

Kentucky Workforce Innovation Board (KWIB) Committee Meeting of Workforce Participation

DRAFT MINUTES

December 11, 2023; 12:00 pm – 1:30 pm EST



Via zoom

Virtual Members Present – Amy Luttrell, Johnny Pittman, Beth Roberts, Laurie Mays, Kristin Porter, Todd Trapp, Kevin Butt, Stephanie Collins, Adam Haley, Buddy Hoskinson, Dr. John Gregory, Lori Davis, Stephanie Literal, Andrea Day, Sarah Ehrisman, Jake Archibald, Michaela Mineer, Rocki Rockingham, Marybeth Dennis, Todd Trapp, Johnny Collett, Betty Whittaker, Paula Payne, David Verry.

STAFF PRESENT: Alisher Burikhanov, Debbie Dennison, Elishah Taylor, LaChrista Ellis

12:02 PM CALL TO ORDER

Amy Luttrell, Chair and CEO/President of Goodwill Industries of Kentucky, Inc., welcomed everyone to the meeting and thanked them for attending before calling the meeting to order.

WELCOME AND OVERVIEW OF COMMITTEE GOALS

Amy summarized the committee's objectives, one being to identify and remove barriers that can keep Kentuckians from entering the workforce. She provided an overview of work and recommendations provided by the National Center for Children in Poverty (NCCP). It examines the impact of benefit cliffs in Kentucky. Amy shared that the Cabinet for Health and Family Services (CHFS) has also been instrumental in providing information requested to assist in the analysis. She highlighted four key areas discussed in the report, which were as follows:

1. Childcare Subsidies
2. Medicaid
3. SNAP
4. Childcare in general

The goal of this initiative is to identify administrative and possible policy recommendations to reduce the effects on recipients in Kentucky. Amy talked through the context of the report iterating that the original objective is to mitigate disincentives to work. She cited specific examples referenced in the analysis. She referenced the Family Resource Simulator (FRS) stating that it informs but doesn't mitigate. Within the context of the report, she emphasized an example that reflects the effects of underemployment and how it traps people in lower income levels, ultimately affecting Kentucky's economy. She drew attention to the NCCP findings that although there are more single-parent households, two-parent households are also at risk because they have a higher income. Additionally, families sometimes fail to take advantage of available resources and benefit opportunities.

A draft of the current recommendations was shared via PowerPoint and can be viewed on the website post-meeting.

BENEFIT CLIFFS RECOMMENDATIONS

Childcare Cliffs - Largest benefit cliff facing Kentucky families currently occurs when parents lose access to subsidized childcare - happens when parents earn 85% of the state median income (SMI)

Recommendations:

- Decrease copayments for low-income families. Families without earnings should pay nothing for subsidized care. Copayments would start at 3% of earnings when families' income is \$17,000 and gradually increase to no more than 7% of earnings when families' earnings reach 85% of the state median income (SMI), which is the current exit threshold for subsidized care.
- Extend the exit income threshold to 125% SMI.
- Between 85%-125% SMI require subsidy copayments that steeply increase as parents' earnings grow, coming close to the cost of private care (ramping to the exit threshold).

Childcare Sector - 54% of Kentucky parents surveyed struggle to find childcare; in some cases, having to provide childcare themselves (changing working status)

General Recommendations: (to help mitigate childcare issues)

- Incentivize childcare workers to work in subsidized centers.
- Offer refundable tax credit to childcare workers.
- Expand Kentucky's subsidized care system by taking actions to support childcare centers and attract eligible families.
- Reduce administrative burdens from parents' access to subsidized childcare.
- Establish employer-funded childcare tax credits.
- Continue support for employers' contributions to childcare expenses through Employee Child Care Assistance Program (ECCAP)
- Conduct state-wide assessment of subsidy take-up and provision (identifying underemployment)
- Educate employers on benefit cliffs and impacts and encourage intentionality of promotions.

Medicaid Cliffs - Loss of Medicaid for adults is occurring at a relatively low earnings level (138% FPL – roughly \$34,000 for family of three resulting in loss from \$1,000 - \$3,639 annually)

Recommendations:

- Augmented campaign to target low-income families with importance of signing up and using silver-level Qualified Health Plans (QHPs)
- Adoption of state-funded Basic Health Program (BHP)

SNAP Cliffs - Kentucky already has used the most effective tool afforded to states have in reducing benefit cliffs resulting from the loss of this federal support – the extension of the gross income limit to 200% FPL under Broad-Based Categorical Eligibility.

Limited Recommendation:

- adjust copayments for subsidized care to a lower percentage of family incomes for low-income families (gradually shifting up to 7% as parents' earnings approach 85% SMI Increase efforts to mitigate high childcare costs of private childcare can produce smaller SNAP cliffs supporting a phasing out of the benefit.

The group was informed that changes can be made either administratively or through the legislature. These recommendations will be shared with the Education and Workforce Collaborative (Collaborative), and then to the Kentucky Workforce Innovation Board (KWIB).

A discussion was had around the importance of changes that can be made administratively and some through the legislature. Additional discussion was had around what might be considered legislative versus administrative changes.

Amy requested to have additional information and discussion at the next meeting, and the timing of that meeting may be determined based on when NCCP will finalize its recommendations the timeline needed for KWIB review, and any legislative considerations.

BENEFITS CLIFFS DISCUSSION

Alisher Burikhanov, Executive Director, Kentucky Workforce Innovation Board (KWIB), expressed gratitude to Amy for being a champion of this work. He asked the committee members what their thoughts were around the recommendations or any of the information shared in the analysis. Discussions were had around how some of the data is attained. Discussions on childcare recommended that we need to change the way we think about it and view it as an investment. Some recommendations were made to extend eligibility and have an extensive conversation about childcare. It was noted in the discussion that there is limited use of the Employee Child Care Assistance Partnership (ECCAP) Program. The employers have shared that the process is difficult. A recommendation was lifted to possibly reevaluate the program and its processes.

Discussions were held on when individuals and families lost their Medicaid coverage, and it was mentioned that it is currently difficult to track individuals that fall out of the Medicaid system. It was commented that there is a gap in the enrollment data that might be investigated. The report identifies several other states initiatives in tracking participants that can be followed up on.

Discussions were had around Kentucky's current Qualified Health Plan (QHP) and the need for additional marketing to individuals to utilize the Silver Plan which provides minimal subsidies with low maximum out-of-pocket expenses. It is crucial to note that QHP eligibility is included in the same application process as Medicaid and identifying ways to encourage more individuals to enroll in the plan and take advantage of the benefits may be needed.

A request for what other states have implemented and moved to legislation was lifted. Alisher shared that next steps would include providing the recommendations to members of the Education and Workforce Collaborative (Collaborative) and KWIB.

Amy expressed her gratitude to the attending employers and recognized the Recruitment Flyer that was in the pre-read packet and asked folks who are engaged to consider others, including employers, for recruitment as we work on areas of focus in 2024.

WORKFORCE PIPELINE

Alisher thanked Amy for her work in leading the cliff analysis effort. He turned the discussion to untapped talent populations and shared the updated pipeline graphic that can be found in the post meeting packet.

Alisher stated that staff is working to update numbers for 2024. He shared the importance of continuing the conversation on improving retention. Questions were raised about youth and some of the numbers and possible overcounting and overlap in categories.

Alisher stated that he would double-check the working-age population, specifically with foster youth, as some individuals are not of working age, while others are disengaged youth who are not attending school or are employed.

A recommendation to add the talent in the gig economy was raised. Alisher will follow up with KYSTATS to check if they are tracking this group.

Questions were asked around those with disabilities and those exiting incarceration, to clarify if totals included only those of working age (16 and older).

Alisher explained that the purpose of the pipeline is to share with businesses the potential talent from which they can recruit. The goal is to provide a snapshot of untapped talent and promote economic development.

Alisher expressed his appreciation for the feedback and confirmed that he will update the graphic for 2024.

1:16 PM ADJOURNMENT

Amy asked if anyone had additional topics to discuss, noting that this was the last meeting of the year. She thanked everyone for attending and wished them happy holidays.

Action items:

1. KWIB staff to reach out to NCCP for specific legislative examples in states identified within the report.
2. KWIB staff will convene additional conversations with state cabinet leaders in the Collaborative board meeting to identify additional steps for recommendations.
3. KWIB staff will convene additional conversations with KWIB members and other stakeholders.
4. KWIB staff will confirm untapped talent numbers (all talent or just those of working age).
5. A one-pager outlining business success in recruiting, hiring, and retaining specific untapped talent pools will be created.