commonwealth; and

WHEREAS, the state's workforce development system must encourage Kentuckians to embrace work and reduce reliance on public assistance so that Kentucky will see positive economic growth and stable employment at competitive wage levels; and

WHEREAS, the Workforce Innovation and Opportunity Act of 2014 ("WIOA") requires Governors to establish a State Workforce Development Board to assist in the development of a state plan that enhances the capacity and performance of the workforce development system, aligns and improves the Commonwealth's workforce programs and investments, and promotes economic growth; and

WHEREAS, pursuant to Executive Order 2017-0643, the Kentucky Workforce Innovation Board ("KWIB") was created to fulfill the requirements of WIOA; and

WHEREAS, the KWIB commissioned a study to identify the challenges limiting the success of Kentucky's workforce development system and also reviewed the findings of an additional study commissioned by the Commonwealth of Kentucky known as the Work Matters Task Force Report as a predicate to the KWIB developing a strategic plan to address those challenges; and

WHEREAS, the KWIB relied upon the findings of the study and as well as the recommendations from the Work Matters Task Force Report to develop a strategic plan that would improve the effectiveness of the Commonwealth's workforce development



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system and, on February 15, 2018, the KWIB approved the strategic plan, formally known as *Kentucky Work Ready: An Urgent Call to Action* (“Strategic Plan”); and

WHEREAS, the Strategic Plan recognizes that the quality and availability of educated and skilled people is the single biggest factor driving business growth and expansion, and that Kentucky’s workforce development system needs to include the currently established network of Kentucky Career Centers, primary, secondary, and postsecondary institutions, and adult education programs, and must also include a comprehensive focus on career and technical education; and

WHEREAS, the Strategic Plan also recognizes that alignment of all education, workforce and economic development efforts under WIOA is crucial to provide both employers and job seekers with the support that is necessary to create healthy, prosperous communities and sustainable economic growth; and

WHEREAS, the Strategic Plan further observes that the complexity of the workforce development system creates its own set of challenges for policymakers and for the employers and citizens who attempt to navigate the maze of agencies and programs that have been established to support them in the areas of workforce development and job seeking, respectively; and

WHEREAS, the Strategic Plan suggests a series of steps that require a sustained commitment from state and local policymakers and local workforce boards as well as the support of Kentucky’s business community, including (1) actively engaging employers to drive Kentucky’s workforce development system, (2) aligning and integrating elementary and secondary education, postsecondary education and adult education to provide lifelong learning opportunities for Kentuckians that prepare them for higher skills needed in the workplace, (3) increasing Kentucky’s workforce participation rate and (4) focusing



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available resources on the most effective initiatives in order to improve the return on Kentucky's workforce investment; and

WHEREAS, I concur with the Strategic Plan and its assessment of the challenges that must be addressed in order to enhance the effectiveness of Kentucky's workforce development system; and

WHEREAS, I have determined that state agencies and stakeholder partners with vested interests in the workforce development system must collaborate and work together to enable successful implementation of the Strategic Plan; and

WHEREAS, these state agencies and partners include (a) state and non-state agencies that provide job training, counseling, career development, technical assistance and support services to employers and job seekers; (b) federal agencies that provide job training and workforce-related support services; (c) private employers; and d) local workforce boards charged with locally coordinating resources for job seekers, students and employers; and

WHEREAS, it is essential to bring these resources together in order to collaborate and make longstanding commitments to the development of Kentucky's workforce development system in order to accomplish the objectives set forth in the Strategic Plan:

NOW THEREFORE, I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by Sections 69 and 81 of the Constitution of the Commonwealth of Kentucky and KRS 12.028 and otherwise, do hereby Order and Direct the following:

- I. The KentuckyWorks Collaborative ("Collaborative") is hereby established and created for the purpose of ensuring the implementation of the Kentucky Workforce Innovation Board's strategic plan, *Kentucky Work Ready: An Urgent Call to Action*, and drawing the necessary workforce development system partners together in one group so that all available resources may be



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efficiently and effectively aligned and measured in order to enhance and improve Kentucky's workforce development system;

- II. The Collaborative shall consist of eighteen (18) members as follows:
- 1) The Governor, or designee;
 - 2) Secretary of the Education and Workforce Development Cabinet, or designee;
 - 3) Secretary of the Cabinet for Economic Development, or designee;
 - 4) Secretary of the Labor Cabinet, or designee;
 - 5) Secretary of the Cabinet for Health and Family Services, or designee;
 - 6) Secretary of the Kentucky Justice and Public Safety Cabinet, or designee;
 - 7) Chair of the Kentucky Workforce Innovation Board, or designee;
 - 8) President of the Council on Postsecondary Education, or designee;
 - 9) Commissioner of the Kentucky Department of Education, or designee;
 - 10) Convener for the Council on Post-Secondary Education Conference of Presidents, or designee;
 - 11) Executive Director of the Kentucky Commission on Military Affairs, or designee;
 - 12) President of the Kentucky Chamber of Commerce, or designee;
 - 13) Executive Director for Kentucky Housing Corporation representing U.S. Housing and Urban Development serving Kentucky, or designee;
 - 14) Director of a Jobs Corps Center serving Kentucky recommended by a majority of the seven Job Corp Centers located in Kentucky;
 - 15) A Chief Local Elected Official recommended by the Kentucky Association of Counties;
 - 16) A local Workforce Innovation Board Director recommended by the Local Workforce Innovation Board Directors group;
 - 17) State Director of the Kentucky National Federation of Independent Business, or designee; and
 - 18) Executive Director of the Kentucky Human Development Institute, or designee.
- III. The Governor or his or her designee shall serve as Chair of the Collaborative.
- IV. The Collaborative shall meet no less than eight (8) times between January 2019 and June 2020 to perform its initial responsibilities under this Order, and will continue to convene at least quarterly thereafter to provide partner agency support of the KWIB's efforts to measure and improve the effectiveness of the workforce development system.
- V. Meetings shall be held at regularly scheduled intervals or at the call of the Chair.



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- VI. The Collaborative shall collectively fund and develop, or have developed by a qualified third party, a State of the Workforce Funding Report that identifies all federal and state funded workforce-related education, training and support service activities in the past five years provided by the Collaborative's respective agencies or entities, as well as any and all associated funding related to these services. The Funding Report shall specifically identify all funds and their sources. The Funding Report shall indicate, to the extent feasible, the return on investment for each of the past year's funding streams that have been identified in the Funding Report. Further, beginning on January 1, 2020, and every year thereafter, this Funding Report and all funds included in the report shall be updated and audited by a third party on a yearly basis, reviewed by the Collaborative and delivered to the KWIB for review and recommendations on improving the effectiveness of the workforce development system.
- VII. The Collaborative shall collaboratively fund and analyze, or have analyzed by a qualified third party, the available data and resources regarding the population of Kentucky in order to determine an earnings standard that represents the minimum level of income by which a Kentucky resident can be considered self-sufficient. This self-sufficiency standard shall be determined for households of various compositions and must reflect what is needed to adequately meet the basic needs of Kentucky citizens in representative regions of the state absent public or private assistance. This report should include the ability to also analyze the benefit cliff with regard to individuals who are receiving state assisted benefits in comparison to the determined self-sufficiency wage via the private sector. Beginning on January 1, 2020, and every two years thereafter, this standard shall be reported to the KWIB and may be updated at that time to reflect changes in the economic condition of the state.
- VIII. The partners represented on the Collaborative shall work to establish cooperative and mutually beneficial relationships to successfully accomplish the following commitments: (1) support in streamlining statewide identification and sharing of common core services by function rather than by agency applicable to each partner's program at the local level; (2) effective blending of funds by function rather than by agency identified in the Funding Report allocated to the partner's program for workforce development to the extent not inconsistent with Federal law; (3) participation in a common referral system; (4) participation in a common case management information system; and (5) achievement of established performance goals grouped by function rather than by agency, as defined by the KWIB and the Education and Workforce Development Cabinet.
- IX. The state agency members of the Collaborative shall ensure provision of services by function rather than by agency in each comprehensive Kentucky Career Center by way of creating a state level Memorandum of Agreement in which state partners define for their local staff and contractors the roles, responsibilities, contributions and metrics by function in providing the



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following workforce development services in the Kentucky Career Center system listed as: (1) assisting individuals in obtaining employment that leads to self-sufficiency; (2) providing employers with access to qualified and appropriately skilled employees who have been assessed, trained and possess appropriate credentials and certifications; (3) delivering effective programs offered through a seamless and integrated workforce development delivery that eliminates duplication of services; (4) reducing administrative costs and accommodating the needs of employers; (5) holding participant organizations accountable for costs, appropriate use of state and federal funding, performance, and metrics; and (6) reacting to the current demand for skilled workers by specific industries and identified sectors of unfilled jobs.

- X. The local workforce boards shall work to ensure that the following operational outcomes are achieved within the local area: (1) the development of a comprehensive, fully integrated workforce development system that appropriately balances partner roles, responsibilities and accountability; (2) assurance that every employee, job seeker and employer is aware of and has universal access to utilize the full continuum of available workforce development programs and services in Kentucky; (3) increasing the supply of appropriately skilled workers for high demand industries; (4) the elimination of unnecessary duplication of services; and (5) a reduction in administrative costs. The local workforce boards will report quarterly to the KWIB on measured success and continuous improvement of each of the above listed outcomes to ensure fulfillment of WIOA requirements.
- XI. All cabinets, departments, agencies, and officers of the Commonwealth, or any political subdivision thereof, are hereby authorized and directed to cooperate with the Collaborative in implementing the provisions of this Order according to law.
- XII. The Finance and Administration Cabinet, Office of State Budget Director and the Personnel Cabinet are directed to initiate all actions that are necessary to effectuate the provisions of this Order.


MATTHEW G. BEVIN, Governor
Commonwealth of Kentucky

ALISON LUNDERGAN GRIMES
Secretary of State



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REORGANIZATION PLAN

INTRODUCTION

The Education and Workforce Development Cabinet (EWDC) is seeking to establish the KentuckyWorks Collaborative (“Collaborative”) to facilitate the implementation of the Kentucky Workforce Innovation Board’s strategic plan, *Kentucky Work Ready: An Urgent Call to Action* (“Strategic Plan”). The Collaborative will bring together necessary partners in the workforce development system from the local, state and federal governments, educational institutions, and the business community in order to effectively identify and allocate workforce development resources in a collective and strategic manner. Currently, there are multiple stakeholders who share common interests in developing a successful workforce development system for the Commonwealth, and the need to identify and coordinate those interests and resources has become apparent through the work of the Kentucky Workforce Innovation Board. It is recognized that the state’s workforce development system must encourage Kentuckians to embrace work and reduce reliance on public assistance so that Kentucky will see positive economic growth and stable employment at competitive wage levels.

Summary of the Plan

The Workforce Innovation and Opportunity Act of 2014 (“WIOA”) requires Governors to establish a State Workforce Development Board to assist in the development of a state plan for the workforce development system that aligns and improves the Commonwealth’s workforce programs and investments. Pursuant to Executive Order 2017-0643, the Kentucky Workforce Innovation Board (“KWIB”) was created to fulfill the requirements of WIOA. The KWIB commissioned a study to identify the challenges limiting the success of Kentucky’s workforce development system and thereafter developed a strategic plan formally known as *Kentucky Work Ready: An Urgent Call to Action*.

The Strategic Plan recognizes that the quality and availability of educated and skilled people is the single biggest factor driving business growth and expansion in the Commonwealth of Kentucky, and that Kentucky’s workforce development system needs to include the network of Kentucky Career Centers, as well as primary, secondary and postsecondary institutions, and adult education programs, and must also include a comprehensive focus on career and technical education. The Strategic Plan suggests a series of steps that require a sustained commitment from state and local policymakers and local workforce boards as well as the support of Kentucky’s business community, including: (1) actively engaging employers to drive Kentucky’s workforce development system, (2) aligning and integrating elementary and secondary education, postsecondary education and adult education to provide lifelong learning opportunities for Kentuckians that prepare them for higher skills needed in the workplace, (3) increasing Kentucky’s workforce participation rate and (4) focusing available resources on the most effective initiatives in order to improve the return on Kentucky’s workforce investment.

The state agencies and partners with vested interests in the success of the workforce system include: (a) state and non-state agencies that provide job training, counseling, career development, technical assistance and support services to employers and job seekers; (b)



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federal agencies that provide job training and workforce-related support services; (c) private employers; and d) local workforce boards charged with locally coordinating resources for job seekers, students and employers. Accordingly, the Collaborative consists of the following eighteen (18) members: (i) the Governor, or designee; (ii) Secretary of the Education and Workforce Development Cabinet, or designee; (iii) Secretary of the Cabinet for Economic Development, or designee; (iv) Secretary of the Labor Cabinet, or designee; (v) Secretary of the Cabinet for Health and Family Services, or designee; (vi) Secretary of the Justice and Public Safety Cabinet, or designee; (vii) Chair of the Kentucky Workforce Innovation Board, or designee; (viii) President of the Council on Postsecondary Education, or designee; (ix) Commissioner of the Kentucky Department of Education, or designee; (x) Convener for the Council on Post-Secondary Education Conference of Presidents, or designee; (xi) Executive Director of the Kentucky Commission on Military Affairs, or designee; (xii) President of the Kentucky Chamber of Commerce, or designee; (xiii) Executive Director for Kentucky Housing Corporation representing U.S. Housing and Urban Development serving Kentucky, or designee; (xiv) Director of a Jobs Corps Center serving Kentucky recommended by a majority of the seven Job Corp Centers located in Kentucky; (xv) a Chief Local Elected Official recommended by the Kentucky Association of Counties; (xvi) A local Workforce Innovation Board Director recommended by the Local Workforce Innovation Board Directors group; (xvii) State Director of the Kentucky National Federation of Independent Business, or designee; and (xviii) Executive Director of the Kentucky Human Development Institute, or designee.

The Collaborative shall meet no less than eight (8) times between January 2019 and June 2020 and will continue to convene at least quarterly thereafter to provide partner agency support of the KWIB's efforts. The Collaborative is tasked with funding and developing, or have developed by a qualified third party, a State of the Workforce Funding Report that identifies all federal and state funded workforce-related education, training and support service activities in the past five years provided by the Collaborative's respective agencies or entities, as well as any and all associated funding related to these services. The Funding Report shall specifically identify all funds and their sources. The Funding Report shall indicate, to the extent feasible, the return on investment for each of the past year's funding streams that have been identified in the Funding Report. Further, beginning on January 1, 2020, and every year thereafter, this Funding Report and all funds included in the report shall be updated and audited by a third party on a yearly basis, reviewed by the Collaborative and delivered to the KWIB for review and recommendations on improving the effectiveness of the workforce development system.

The Collaborative shall also collaboratively fund and analyze, or have analyzed by a qualified third party, the available data and resources regarding the population of Kentucky in order to determine an earnings standard that represents the minimum level of income by which a Kentucky resident can be considered self-sufficient. This self-sufficiency standard shall be determined for households of various compositions and must reflect what is needed to adequately meet the basic needs of Kentucky citizens in representative regions of the state absent public or private assistance. This report should include the ability to also analyze the benefit cliff with regard to individuals who are receiving state assisted benefits in comparison to the determined self-sufficiency wage via the private sector. Beginning on January 1, 2020, and every two years thereafter, this standard shall be reported to the KWIB and may be updated at that time to reflect changes in the economic condition of the state.



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The partners represented on the Collaborative shall also make the following commitments: (1) streamlining statewide identification and sharing of common core services by function rather than by agency applicable to each partner's program at the local level; (2) effective blending of funds by function rather than by agency identified in the Funding Report allocated to the partner's program for workforce development to the extent not inconsistent with Federal law; (3) participation in a common referral system; (4) participation in a common case management information system; and (5) performance goals grouped by function rather than by agency, as defined by the KWIB and the Education and Workforce Development Cabinet.

In addition, the state agency members of the Collaborative shall ensure provision of services by function rather than by agency in each comprehensive Kentucky Career Center by way of creating a state level Memorandum of Agreement in which state partners define for their local staff and contractors the roles, responsibilities, contributions and metrics by function in providing the following workforce development services in the Kentucky Career Center system listed as: (1) assisting individuals in obtaining employment that leads to self-sufficiency; (2) providing employers with access to qualified and appropriately skilled employees who have been assessed, trained and possess appropriate credentials and certifications; (3) delivering effective programs offered through a seamless and integrated workforce development delivery that eliminates duplication of services; (4) reducing administrative costs and accommodating the needs of employers; (5) holding participant organizations accountable for costs, appropriate use of state and federal funding, performance, and metrics; and (6) reacting to the current demand for skilled workers by specific industries and identified sectors of unfilled jobs.

The local workforce boards shall report quarterly to the KWIB on their performance within the following areas: (1) the development of a comprehensive, fully integrated workforce development system that appropriately balances partner roles, responsibilities and accountability; (2) assurance that every employee, job seeker and employer is aware of and has universal access to utilize the full continuum of available workforce development programs and services in Kentucky; (3) increasing the supply of appropriately skilled workers for high demand industries; (4) the elimination of unnecessary duplication of services; and (5) a reduction in administrative costs.

PERSONNEL AND FISCAL IMPACTS

Establishment of the Kentucky Works Collaborative is budget neutral and will neither increase nor decrease state expenditures. Administration support for the Collaborative will not affect state personnel.