



KWIB Sector Strategies Workgroup Meeting

Draft Minutes
September 3, 2024
10:00 am – 11:30 am EDT
In Person - 500 Mero St. Frankfort, KY 40601

ATTENDEES: DR. BETH HARGIS, DEPUTY SEC. BETH BRINLY, SAM KEATHLEY, BECKY GILPATRICK, BRANDON COMBS, CORREY EIMER, JO CAROLE ELLIS, JESSIE SCHOOK, MIKE YODER, LESLIE SIZEMORE, MATT BERRY

STAFF: ALISHER BURIKHANOV, DEBBIE DENNISON, LACHRISTA ELLIS, SARA JAGGERS

Call to Order at 10:01 am

Beth Brinly, Deputy Secretary of the Education and Labor Cabinet (ELC) began the meeting by asking everyone to introduce themselves. After the introductions, she provided an overview of the workgroup's purpose and a summary of programs that are impacted by the sector strategies workgroup. Specifically, Work Ready Scholarships, Eligible Training Provider List, and incentives within the Cabinet for Economic Development such as the Bluegrass State Skills Corporation, are among those initiatives that are tied to the identified high-demand sectors.

Deputy Secretary added that historically during the last iteration of sector identification, sectors such as automotive and aerospace, were not originally part of the data, but were brought in as major investments were occurring that period (2011-2012). She emphasized that after two years of quantitative work, it was time to integrate qualitative insights from this group to finalize the decision to move forward with the sector identification. She encouraged an open and honest discussion on recommendations. She noted it had been 12 years since changes were made to the top high-demand sectors and looks forward to the discussions, and then handed it over to **Alisher Burikhanov, Executive Director, Kentucky Workforce Innovation Board (KWIB)**. Alisher explained the importance of the quantitative data and highlighted the qualitative insights as crucial for Kentucky's future. He recognized the valuable input from business representatives over the past two years, in the quantitative analysis, and acknowledged their contributions during the data presentation, and thanked everyone for their participation.

KYSTATS Remarks

Matt Berry, Executive Director, Kentucky Center for Statistics ([KYSTATS](#)) provided background on the system used for data-analysis. He framed the methodology behind the longitudinal data and indicated that **Sam Keathley, Senior Workforce Analyst, KYSTATS** would walk through the details. Dr. Berry assured the group of KYSTATS continued involvement and passed the floor to Sam.

Sector Strategies Data Quantitative Review

Sam Keathley began by explaining the methodology used to identify key industry sectors was based on demand, growth, and wages; using Workforce Innovation and Opportunity Act (WIOA) as guidance. Kentucky provides metrics on occupations, which have been used to signify key industries. Sam described the process of analyzing employment wages, job demand, job openings, and exits from the labor force, detailing how scores are assigned to occupations to create composite scores for identifying “favorable” occupations and sectors.

He discussed several methods for evaluating occupations:

- **Method 1:** Uses entry-level wages for both decile calculations and the living wage filter.
- **Method 2:** Uses entry-level wages for decile calculations and the living wage filter, excluding occupations requiring only a high school diploma or less.
- **Method 3:** Uses entry-level wages for decile calculations and the living wage filter, excluding occupations requiring more than a bachelor’s degree.
- **Method 4:** Uses median wages for decile calculations and entry-level wages for the living wage filter.
- **Method 5:** Uses median wages for both decile calculations and the living wage filter.
- **Method 6:** Uses entry-level wages for decile calculations and the living wage filter, with final industry weighting based on Kentucky’s employment location quotient.
- **Method 7:** Uses median wages for decile calculations and entry-level wages for the living wage filter, with final industry weighting based on Kentucky’s employment location quotient.
- **Method 8:** Uses median wages for both decile calculations and the living wage filter, with final industry weighting based on Kentucky’s employment location quotient.

These methods produced similar results, that can be viewed in the post-meeting packet. Sam also addressed the Massachusetts Institute of Technology (MIT)’s living wage calculations, noting that while the projections are delayed, the living wage estimates are current. He noted that employers in the workgroup were interested in knowing which occupations fell below the living wage for purposes of addressing that barrier to entry. He spoke further about focusing on “favorable” occupations (based on the decile scores) and how those entered into the analysis. Discussion was also had around building on-ramps to careers with favorable wages.

Sam reviewed the data offered within the workbook by worksheet including:

- **Occupation Inputs:** Identifies which occupations are essential for determining potential key sectors.
- **Ineligible Occupations:** Lists Kentucky occupations that cannot be included in key sector identification due to missing estimates.
- **National IO Matrix:** Explains how to link occupations to industries.
- **QCEW Data:** Provides information about industries independent of the occupational analysis.
- **AI Exposure:** Considers how the potential impact of AI technologies affects the analysis.
- **Dispersion:** Examines whether certain occupations are more evenly distributed across industries.
- **Living Wage Test:** Determines which occupations do not meet the living wage criteria.

He noted that some occupations straddle all industries and discussed the need to flag occupations not meeting the living wage criteria. The process integrates both state and national data, using state occupational data to calculate composite scores and a national industry/occupation matrix to identify key industries. Discussion around Artificial Intelligence (AI) was also had, and that tab identified more white-collar positions have exposure to AI.

He continued by explaining that the data aligns with the North American Industrial Classification System (NAICS), so the sectors in this document correspond to two-digit NAICS codes. The WIOA regulations do not require the key sectors of states to align with these codes. For more details on NAICS codes, their subsectors, and the business activities they cover, visit [BLS NAICS Hierarchy](#).

Sam concluded his presentation by reviewing how KYSTATS integrated the data based on workgroup discussions and offered how the data were organized. Alisher and Deputy Secretary Beth Brinly expressed their gratitude for his continued contributions.

Qualitative Group Discussion

Deputy Secretary Brinly initiated the discussion by reflecting on previous conversations about economic shifts and how some skills (jobs) transition into other occupations. She noted that the top five priority sectors have remained overall consistent but admitted that additional state-based interests have emerged. The Cabinet for Economic Development, for example, is focusing on automotive, manufacturing, natural assets (that include hospitality, tourism, and other industries that make Kentucky unique), in addition to newer focuses including Agri-tech, life sciences, and bio-medical fields.

Deputy Secretary emphasized the importance of capturing industries for “tomorrow’s jobs”. She added that focusing on middle-skilled jobs is important and work on career pathways fundamental. She added consideration of the upcoming WIOA reauthorization and federal funding for critical sectors should be part of the conversation. She encouraged the group to consider impacts to funding and scholarship opportunities, workforce solutions, and training trends that may not be fully captured by current data, such as in the medical field. She urged the group to assess what methodologies seemed most effective and rational.

There was discussion concerning changes to the current sectors and the possible impacts into priority occupations within them. For example, the group explored whether removing construction as a key sector would impact the current and future housing needs. Additional discussion on how to incorporate educational services and trade occupations was had. Consensus held that high-demand sector choices should be chosen with critical occupations like education. Discussion around talent pipelines, and pathways that include credentials, certificates, registered apprenticeships, and others were also had.

Stackable credentials and incorporating programs for daycare, preschool, and administrative roles into the workforce system were also had. Deputy Secretary asked everyone to consider where greatest impacts can be achieved through strategic partnerships and programs. The group began discussions based on the various methodologies, focusing on Method 8, which uses median wages to identify industries that employ the most people, adjusted for Kentucky’s population. It was noted that Methods 5 and 8 lift transportation back in the top 5 sectors, as truck driving is a prominent occupation with strong median wages in Kentucky.

Questions about shrinking WIOA funding arose and questions around the impact to local areas was raised. It was noted that regions can apply for unique funding opportunities, and sectors can be added to the regional sectors list if a strong business case is made.

The group discussed integrating quantitative formulas with qualitative analysis and the importance of education pathways for entry into top sectors. They noted a preference for stackable credentials that provide pathways from associate degrees or certifications to higher education. There was also discussion on evaluating sectors from an equity standpoint and focusing on middle-skilled jobs that are crucial for family support but do not require advanced degrees. Additional discussion around being able to explain any changes to top sectors be considered to the public, to educators, and to employers who might feel impacted if their entity drops out of the top sectors. This group needs to contemplate the impacts to educators, businesses, and job seekers while considering emerging industries. Additional comments were made around better understanding the sector of Professional and Scientific occupations.

It was suggested that the group refine their approach by gathering community feedback and returning to further discuss in the next month. It was concluded that standardizing questions for consistent feedback is not required at this time. However, if needed, KYSTATS is available to assist anyone interested in using this process.

The group agreed to reconvene on October 1st at 10:00 am, the first Tuesday of the month. Deputy Secretary Brinly thanked everyone for their participation and encouraged them to review the data, identify impacts and complete due diligence prior to the next meeting. The meeting was then adjourned.

Adjournment 11:49 AM EDT