



KWIB Executive Committee Meeting

DRAFT MINUTES

March 10, 2022; 11am – 12:30pm EST

Via zoom - Join from PC, Mac, Linux, iOS or Android:

<https://us06web.zoom.us/j/81992727513?pwd=Zk1kNk9qYlJHcHY5dkJqQlFKOEZXdz09>

Password: m00Rct

MEMBERS PRESENT: Kevin Smith, Kim Menke, Lori Ulrich, Heidi Margulis, Scott Pierce, Beth Davisson; **OTHERS PRESENT:** Scott Secamiglio, Adrian Jacobs, Jacob McAndrews, Debbie Dennison, Sara Jagers

11:03 AM **CALL TO ORDER**

Kevin Smith, KWIB Chair called the meeting to order and welcomed everyone.

Minutes from previous meeting provided in pre-read packet; Kevin asked if there were any changes; no changes requested and motion to approve lifted by Heidi Margulis and seconded Scott Pierce.

Motion carried unanimously.

Debbie Dennison, KWIB shared the KWIB Quarterly board meeting agenda for discussion and review. Kevin walked through the Consent agenda format and asked that pre-read items for consent agenda voting be included in packet. Discussion was had around the items and the order on the agenda with the one-stop certifications, the state plan modification and the Perkins Leadership recommendations.

The agenda is a tight one for time and **Heidi Margulis** suggested putting time frames into sections so that we can stay on time and task. **Kevin Smith** asked KWIB staff to follow up with Amy Luttrell and Goodwill about their presentation to make them aware of the tight time frame. Committee chairs shared their brief updates that will be shared at the KWIB quarterly. **ACTION** - ***KWIB staff should follow up with KY Stats*** about the sector data review, to identify if recommendations for change need to be made through committee and on to the full board. **KWIB staff** will assist in a communication to WIB directors regarding the *CTE Certification* form and process located on the [KWIB site](#).

Adrian Jacobs, staff attorney to the Education and Workforce Development Cabinet suggested that any formal discussion of the state plan should fall before the consent agenda voting. **KWIB staff** will be updating the agenda and sending to the Executive Committee along with the Family Resource Simulator video completed by the marketing department last week.

Kevin Smith asked if there was *New Business* and Beth Davisson asked if we could again hold in-person board meetings. Discussion was had and consensus that a hybrid model would be ideal. Voting on motions is difficult virtually and polling options within zoom were lifted for KWIB staff to review.

ADJOURNMENT **11:54 AM**

Kevin asked for any other business and as there was none, Heidi Margulis moved to adjourn. Kim Menke seconded; *motion carried* to adjourn.



KWIB
Executive Committee
Meeting

AGENDA
March 10, 2022
11am – 12:30pm EST

Via Zoom

Join from PC, Mac, Linux, iOS or Android:
<https://us06web.zoom.us/j/81992727513?pwd=Zk1kNk9qYlJHcHY5dkJqQlFKOEZXdz09>
Password: m00Rct

-
- Call Meeting to Order / Welcome
Kevin Smith, Chair, Beam Suntory

 - Review / Approval of Minutes from last meeting 01/26/22
Kevin Smith, Chair, Beam Suntory

 - KWIB Quarterly meeting walk through
Debbie Dennison, KWIB

 - New Business
Kevin Smith, Chair

 - Adjournment
Kevin Smith, Chair



KWIB Executive Committee Meeting

DRAFT MINUTES

January 26, 2022; 11:00am EST – 12:30pm EST

Via zoom - <https://us06web.zoom.us/j/82782170863?pwd=OGwvSTg4dmhtMjl4bTB2WTRsUVh1Zz09>
Password: M9r6Pm

MEMBERS PRESENT: Kevin Smith, Heidi Margulis, Scott Pierce, Amy Luttrell (late), Beth Davisson (late) – not present – Kim Menke, Lori Ulrich

OTHERS PRESENT: Deputy Secretary Mary Pat Regan, Stefanie Ebbens Kingsley, Adrian Jacobs, Jacob McAndrews, Debbie Dennison

MEETING STARTED AS INFORMATION MEETING BECAUSE QUORUM WAS NOT REACHED.

KEVIN SMITH, CHAIR ASKED THAT DEPUTY SECRETARY REGAN PROVIDE CABINET UPDATES. DEPUTY SECRETARY REGAN MENTIONED THAT EMPLOYERS ARE REACHING OUT TO THE EDUCATION / WORKFORCE DEVELOPMENT AND LABOR CABINET REQUESTING UPDATES AND ASKING FOR RESOURCES TO GET PEOPLE BACK TO WORK. THE CABINET IS LOOKING AT TOOLS THAT SUCCESSFUL COMPANIES ARE USING BEFORE RESPONDING BUT ARE WORKING ON A RESPONSE; ADDITIONALLY, THE NURSING SHORTAGE PROJECT WILL BE ROLLING INTO THE COLLABORATIVE. IT IS NOT JUST AN EASTERN KENTUCKY ISSUE BUT A STATEWIDE SHORTAGE THAT NEEDS SOLUTIONS AROUND APPRENTICESHIP TECH CENTERS, TRAINING CENTERS, AND INCENTIVIZED PATHWAYS TO BE BUILT. ADDITIONALLY, THERE IS A PUSH IN K THROUGH 12 FOR JAG. FINALLY, THE CABINET IS KICKING OFF “EVERYBODY COUNTS” FEBRUARY 1ST AND DR. KISH PRICE WILL BE LEADING THAT EFFORT. WE SHOULD INCLUDE HER IN THE NEXT MEETING ABOUT THIS PROGRAM (CONFIRM EXECUTIVE COMMITTEE AND /OR KWIB QUARTERLY).

STEFANIE EBBENS KINGSLEY RELAYED SOME INFORMATION ABOUT THE REQUEST TO CALL TOGETHER A TASK FORCE ABOUT THE WESTERN KENTUCKY REBUILD BOTH SHORT AND LONG-TERM. BETH DAVISSON ECHOED THE CALL BY THE COMMITTEE TO BEGIN LOOKING AT A 5 YEAR PLAN FOR THAT AREA THAT WAS ALREADY CHALLENGED WITH LACK OF JOBS, TRAINING, HOUSING, AND SKILLED WORKERS. DEPUTY SECRETARY REGAN IS GOING TO REACH OUT TO OTHERS IN THE CABINET TO GAIN DIRECTION. BETH ASKED IF WE COULD CREATE A SUB-COMMITTEE WITHIN THE EDUCATION ATTAINMENT AND EMPLOYER ENGAGEMENT TO LOOK AT FUNDING AND THE PROJECTS TO SEE WHAT MIGHT BE AVAILABLE. AMY LUTTRELL ASKED ABOUT THE STATUS OF THE TORNADO RELIEF FUND AND WHAT THAT IS GOING TO. AMY ASKED IF IT IS BEING USED AND ALREADY BEEN DEPLOYED. DEPUTY SECRETARY REGAN WILL CHECK WITH THE GOVERNOR’S OFFICE FOR AN UPDATE.

BY 11:17AM KEVIN SMITH RECOGNIZED THAT A QUORUM WAS REACHED AND CALLED THE MEETING TO ORDER.

Kevin asked if there was discussion on the January 10th, 2022 meeting minutes. Scott Pierce motioned the minutes be approved; Heidi Margulis seconded the motion. Minutes were approved with no dissenting comments or votes.

Sector Strategy discussion

Stefanie Ebbens Kingsley, Executive Director of the Kentucky Workforce Innovation Board (KWIB), walked through KY STATS Employment information from December 2021 which identified the primary sectors and who is employed in this space.

While there are nominal changes in the top five sectors, we are seeing more of the sub-sectors within Educational and Health Services that are growing. By expanding access to Work Ready Scholarship access to all of education and not just early education, we are providing additional incentives to much needed pathways in the state. KWIB staff to include the pdf that Stefanie reviewed in the post meeting packet for review.

KCTCS is conducting professional development with KentuckianaWorks and other local partners, around how the Work Ready Scholarships function and how to gain momentum on this opportunity. In May, KWIB will provide a Partner Spotlight on the Work Ready Scholarships, with the assistance of KCTCS and Dr. Williams, and elaborate further on this funding opportunity. Will include Becky Kilpatrick (with KEA). Goal is to get this moving by fall semester. The Cabinet is also supporting this effort.

Collaborative updates

Stefanie Ebbens Kingsley provided updates on the State Plan modification working groups and the timeline change; modifications now March 15, 2022. We have the information from the working group that we will incorporate into the modification. The only other piece is assigning the KentuckianaWorks to its own region. While we want to have data and discussion before further splitting up regions, the modification will remove KentuckianaWorks from the central region and more thought and data will be reviewed before the next Unified plan is due in 2024 before further action is taken.

Beth Davisson lifted it is better to make regional changes based off data and not just a feeling with the urban and rural divide. Scott Pierce lifted that performance standards also need to be a part of the data review.

No formal recommendations need to be lifted at this time by this committee and this committee will have a draft for review a week before submittal in March. This is after the draft is submitted for public review in mid-to-late February. The modification will be lifted to the KWIB board as a draft, on March 17th, 2022.

Metrics sub-committee met and will be defining the buckets of money we are asking our partners to report in a Google Doc to include dollars spent for what purpose, as it relates to the workforce system efforts. The goal is to circulate a draft of definitions to the KWIB in March and meeting every other month through the end of the year to focus on the 2019, 2020 and 2021 expenditures for review.

Additionally, the Memorandum of Understanding (MOU) sub-committee met and went over broad asks including to get each cabinet general counsel ready to review functions. They plan to get back together in early April to allow the GC's to get documents back for review.

Beth Davisson lifted Sector Strategy gainful employment discussion that was had in the Education attainment and employer engagement meeting. Stefanie Ebbens Kingsley added that the goal is to look at the supply and demand sides within the occupations in high demand industries to address them going forward. When high demand industries wages were first set \$35,000 was the average of all occupations established in 2011. We need to work on an annual review process where KYSTATS

data could be reviewed annually and wages adjusted so that we are not building pipelines into poverty wages. We need to build in benchmarks and will work on how to do that going forward.

Childcare continues to be a huge challenge and is an example of wages not being set to the need for a livable wage. Heidi Margulis suggested the KWIB entering a strong statement of concern and support to move on changes in legislation.

There is a working group meeting next week around this topic within the Sector Strategies sub-committee.

Family Resource Simulator discussion

Stefanie Ebbens Kingsley shared that video's around the Family Resource Simulator have been completed and first drafts sent to the Communications team to start piecing together video clips with their raw data and build a tool that can be used by service-providers and to begin conversations with legislators. This video will not tie into anything in this legislative session.

At the request of the Executive committee last meeting, Jacob McAndrews, KWIB Coordinator, will be submitting a request to pursue up to \$100,000 to conduct an analysis of the Family Resource Simulator. This analysis will reveal where "benefit cliffs" are occurring and allow the KWIB to better fulfill its role as an advisory body on workforce issues. Specifically the KWIB will use this analysis to make policy recommendations that will allow those in the workforce to gradually "ramp" off of benefits and eliminate disincentives to work.

Stefanie lifted that we would like a full quarterly time before a KWIB board meeting to analyze and review best next steps, anticipating late summer or fall time frame.

Consent Agenda

Stefanie Ebbens Kingsley shared that Morgan Eaves is the new Legislative Liaison for the Education and Labor Cabinet. They will be working together to create and review policy around what the KWIB does so that we can flow more seamlessly during administrative changes.

The consent agenda is a more streamlined way of conducting business complying to 'Roberts Rules of Order'. Stefanie lifted that we would use this primarily as it relates to the Work Ready Community certifications, the one-stop certifications and anything else that may be otherwise require review of a list for approval or discussion. Kevin Smith has reviewed and appreciates this direction that also lifts engagement into the process.

The next Executive Committee meeting is March 10th.

ADJOURNMENT 11:59 PM

Kevin asked for any other business and as there was none, Heidi Margulis moved to adjourn. Mary Pat Regan seconded; *motion carried* to adjourn.

**Zoom Meeting Session
1:30 – 3:30 pm**

LOG IN INFO:

<https://us06web.zoom.us/j/86180444849?pwd=cDkyRnhmQnYvblBncjNudFM0NFZQU09>

Password: GBb7b5

Telephone: 8888227517 (US Toll Free) / Conference code: 671120

1:30 CALL MEETING TO ORDER

Welcome / Housekeeping.....*Kevin Smith, Chair, KWIB*

Beam Suntory

Roll Call.....*Debbie Dennison, KWIB Executive Secretary*

Cabinet Initiatives

Cabinet for Health and Family Services..... *Eric Friedlander, Cabinet Secretary*

Education and Labor Cabinet *Jamie Link, Cabinet Secretary*

Cabinet for Economic Development.....*Kristina Slattery, Deputy Commissioner of Business Development*

2:00 AFFORDABLE HOUSING STRATEGIES AND INVESTMENTS IN THE COMMONWEALTH

Comments by the KWIB Chair..... **Kevin Smith**, Beam Suntory

Goodwill’s new Housing Initiative.....**Introduction by Amy Luttrell**, CEO
Goodwill Industries of Kentucky, Inc

Rena Sharpe, Chief Operating Officer
Goodwill Industries of Kentucky, Inc.

3:00 KWIB Business and Committee Reports

Consent Agenda –

- Minutes of November 10, 2021, meeting
- Extensions on the One-Stop Certification
- WIOA State Plan Modification
- Perkins Leadership funds

Data / Metrics update**Scott Secamiglio**
Visual Analytics and Strategy Director, KY STATS

Work Ready Communities.....**Lori Ulrich, Committee Chair**
Fleming-Mason Energy

Workforce Participation and Sustainability.....**Amy Luttrell, Committee Chair**
Goodwill Industries of Kentucky, Inc.

Education Attainment and Employer Engagement **Beth Davisson, Committee Chair**
Kentucky Chamber

- CTE Certifications Continuous Improvement recommendations
- Sector Strategies expansion of Healthcare Sector to Healthcare, Social Services & Education

Resource Alignment and Funding.....**Kim Menke, Vice-Chair KWIB, Committee Chair**
Toyota Manufacturing

New Business

Collaborative Updates & State Plan Submission.....Stefanie Ebbens Kingsley, Executive Director
KWIB

Everybody Counts.....Dr. Kish Kumi Price, Commissioner
Department of Workforce Investment

Closing Comments..... Kevin Smith, Chair

3:30 ADJOURNMENT



Quarterly Board Meeting
DRAFT MINUTES
November 10, 2021

Join from PC, Mac, Linux, iOS or Android:

<https://us02web.zoom.us/j/89475365963?pwd=YTFpNVdVVk9iMIZJeVhBVG1VcTJTUT09>

Password: jar8Wa

1:31 PM CALL TO ORDER

Kim Menke, Vice-Chair of the Board, called the meeting to order and welcomed the board, staff and guests. He went over “housekeeping” items for conducting the board business.

Debbie Dennison, KWIB staff, called roll; those present (or having proxy) are marked “x” below:

KWIB (Kentucky Workforce Innovation Board) MEMBERS PRESENT:

Kevin Smith (PROXY Lisa Banner)	x	Kim Humphrey	x
Amy Luttrell	x	Lt. Governor Jacqueline Coleman	
Heidi Margulis	x	Lynn Parrish	
Kim Menke	x	Mary Pat Regan (PROXY Comm Marty Hammons)	x
Lori Ulrich	x	Mayor Robert Blythe	x
Scott Pierce	x	Michael Buckentin (PROXY Chad Hardison)	x
Beth Davison (PROXY LaKisha Miller)	x	Representative Bobby McCool	
Jimmy Staton	x	Keith Sparks	
Cora McNabb	x	Ryan Holmes	x
Dianne Owen	x	Sadiqa Reynolds (PROXY) – Lisa Thompson	x
Dr. Aaron Thompson (PROXY) – Rick Smith		Secretary Jamie Link	x
Dr. Jason Glass (PROXY) – David Horseman	x	Secretary Larry Hayes (PROXY Kristina Slattery)	x
Governor Andy Beshear (PROXY J. Michael Brown)	x	Secretary J. Michael Brown	x
Pres Dr. Paul Czarapata	x	Senator Jimmy Higdon	x
Dr. Jacqueline Korengel	x	Sharon Price	
Jonathan Webb (PROXY Amy Samples)	x	Suhas Kulkarni	x
Judge Exec. Micheal Hale		Bo Matthews (PROXY Justin Browning)	x
Todd Dunn		Tony Georges	x
Terry Sexton	X	Dr. Julie Whitis	x
Karen Trial	x		

QUORUM REACHED – 17 members of 30 voting members attending were B&I / WF representatives (satisfying ROP)

Cabinet and administration Updates: Dr. John Gregory, Amy Neal, Secretary Friedlander, Secretary Link and Deputy Commissioner Slattery addressed the board with cabinet initiatives and successes. State partners want to better align themselves with local workforce partners to remove barriers and increase pathways. Goodwill looks forward to partnering with Adult Ed & Dr. Gregory to address the huge problem of so many Kentuckians lacking their HS diploma or GED. Secretary Link shared the <https://kynect.ky.gov> site being reactivated for healthcare.

Kim Menke, Vice-Chair of KWIB reshuffled the agenda for time efficiency and let into business and committee reports. He asked the board to discuss or approve the minutes from the August 19, 2021 meeting, provided in the pre-read information. *Scott Pierce* motioned to approve; *Heidi Margulis* provided a second motion to approve.

Scott Secamiglio, Director of Visual and Analytics for KY Stats provided links and updated data information for the following sites: https://kystats.ky.gov/Reports/Tableau/2021_KSUF; https://kystats.ky.gov/Reports/Tableau/KCPR_2021; https://kystats.ky.gov/Reports/Tableau/2021_ECP; and talked briefly about the updated family resource simulator <https://kystats.ky.gov/Reports/FRS>

Committee work

Work Ready Communities Committee - Lori Ulrich, Chair, shared counties recommended for certification: Boyle, Fleming, McCracken, Spencer, Woodford and those recommended for WRIP Recertification: Grayson; she also identified counties that are approved for extensions as follows: 3-Year Extension: Jessamine; 1-Year Extension: Ballard, Bath, Carlisle, Fulton, Johnson, Magoffin, Marshall Finally, she shared the updated website with the board <https://workready.ky.gov/Pages/index.aspx>.

Kim Menke lifted to the board that the recommendation from the committee signifies the first motion to approve; Dr. Paul Czarapata provided second motion to approve. **The motion passed with no dissenting votes.**

Workforce Participation and Sustainability Committee – Amy Luttrell, Chair, provided an update to the work of the committee. There are three (3) primary categories of focus as follows: removing barriers including housing and childcare; providing effective and best practices utilizing existing state partners services and local workforce development resources and finally, to identify and remove disincentives to work.

Education attainment and Employer Engagement Committee – LaKisha Miller, co-Chair of this committee asked Stefanie Ebbens Kingsley to walk through suggested recommendations by the Perkins Leadership team and the Executive committee relating to the Perkins Leadership fund application and allocation process. Discussion was held by board members and *motion to adopt* the recommendation changes was made by the committee; *seconded by Lori Ulrich*. **Motion carried** with no dissenting votes.

CTE Subcommittee--Associate Commissioner, **David Horseman**, walked through the industry **certification flowchart** and answered some questions around the ease of adding certification pathways. Career and Technical Education (CTE) Certification Programs Certification webform is available on the main page of the KWIB's website at <https://secure.kentucky.gov/formservices/KWIB/CTECertification>. The updates to the process and request to proceed with this path in 2022 was raised by the committee and seconded by Dr. Paul Czarapata. **Motion carried** with no dissenting votes.

Kim Menke, Vice-Chair asked to move to the presentation by **the Louisville Urban League**, led by *Lyndon Pryor*, where several of their members walked through the presentation talking about their work in justice, education, health, housing and information about their programs and who they serve. A detailed review of the presentation can be found in post meeting packet materials.

The decision to move the Goodwill presentation to another time was made because of time remaining.

Kim Menke brought up new business as including *diversity and inclusion* in all working committees within the KWIB moving forward. He asked for those interested in serving to build out this conversation to reach out to *Stefanie Ebbens Kingsley* or other KWIB staff for follow up.

Kim lifted that the **Collaborative** has set a hybrid meeting for **November 30th** and to watch for more information in the coming days for that meeting. The information is in the post meeting packet notes and includes discussion around the following work:

KWIB Subcommittees

- 1) Resource Alignment
- 2) MOU
- 3) Metrics

Project Assignment

- 1) Strategic Goals 2022 WIOA State Plan
- 2) State Partner MOU
- 3) 2022 Funding Report (2019, 2020, 2021)

Committees will be additionally staffed by the individuals identified by the named members of the Collaborative. KWIB staff made this request to each of the Secretaries, to consider which of their staff might be best utilized in these three working groups.

Closing comments

Kim concluded the business of the day. **Lori Ulrich** *motioned to adjourn*; **Amy Luttrell** seconded the motion. **Motion carried.**

3:41 PM ADJOURNMENT

KENTUCKY PYS 2022-2023 (MOD)

II. STRATEGIC ELEMENTS

The Unified or Combined State Plan must include a Strategic Planning Elements section that analyzes the State's current economic environment and identifies the State's overall vision for its workforce development system. The required elements in this section allow the State to develop data-driven goals for preparing an educated and skilled workforce and to identify successful strategies for aligning workforce development programs to support economic growth. Unless otherwise noted, all Strategic Planning Elements apply to Combined State Plan partner programs included in the plan as well as to core programs.

A. ECONOMIC, WORKFORCE, AND WORKFORCE DEVELOPMENT ACTIVITIES ANALYSIS

The Unified or Combined State Plan must include an analysis of the economic conditions, economic development strategies, and labor market in which the State's workforce system and programs will operate.

1. ECONOMIC AND WORKFORCE ANALYSIS

A. ECONOMIC ANALYSIS

The Unified or Combined State Plan must include an analysis of the economic conditions and trends in the State, including sub-State regions and any specific economic areas identified by the State. This must include—

I. EXISTING DEMAND INDUSTRY SECTORS AND OCCUPATIONS

Provide an analysis of the industries and occupations for which there is existing demand.

II. EMERGING DEMAND INDUSTRY SECTORS AND OCCUPATIONS

Provide an analysis of the industries and occupations for which demand is emerging.

III. EMPLOYERS' EMPLOYMENT NEEDS

With regard to the industry sectors and occupations identified in (A)(i) and (ii), provide an assessment of the employment needs of employers, including a description of the knowledge, skills, and abilities required, including credentials and licenses.

When the Great Recession ended in June 2009, the economy began to recover. However, employment grew at a relatively slow rate and the recovery was initially dubbed the "Jobless Recovery." Over the next few years, the rate of job growth picked up and the United States would experience the longest economic expansion in the nation's history. During this time, many workers who had left the labor force returned as the prospects of finding work improved. The expansion ended abruptly in March 2020, as the nation took steps to contain the spread of COVID-19. State implemented restrictions and concerns among consumers contributed to large decreases in employment. As restrictions were eased and COVID-19 vaccines were distributed, the economy began to recover.

However, employment is still down and many workers who left the labor force have not yet returned.

As Kentucky's economy continues to recover from the effects of COVID-19, LMI data will be examined and disseminated to the LWAs to inform decisions regarding WIOA programming. Specifically, two

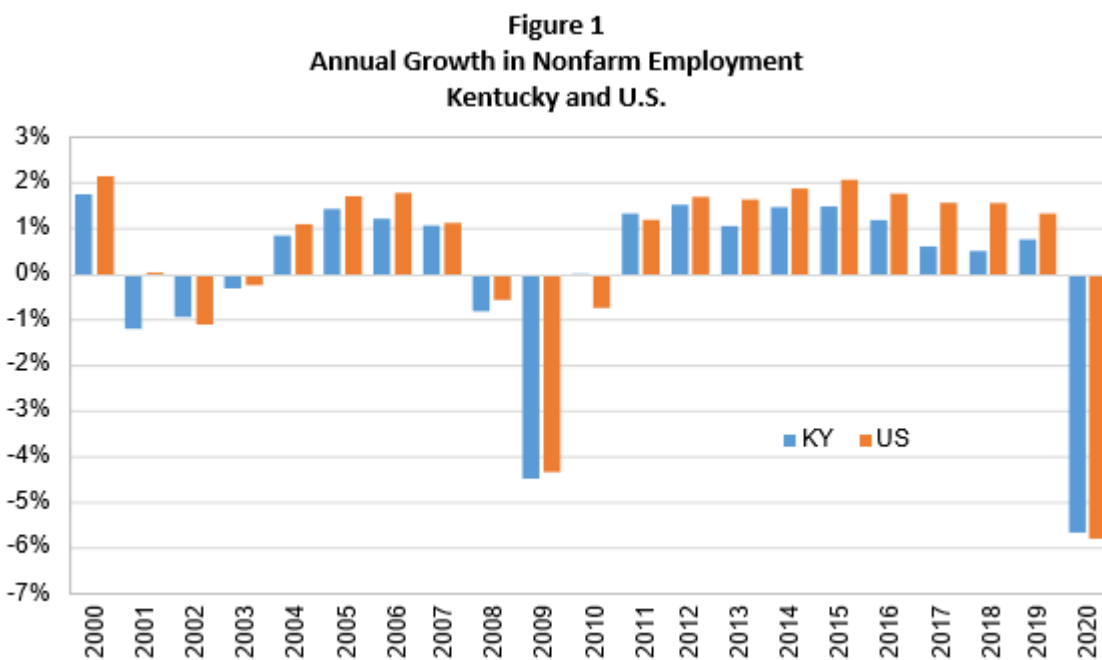
dashboards from KYSTATS which are updated multiple times per year with current LMI data will be shared as they are published: Kentucky Workforce Dashboard (KWD) and the Workforce Overview Report for Kentucky Regions (WORKR).

(i) Existing Demand Industry Sectors and Occupations

State Employment Trends

Employment in both Kentucky and the U.S. increased each year since the Great Recession ended. However, when restrictions to fight COVID-19 were adopted, employment declined.

Figure 1 shows the annual growth rates of employment in Kentucky and the U.S. This data comes from the U.S. Bureau of Labor Statistic (BLS) Current Employment Statistics (CES).



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

Table 1 shows the distribution of employment across 11 major industries as of August 2021.

Table 1
Kentucky Employment by Industry
August 2021

Industry	Employment (000s)	Percent of Total Employment
Mining & Logging	7.0	0.4

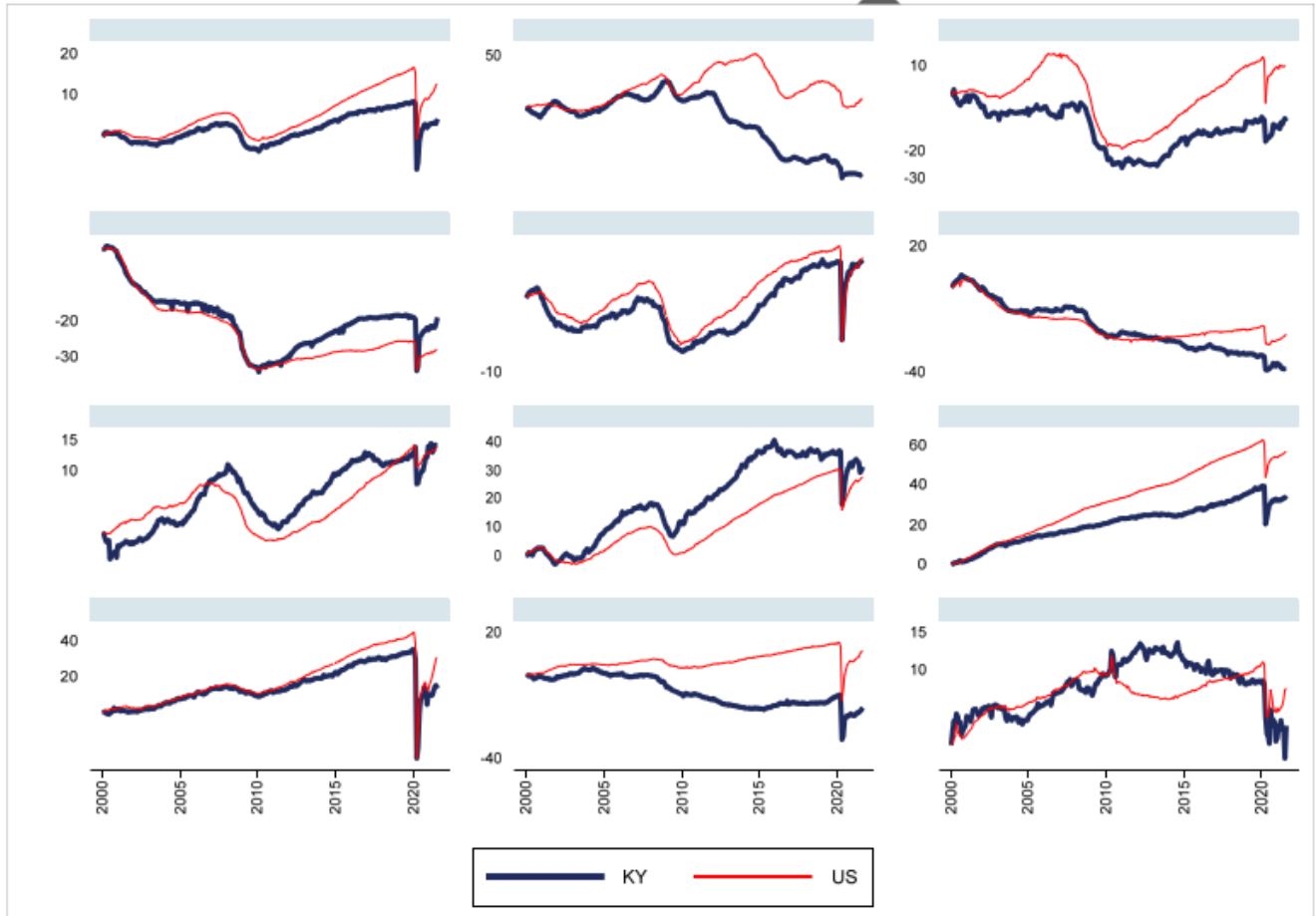
Construction	80.6	4.3
Manufacturing	250.9	13.3
Trade, Transportation, & Utilities	406.8	21.6
Information	19.6	1.0
Financial Activities	95.6	5.1
Professional & Business Services	209.0	11.1
Education & Health Services	280.8	14.9
Leisure & Hospitality	171.9	9.1
Other Services	64.1	3.4
Government	294.9	15.7
Total Nonfarm	1,881.2	100.0

Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Figure 2 shows how employment in Kentucky and the U.S. changed from 2000 to 2021 for these same industries. Employment levels are shown as a percent of employment in January 2000.

Prior to the Great Recession, Kentucky's manufacturing sector had been declining. However, when the Great Recession ended, employment in manufacturing increased. While growth slowed somewhat just before the pandemic, this sector did not show the type of decline it faced prior to the Great Recession. Professional and Business Services grew quickly in the years after the Great Recession but declined in recent years, even before the pandemic. Growth in Kentucky's Education and Health Services sector increased after 2015. This growth in this sector was driven primarily by gains in the health care sector. Employment in Kentucky's Information sector continued to decrease. However, this is a relatively small sector for Kentucky.

Figure 2
Employment by Industry as a Percent of Employment in Jan 2000



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

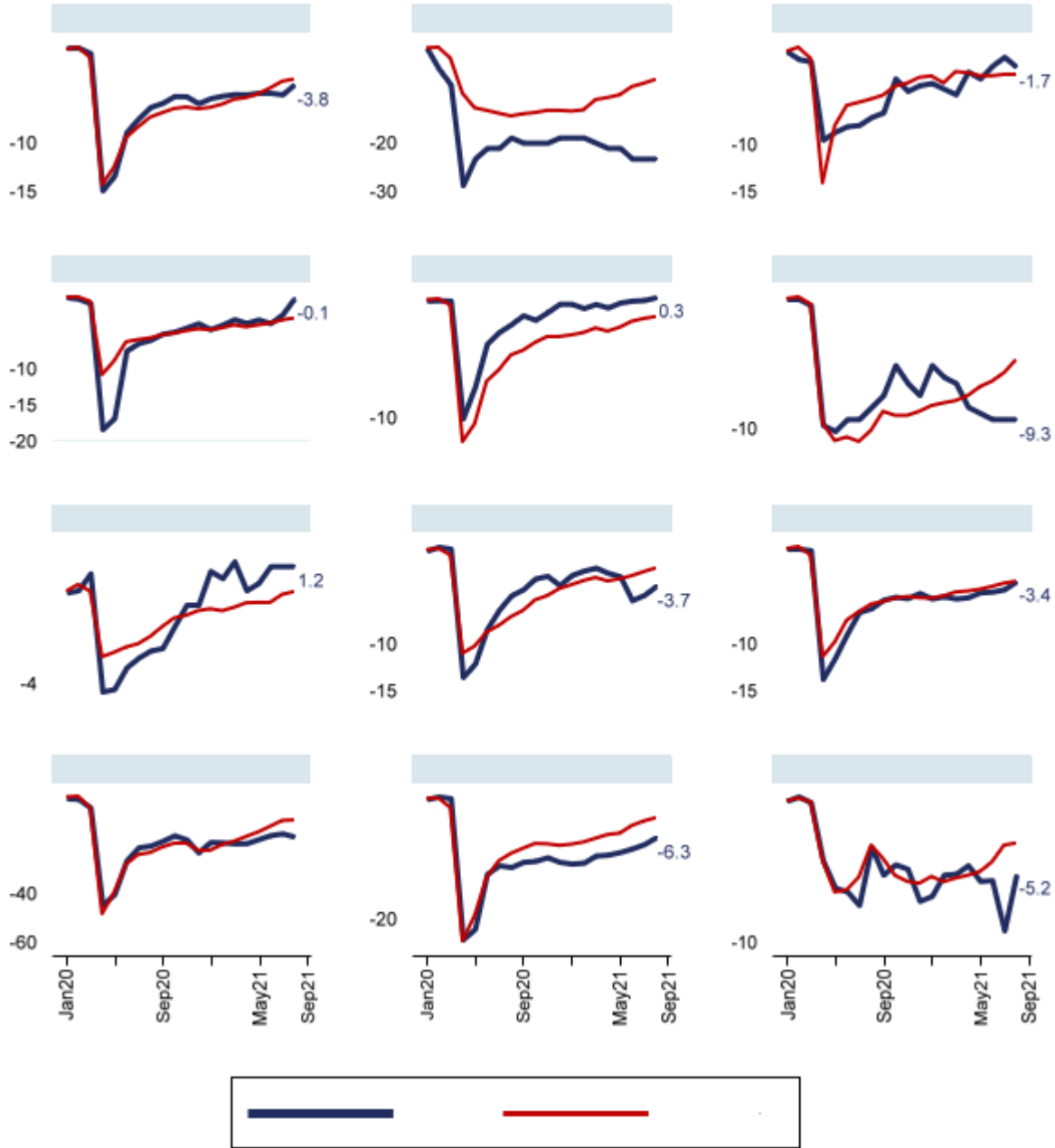
Impact of the COVID-19 Pandemic

At the beginning of 2020, the nation was experiencing the largest economic expansion in its history. This changed suddenly in March 2020 as Kentucky and other states implemented restrictions to limit the spread of COVID-19. From April 2020 to March 2021, Kentucky’s employment fell by nearly 295,000 workers. All major industrial sectors declined. However, losses were mostly concentrated among sectors where workers and customers were in close proximity, such as the Leisure and Hospitality sector. Employment began to recover in May 2020 as restrictions on business were eased. Figures 3 and 4 show how employment in each sector changed during the pandemic.

Figure 3 shows the employment each month as a percent of employment in January 2020. Figures are shown for each major industrial sector for Kentucky and the U.S. Kentucky initially recovered more quickly than the U.S. but has generally tracked closely with the national recovery. As of September 2020, Kentucky had recovered 75 percent of the jobs lost during the first two months of the pandemic. Even with these gains, Kentucky's employment levels were still 3.8 percent lower than in the months before the pandemic. U.S. employment was still down 3.1 percent.

Some of Kentucky's sectors have recovered their pandemic losses. Employment in Kentucky's Financial Activities sector was 1.2 percent of pre-pandemic levels. Trade, Transportation, and Utilities was up 0.3 percent from January 2020. Other sectors such as Leisure and Hospitality have seen their recoveries slow. After recovering some losses, Kentucky's Information sector has declined. The information sector includes business in publishing, motion pictures, broadcasting and telecommunications.

Figure 3
Percent Change in Employment Since January 2020
Kentucky and U.S.



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

As a result of the pandemic, Kentucky's workforce has had to overcome many challenges from both aspects of the employer and employee. Childcare providers found it difficult to operate in the early stages of the COVID-19 pandemic due to the closing of schools and businesses, which affected them financially and logistically. Many mothers were forced to stay at home, and in many cases, they were

not returning to the workforce, so that left childcare centers with a reduced student-to-teacher ratio. With the sudden change across the state, there was a need to review the form of communication, policies, and wages around childcare (<https://kypolicy.org/report-child-care-in-kentucky-is-crucial-and-needs-public-investment/>).

Employers were forced to think about being more flexible within their procedures and adopt more nonstandard work models, which can be a limited duration of time or permanent. The climate change in the workforce caused a demand for employers to rethink how they retain talent, conduct interviews, and implement innovative digital training platforms. A key component that had to be modernized was how to attract new employees who can be choosier about what job they accept; this means understanding the array of traditional fringe benefits, paired with workplace flexibilities that mattered to the new employee. With more questions than answers, this increased the need for employers to collaborate among workforce partners. As a result, most companies adopted a hybrid workplace where many employees rotate in and out of the offices for flexibility. This change effects company's culture, how works is completed, and how office space is utilized.

With the swift change to remote work, COVID-19 pushed broadband initiatives for lower-income families that didn't already have internet access. This initiative allowed more child(ren) to attend classes online and adults to work remote during the crisis. Families were encouraged by politicians to apply for the Emergency Broadband Benefit Program, which is a Federal Communications Commission program available because of the Consolidations and Appropriations Act that Congress approved in 2021. This program, which is now the Affordable Connectivity program, provides a temporary monthly discount to broadband bills for low-income households that qualify. These programs, and their sustainability are integral to closing the digital divide. (<https://getemergencybroadband.org>)

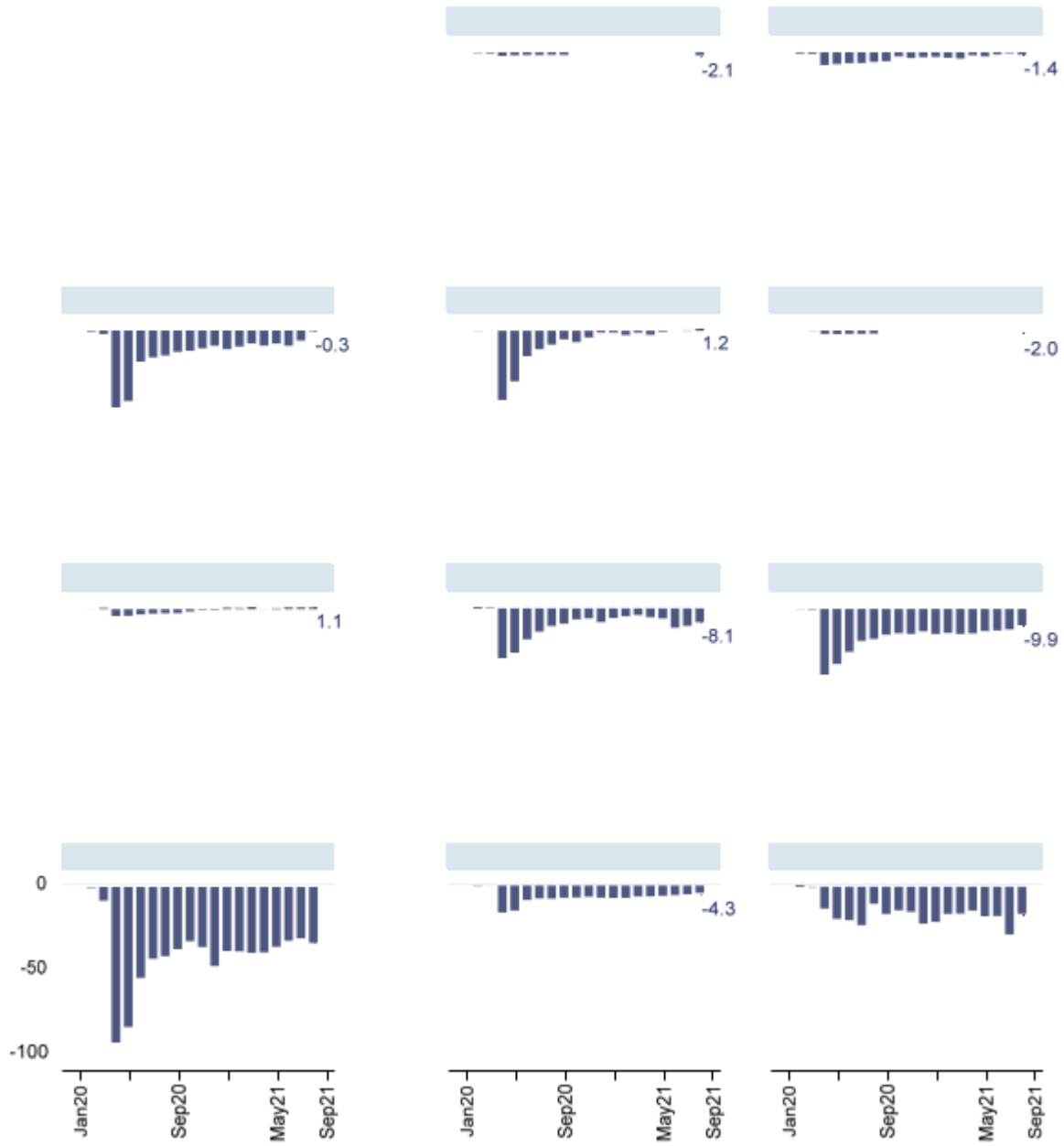
Once employees started leaving the workforce, either due to childcare or other reasons, it became difficult for Kentucky Career Centers to market job opportunities for those unemployed.

While there have been countless enhancements to the workforce, there are still issues of concern to work through:

- WIOA funding limits.
- Gaps in regional offices for the required review of resources.
- Incentives that the state and federal government can provide to employers.
- Decreasing the challenges for youth programs.
- Failure to meet people where they are—requiring pivot to digital career services.

Figure 4 shows the change in the number of jobs each month for each major sector compared to January 2020. The figures only show data for Kentucky. Between January 2020 to April 2020, the Commonwealth's Leisure and Hospitality employment fell by 92,700 jobs. As of September 2021, employment in this sector was still down 33,600 jobs from the beginning of 2020. While Kentucky's Information sector lost a large share of its jobs, the sector is relatively small, and therefore, accounts for a small share of the total jobs lost during the pandemic.

Figure 4
Change in Employment in Kentucky Since January 2020
(000s Jobs)



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

Regional Employment Trends

Kentucky is divided into ten local workforce areas for administration of local workforce initiatives. These areas are shown in Figure 5.

Figure 5

Kentucky's Local Workforce Area



The following analysis of state and regional employment trends uses data from the BLS Quarterly Census of Employment and Wages (QCEW). Note that the QCEW data are similar to the CES data reported in Table 1 but do differ slightly. These differences come from how the employment data are collected, the time period covered, and how data are reported. The QCEW data allow for a more detailed analysis of Kentucky's regions including an analysis of detailed industries.

In 2020, the average annual employment in Kentucky dropped by 5.6 percent from 2019, to 1,752,505. There were nearly 105,000 fewer jobs in Kentucky during 2020 than in 2019. Note that because these are annual figures, they do not fully reflect the dramatic swings in employment that occurred from month to month during the pandemic.

Because work is seasonal, changes in employment were examined by quarter to the same quarter in the previous year. The number of jobs in the first quarter of 2020 was higher than in 2019, per Figure 6. However, there was a loss of nearly 205,000 jobs between the first and second quarter of 2020 as the pandemic hit. Job growth occurred in the third and fourth quarters of 2020 but the number of jobs in the first quarter of 2021 was nearly 69,000 less than the same period in 2020.

The key to continuing the path of recovery is to determine which practices and programs are working and which are not. By increasing communication and collaboration between our workforce partners, we can identify the best practices and innovative programs being implemented and share them with the rest of the workforce system. One way we are doing this is by establishing a statewide MOU between all workforce partners. This MOU will ensure we are not duplicating services, create opportunities for a more robust referral system, and promote awareness of ongoing best practices. This work is on-going through the Kentucky Workforce Innovation Board's Collaborative, which intends to identify the state actors by function, rather than by agency structure so that all of our employer and local partners understand the role of each agency by the services they provide, understand which agency is responsible for program functions or oversight, and provide forward facing communications that allow easy identification of the program staff who can be reached for questions or program updates.

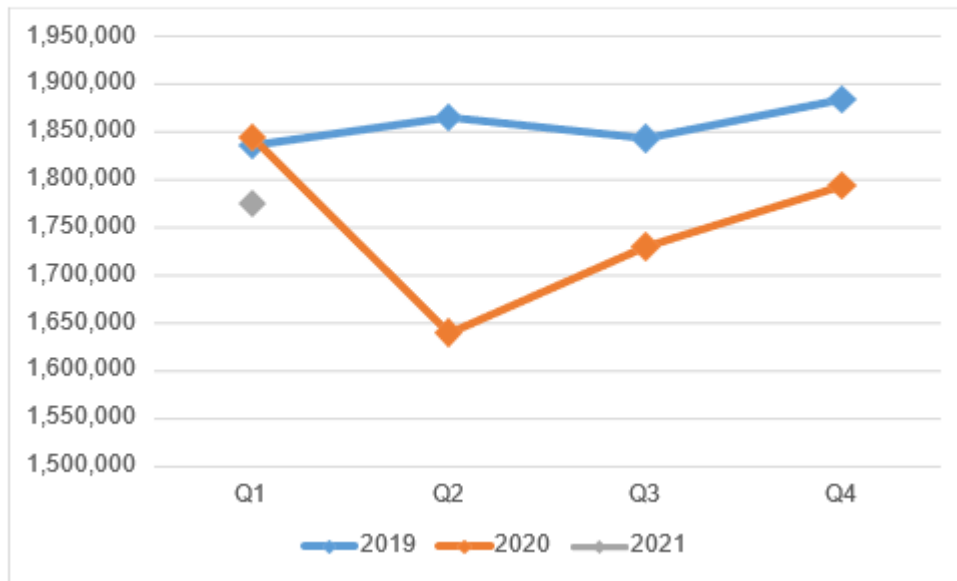
The digital divide and need for more on-line access to services are two sides of the same coin. The pandemic exacerbated the digital divide for many low-income Kentuckians, and the way forward for comprehensive workforce services needs to meet Kentuckians where they are, and that will not always be at a physical career center. The online platforms and digital toolkits are essential to the way forward. Modernization of the Workforce Ecosystems communications and messaging must include social media platforms outside the traditional use of LinkedIn and Facebook, and transition to newer platforms that have a broader, more diverse audience like YouTube and TikTok. This prong of the strategic plan will require the most significant update in this modification.

All partners have identified that the Kentucky Career Centers are the best kept secret in the Commonwealth, and all our partners need to work together on a comprehensive outreach strategy to ensure all communities and Kentuckians have access to workforce services and comprehensive wrap-around supports. Proven best practices for Kentuckians with high barriers re-entering the workforce remains the ability to provide wrap-around services to the whole family, and a fully integrated system that believes there is no wrong door into accessing the full array of workforce services and supports. Kentucky's state and local workforce partners must do a better job of braiding funding, available services, and work that will enable this holistic approach to workforce.

The pandemic also highlighted the need for better strategies for rapid re-employment strategies. All the workforce partners in the Kentucky Career Centers have provided input to ensure that an updated strategy for co-enrollment will allow for smoother referral process and braiding of services to meet the workforce customers individual needs. Co-enrollment occurs once staff have determined a registration, assessment, individualized education plan, and provided staff assisted activity to those customers. Communication from the Office of Employment Insurance, directly to the Wagner-Peyser Employment Services teams and the WIOA Direct Service Providers is essential to ensure Kentuckians are connected to the programs and resources that will help them get back to work quickly.

The KWIB conducted stakeholder meetings with all 10 local areas, their education partners, their non-profit and contract partners, and interested industry partners over the last six months. The public hearing to receive public comment was February 24, 2022, during the public comment period. All KCC partners will receive the draft plan for further public comments, and will incorporate changes appropriately.

Figure 6
Employment by Quarter, 2019-2021



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

Table 2 shows employment as measured by the QCEW data at the state level for the first quarter of 2020 and 2021. The state level figures in Table 2 provide a benchmark for comparing similar figures for each LWA. Between the first quarters of 2020 and 2021, the greatest job losses occurred in Accommodation and Food Services, Government, and Manufacturing sectors. The Transportation and Warehousing sector added nearly 6,800 jobs over the same time period.

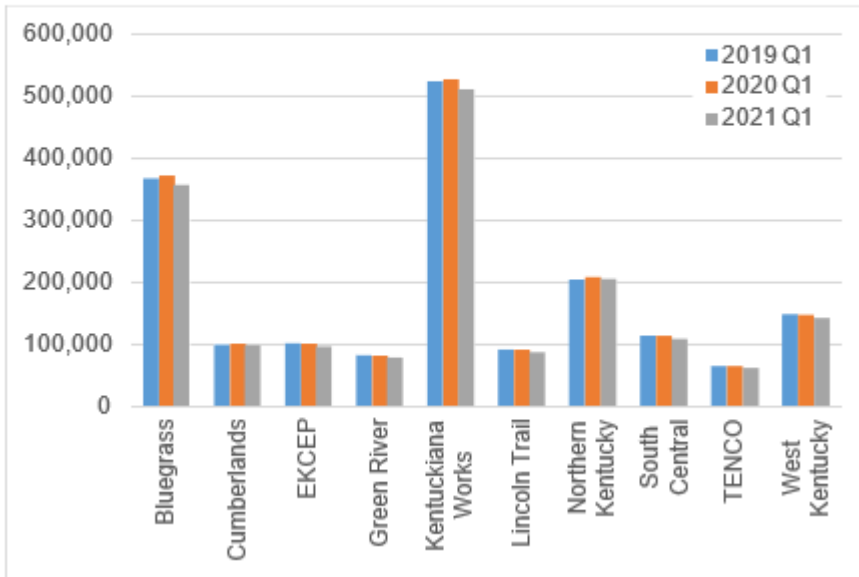
Table 2
Kentucky Employment by Industry

Sector	Average Employment		Share 2021 Q1	Change	
	2020 Q1	2021 Q1		Absolute	Percent
Accommodation & Food Svcs.	173,853	148,010	8.3%	-25,843	-14.9%
Admin. & Support & Waste Mgmt. & Remediation Svcs.	110,789	111,431	6.3%	642	0.6%
Agriculture, Forestry, Fishing & Hunting	8,006	7,963	0.4%	-43	-0.5%
Arts, Entertainment, & Recreation	19,116	15,734	0.9%	-3,382	-17.7%
Construction	75,501	73,433	4.1%	-2,068	-2.7%
Educational Svcs.	12,876	11,572	0.7%	-1,304	-10.1%
Finance & Insurance	70,693	71,488	4.0%	795	1.1%
Government	298,410	281,473	15.8%	-16,937	-5.7%
Health Care & Social Assistance	256,404	249,387	14.0%	-7,017	-2.7%
Information	20,025	18,848	1.1%	-1,177	-5.9%
Mgmt. of Companies & Enterprises	19,470	18,439	1.0%	-1,031	-5.3%
Manufacturing	246,391	237,775	13.4%	-8,616	-3.5%
Mining, Quarrying, & Oil & Gas Extraction	5,110	4,726	0.3%	-384	-7.5%
Other Svcs. (except Public Admin.)	43,498	40,336	2.3%	-3,162	-7.3%
Professional, Scientific, & Technical Svcs.	77,787	77,982	4.4%	195	0.3%
Real Estate & Rental & Leasing	20,095	18,793	1.1%	-1,302	-6.5%
Retail Trade	205,486	202,631	11.4%	-2,855	-1.4%
Transportation & Warehousing	105,321	112,109	6.3%	6,788	6.4%
Utilities	3,898	3,948	0.2%	50	1.3%
Wholesale Trade	71,912	69,736	3.9%	-2,176	-3.0%
All Industries	1,844,844	1,775,929	100.0%	-68,915	-3.7%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Figure 7 shows the change in first quarter employment for the LWAs from 2019 through 2021. Between 2020 and 2021, half of the 69,000 jobs lost occurred in the largest LWAs – Bluegrass and Kentuckiana Works. In terms of percent change, the largest decreases occurred in TENCO (5.0 percent) and Lincoln Trail (4.7 percent).

Figure 7
Employment in the First Quarter by LWA, 2019, 2020 and 2021



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

Below, Tables 3 and 4 show how first quarter employment has changed within each LWA from 2020 to 2021. Table 3 shows the share of employment by industry for each LWA for the first quarter of 2021. Table 4 shows the absolute change in employment from the first quarter of 2020 and shows which industries and LWAs are still struggling. Comparisons to the state are in Table 2 above.

Table 3
Share of First Quarter Employment by Industry and LWA, 2021 Q1

Industry	Bluegrass	Cumberlands	EKCEP	Green River	Kentuckiana Works	Lincoln Trail	Northern Kentucky	South Central	TENCO	West Kentucky
Accommodation and Food Services	8.8%	8.5%	8.4%	7.7%	7.2%	8.5%	8.9%	9.4%	10.1%	9.8%
Administrative and Support and Waste Management and Remediation Services	7.0%	7.4%	3.0%	5.2%	7.1%	4.2%	7.1%	4.5%	4.2%	4.3%
Agriculture, Forestry, Fishing and Hunting	1.2%	0.3%	0.0%	1.1%	0.1%	0.2%	0.0%	0.4%	0.0%	0.9%
Arts, Entertainment, and Recreation	1.1%	0.6%	0.2%	0.6%	1.1%	0.4%	1.2%	0.7%	0.6%	0.7%
Construction	4.5%	2.9%	2.5%	4.1%	4.2%	4.8%	3.6%	4.1%	4.6%	4.5%
Educational Services	0.8%	0.1%	0.0%	0.6%	1.1%	0.2%	0.6%	0.3%	0.1%	0.4%
Finance and Insurance	2.5%	2.6%	2.5%	4.6%	6.5%	2.9%	4.2%	2.4%	2.6%	2.6%
Government	21.2%	17.3%	25.1%	13.9%	10.3%	21.2%	12.0%	15.0%	18.6%	18.8%
Health Care and Social Assistance	12.0%	18.5%	23.8%	16.1%	14.0%	11.0%	11.1%	13.7%	19.8%	13.7%
Information	0.9%	1.1%	0.9%	0.5%	1.5%	1.2%	0.6%	0.7%	0.7%	0.8%
Management of Companies and Enterprises	0.8%	0.1%	0.1%	0.2%	1.4%	0.0%	2.4%	1.9%	0.2%	0.2%
Manufacturing	12.2%	14.6%	4.0%	21.6%	12.0%	22.3%	11.9%	21.8%	13.3%	13.9%
Mining, Quarrying, and Oil and Gas Extraction	0.1%	0.3%	3.1%	0.2%	0.1%	0.1%	0.0%	0.0%	0.1%	0.3%
Other Services (except Public Administration)	2.3%	1.6%	2.1%	2.4%	2.5%	2.1%	2.4%	2.0%	2.3%	2.2%
Professional, Scientific, and Technical Services	5.2%	2.2%	2.7%	2.2%	5.5%	2.8%	4.5%	2.6%	2.7%	3.7%
Real Estate and Rental and Leasing	1.1%	0.7%	0.7%	0.8%	1.3%	0.8%	1.1%	0.8%	0.7%	0.8%
Retail Trade	11.1%	14.3%	16.6%	11.4%	9.4%	12.3%	9.8%	13.2%	14.2%	13.6%
Transportation and Warehousing	3.6%	3.3%	1.9%	3.1%	9.7%	2.3%	13.2%	2.7%	2.6%	5.4%
Utilities	0.3%	0.3%	0.4%	0.2%	0.2%	0.2%	0.2%	0.0%	0.5%	0.1%
Wholesale Trade	3.5%	3.2%	1.8%	3.3%	4.7%	2.5%	5.1%	3.7%	2.2%	3.4%
All Industries	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Table 4
Absolute Change in First Quarter Employment by Industry and LWA, 2020-2021

Industry	Bluegrass	Cumberlands	EKCEP	Green River	Kentuckiana Works	Lincoln Trail	Northern Kentucky	South Central	TENCO	West Kentucky
Accommodation and Food Services	-6,730	-917	-719	-713	-10,481	-883	-2,662	-1,286	-771	-665
Administrative and Support and Waste Management and Remediation Services	-213	-13	207	-43	239	-210	1,120	-355	175	-93
Agriculture, Forestry, Fishing and Hunting	-224	18	-17	106	25	-26	3	-21	2	89
Arts, Entertainment, and Recreation	-865	-52	-41	-87	-1,771	-38	-639	-169	20	266
Construction	-725	-88	50	-357	10	250	-138	80	-227	-637
Educational Services	-696	-2	23	-4	-523	0	-47	-77	-6	25
Finance and Insurance	261	-129	-63	-55	594	25	195	-91	-83	-186
Government	-2,908	-1,341	-1,715	-948	-2,984	-2,356	-1,080	-1,041	-806	-1,768
Health Care and Social Assistance	-1,953	-793	-743	-505	-814	410	208	-760	-709	-1,076
Information	-294	15	-109	-110	-331	-47	-94	-91	-206	-307
Management of Companies and Enterprises	33	-12	79	-1	-223	-928	277	-133	3	-34
Manufacturing	-1,953	-276	-745	-109	-775	-606	-987	-1,517	-300	-1,340
Mining, Quarrying, and Oil and Gas Extraction	21	23	-457	-10	159	-7	17	-37	-28	-13
Other Services (except Public Administration)	-437	-10	-37	-192	-1,330	-129	-488	-71	-48	-304
Professional, Scientific, and Technical Services	33	-136	-131	-151	-382	355	108	-54	10	-22
Real Estate and Rental and Leasing	-149	5	-64	-58	-489	-236	-371	-87	-28	-32
Retail Trade	-675	455	-1	-74	-1,966	-92	-311	83	-254	-132
Transportation and Warehousing	1,156	90	-36	94	2,992	111	1,938	251	-20	489
Utilities	74	-3	0	-6	-25	4	5	2	-1	-2
Wholesale Trade	-463	-22	-186	-155	-597	-19	-840	35	-91	57
All Industries	-16,731	-3,194	-4,703	-3,378	-18,702	-4,430	-3,788	-5,340	-3,368	-5,698

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

(ii) Emerging Sectors

If state and local agencies can accurately identify emerging sectors and the skills these sectors will need from their employees, these agencies might be able to allocate resources to help meet these needs as they develop. Unfortunately, identifying emerging sectors is challenging as many sectors as possible that appear to show some initial growth seem to lose momentum after a couple of years.

This analysis examines changes in employment across 3-digit NAICS codes in Kentucky to identify potentially emerging industries. This analysis used three criteria for to define emerging sectors. First, employment in a 3-digit sector must be less than two percent of Kentucky's total nonfarm employment. Second, employment in the sector must have grown faster over the past three year than the state's total employment. Finally, employment in the sector must have grown in two of the past three years. This was to remove sectors that experienced a one-time large increase.

Applying these criteria to employment from 2014 to 2017 suggested several sectors that might be emerging in Kentucky. These include several subsectors of manufacturing such as plastics and rubber products; electrical equipment, appliance, and components; and fabricated metal products. Additional sectors included data processing, hosting and related services, and securities, commodity contracts, and other financial investments and related activities.

To evaluate this methodology, the same criteria were applied to data from 2011 to 2014. Employment growth from 2014 to 2017 was then analyzed for the sectors that were identified as emerging during this time-period. The goal was to see whether employment continued to grow in these potentially emerging sectors. Of the 31 emerging sectors, 18, or 58 percent, continued to grow faster than the state over the next three years. Employment growth slowed for the remaining 13 sectors. Slight alterations to the criteria resulted in similar results.

These results suggest that identifying emerging sectors early is difficult to do reliably, making it difficult for state agencies to allocate resources to training that would be specific to these industries. This also suggests that allocating resources to improving general skills that will be in demand across a boarder set of industries might be a more reliable strategy for preparing the workforce. Kentucky's workforce development ecosystem is invested in upskilling our workforce, by developing portable and transferrable skills as the foundational layer for developing life-long learners, ready to transition to the jobs and technology that emerging industries will bring to the forefront.

(iii) Employers' Employment Needs

Note that the occupational projections were completed with inputs that preceded the pandemic and therefore do not capture the impacts of COVID. The U.S. Bureau of Labor Statistics estimated that Kentucky's employment will increase by 86,311 jobs between 2019 and 2029. Table 5 shows job projections by major occupational groups. Table 6 shows some of the main skills that will be needed for these new jobs.

The top four occupational groups in terms of the number of additional jobs are Transportation and Material Moving; Healthcare Support; Healthcare Practitioners and Technical; and Food Preparation and Service-Related occupations.

These four occupational groups account for 54,710 new jobs. In terms of growth rates, the top four groups are Healthcare Support; Community and Social Service; Computer and Mathematical; and Healthcare Practitioners and Technical occupations.

Four occupational groups are projected to decline: Arts, Design, Entertainment, Sports, and Media; Office and Administrative Support; Construction and Extraction; and Sales and Related occupations.

Table 5
Employment Projections for 2029 by Major Occupational Group

Major Occupation Group	Employment (000s of Jobs)			Percent Change
	2019	Projected 2029	Change in Number	
Architecture and Engineering	29.3	31.2	1.9	6.5%
Arts, Design, Entertainment, Sports, and Media	22.3	22.3	0.0	-0.1%
Building and Grounds Cleaning and Maintenance	58.7	64.0	5.3	9.1%
Business and Financial Operations	78.7	83.2	4.5	5.7%
Community and Social Service	28.8	33.0	4.2	14.7%
Computer and Mathematical	33.9	38.4	4.6	13.5%
Construction and Extraction	84.3	82.0	-2.3	-2.7%
Education, Training, and Library	95.3	100.1	4.8	5.0%
Farming, Fishing, and Forestry	8.1	8.6	0.5	6.1%
Food Preparation and Serving Related	178.6	186.5	7.8	4.4%
Healthcare Practitioners and Technical	127.4	142.3	14.8	11.6%
Healthcare Support	74.0	89.6	15.7	21.2%
Installation, Maintenance, and Repair	91.8	96.8	4.9	5.4%
Legal	11.8	12.5	0.8	6.5%
Life, Physical, and Social Science	11.2	11.8	0.6	5.3%
Management	104.1	110.8	6.7	6.5%
Office and Administrative Support	263.3	257.5	-5.7	-2.2%
Personal Care and Service	53.1	57.1	4.0	7.5%
Production	200.3	201.6	1.3	0.7%
Protective Service	38.6	40.4	1.8	4.7%
Sales and Related	186.6	180.3	-6.3	-3.4%
Transportation and Material Moving	218.4	234.7	16.3	7.5%
Total, All Occupations	1,998.5	2,084.8	86.3	4.3%

Source: Kentucky Labor Market Information Branch, Occupational Projections

Of the 86,311 jobs projected to be created between 2019 and 2029, 77 percent will require active listening, 72 percent will require monitoring and 67 percent will require critical thinking as shown in Table 6. This assessment is based on the skills required by occupation for the projected new jobs created between 2019 and 2029.

Our partners at the Kentucky Chamber of Commerce Foundation Workforce Center are national leaders in the development and recruitment for business and industry partners engaging in the needs assessment known as the Talent Pipeline Management Program. The demand side projections of these employer collaboratives have been working to identify most commonly occurring skills and credentials, so that the regional workforce systems can partner to address training needs. Our partners in education and workforce can utilize the data collected here as well as the data published bi-annually through the Talent Pipeline Management program, to align the resources for training dollars to match the projected needs of employers. Regional training providers can target those soft skills identified as most commonly occurring, and pair with the identified credentials industry collaboratives identify, to ensure that our employers are in the driver's seat of workforce training and education for the jobs of tomorrow.

Table 6
Top Ten Skills for New Jobs Projected from 2019 to 2029

Skill	Percent of New Jobs that Will Require Skill
Active Listening	77%
Monitoring	72%
Critical Thinking	67%
Speaking	67%
Reading Comprehension	66%
Coordination	50%
Active Learning	47%
Complex Problem Solving	46%
Social Perceptiveness	44%
Judgment and Decision Making	39%

Sources: Kentucky Labor Market Information Branch, Occupational Projections and the Occupational Information Networks (O*NET) for skills

B. WORKFORCE ANALYSIS

The Unified or Combined State Plan must include an analysis of the current workforce, including individuals with barriers to employment, as defined in section 3 of WIOA⁴. This population must include individuals with disabilities among other groups⁵ in the State and across regions identified by the State. This includes—

[4] Individuals with barriers to employment include displaced homemakers; low-income individuals; Indians, Alaska Natives, and Native Hawaiians; individuals with disabilities, including youth who are individuals with disabilities; older individuals; ex-offenders; homeless individuals, or homeless children and youths; youth who are in or have aged out of the foster care system; individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers; farmworkers (as defined at section 167(i) of WIOA and Training and Employment Guidance Letter No. 35-14); individuals within 2 years of exhausting lifetime eligibility under the Temporary Assistance for Needy Families program; single parents (including single pregnant women); and long-term unemployed individuals.

[5] Veterans, unemployed workers, and youth, and others that the State may identify.

I. EMPLOYMENT AND UNEMPLOYMENT

Provide an analysis of current employment and unemployment data, including labor force participation rates, and trends in the State.

II. LABOR MARKET TRENDS

Provide an analysis of key labor market trends, including across existing industries and occupations.

III. EDUCATION AND SKILL LEVELS OF THE WORKFORCE

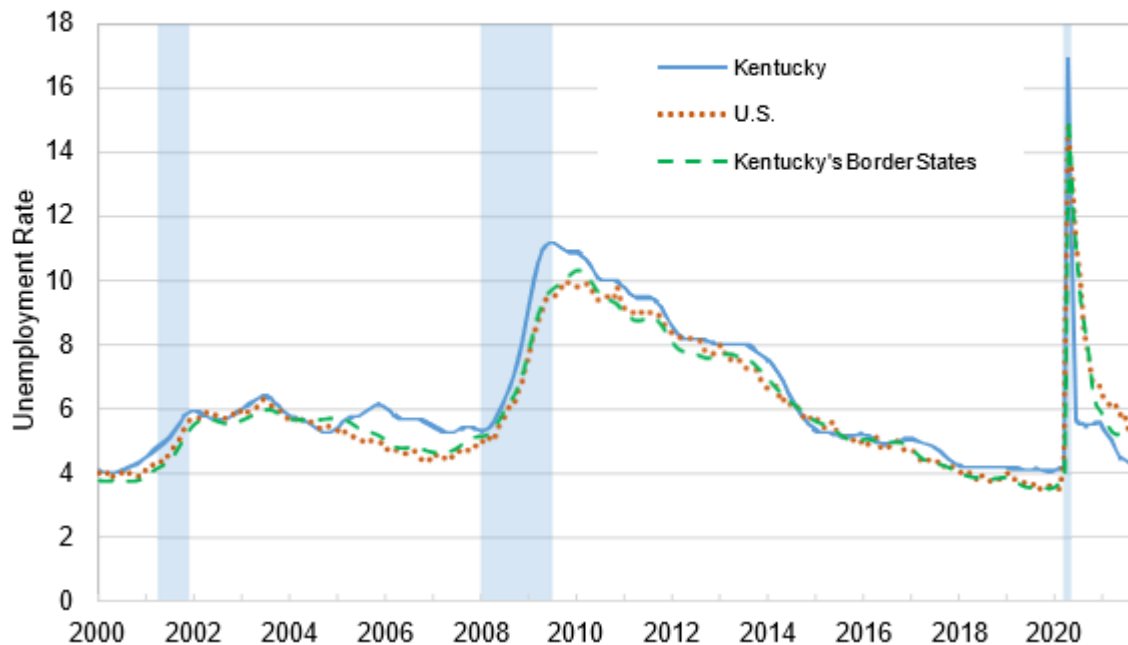
Provide an analysis of the educational and skill levels of the workforce.

IV. SKILL GAPS

(i) Employment and Unemployment

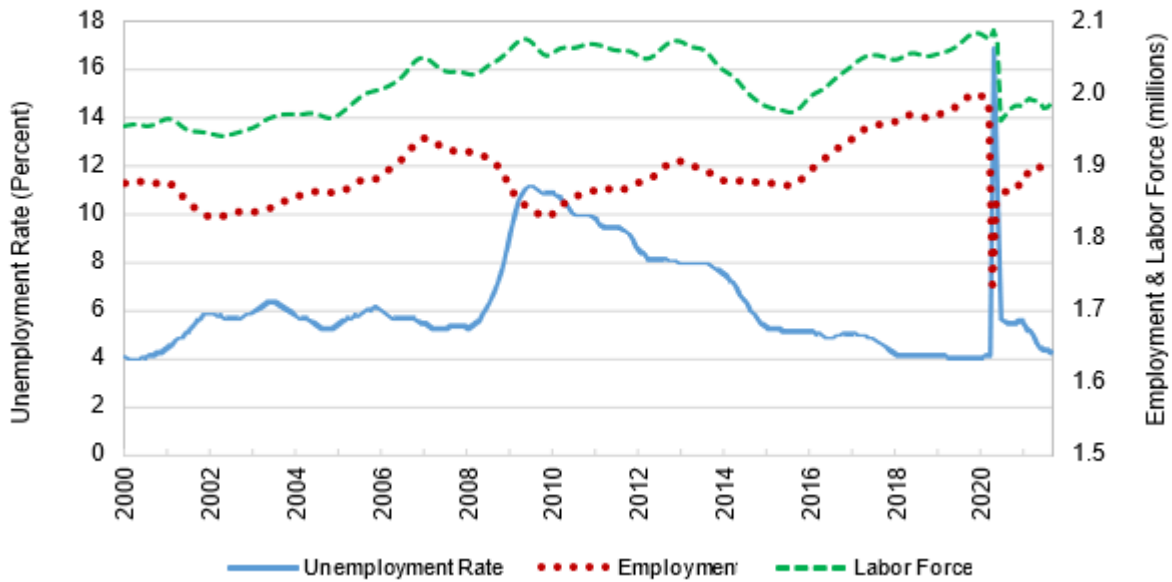
Following national trends, Kentucky's unemployment rate steadily declined after the Great Recession, spiked with the onset of the pandemic, and has since declined (Figure 8). In early 2020, the state saw its lowest level since the BLS began recording state unemployment rates in 1976. When the pandemic began, Kentucky's unemployment rate spiked to 16.9 percent. It has since declined and has recently returned to pre-pandemic levels (Figure 9). The lower unemployment rates in recent months can be explained by two main factors. First, as businesses reopened, many workers returned to their jobs. The second reason for Kentucky's recent low unemployment rate is a reduction in labor force participation. With the pandemic, many workers stopped looking for work and as a result were not counted as being unemployed. This is true even if they would like a job. Several factors have contributed to workers leaving the labor force including lack of childcare, health concerns, increased retirements, and enhanced unemployment benefits. Because the unemployment rate does not account for workers who left the labor force it does not fully describe Kentucky's economic situation.

Figure 8
Unemployment Rates



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

Figure 9
Unemployment Rate, Employment, and Labor Force



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

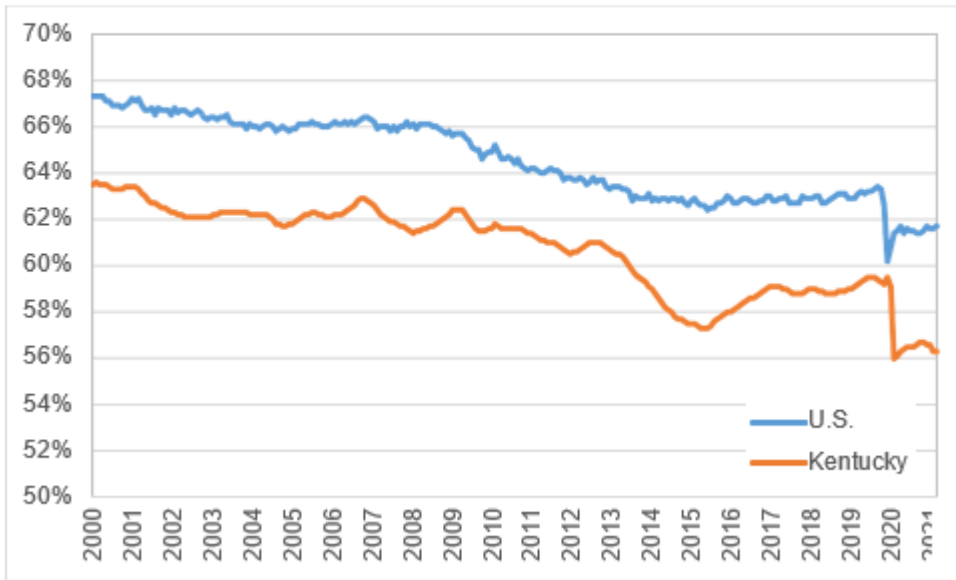
Labor Force Participation and Barriers to Work

The labor force participation (LFP) rate measures the percentage of the civilian, non-institutionalized population age 16 and over who are either working or are unemployed and searching for work. LFP in the U.S. and Kentucky has generally been declining, driven largely by the aging of the population.

Kentucky's LFP rate declined more quickly in 2013 through 2015 as workers who were unemployed for a long period stopped looking for work. From 2015 to 2020, improvements in the state's economy helped attract many of these workers back into the labor force. However, Kentucky's LFP rate was still typically about 4 percentage points lower than the U.S. rate. Several factors including educational attainment and health issues appear to contribute to this difference.

As noted, the pandemic reduced Kentucky's labor force participation rate. The nation also saw a significant reduction in LFP when the pandemic began. While the LFP rate for both Kentucky and the nation have improved, the gap between Kentucky and the nation has widened. This indicates Kentucky's workers have been less likely to return to the labor force.

Figure 10
Monthly Labor Force Participation Rates
(seasonally adjusted)



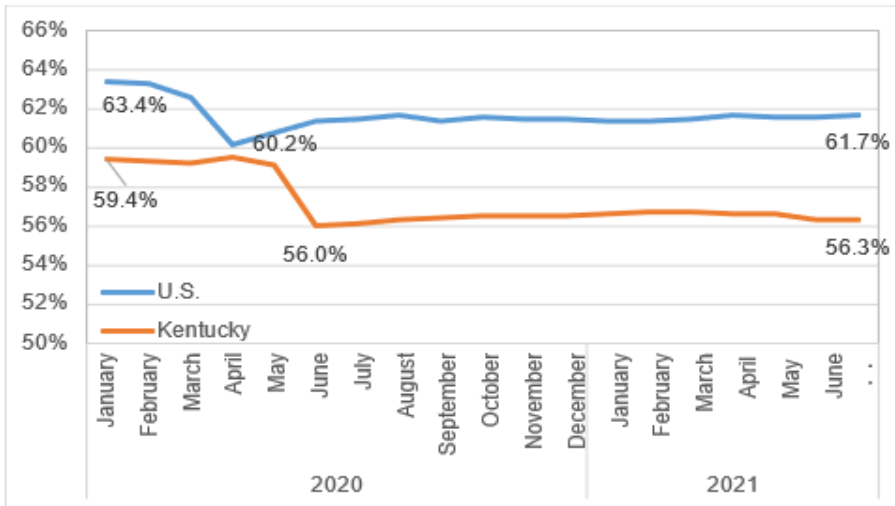
Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

Kentucky is facing a childcare crisis, with many facilities never having reopened after pandemic shut-down. For individuals who can even locate childcare, when the expanded subsidies from the federal assistance programs expire, most will find it cost prohibitive. The rate of opioid overdose deaths starkly increased during the pandemic, exacerbating the opioid crisis in east Kentucky.

While the Kentucky Chamber of Commerce recently reported in the “20 Years in the Making: Kentucky’s Workforce Crisis” that while it is hard to quantify, the opioid epidemic may be responsible for a staggering 1.3 to 3.1 percentage point in Kentucky’s workforce participation rate, representing up to a total loss of 55,200 workers.

All of Kentucky’s workforce partners have been collaborating to better align resources to maximize efforts to connect the re-entry and recovery populations to workforce services to help build on-ramps back into the workforce.

Figure 11
Monthly Labor Force Participation Rates, 2020-2021
(seasonally adjusted)



Source: KYSTATS, Labor Market Information Branch. Local Area Unemployment Statistics

The workforce participation rate for the LWAs is an estimate calculated using the 5-year estimates from the American Community Survey. The methodology is similar to the LFP rate calculated by the BLS, but not identical and comparisons should be made with caution. Because the data used in these estimates were collected from 2015 through 2019, they do not reflect the impact of the pandemic. They do, however, show the historic regional differences in labor force participation across the Commonwealth. The workforce participation rate varies significantly across Kentucky's regions from 38.8 percent in the EKCEP to 69.5 percent in Northern Kentucky.

Table 7
Workforce Participation Rate by LWA

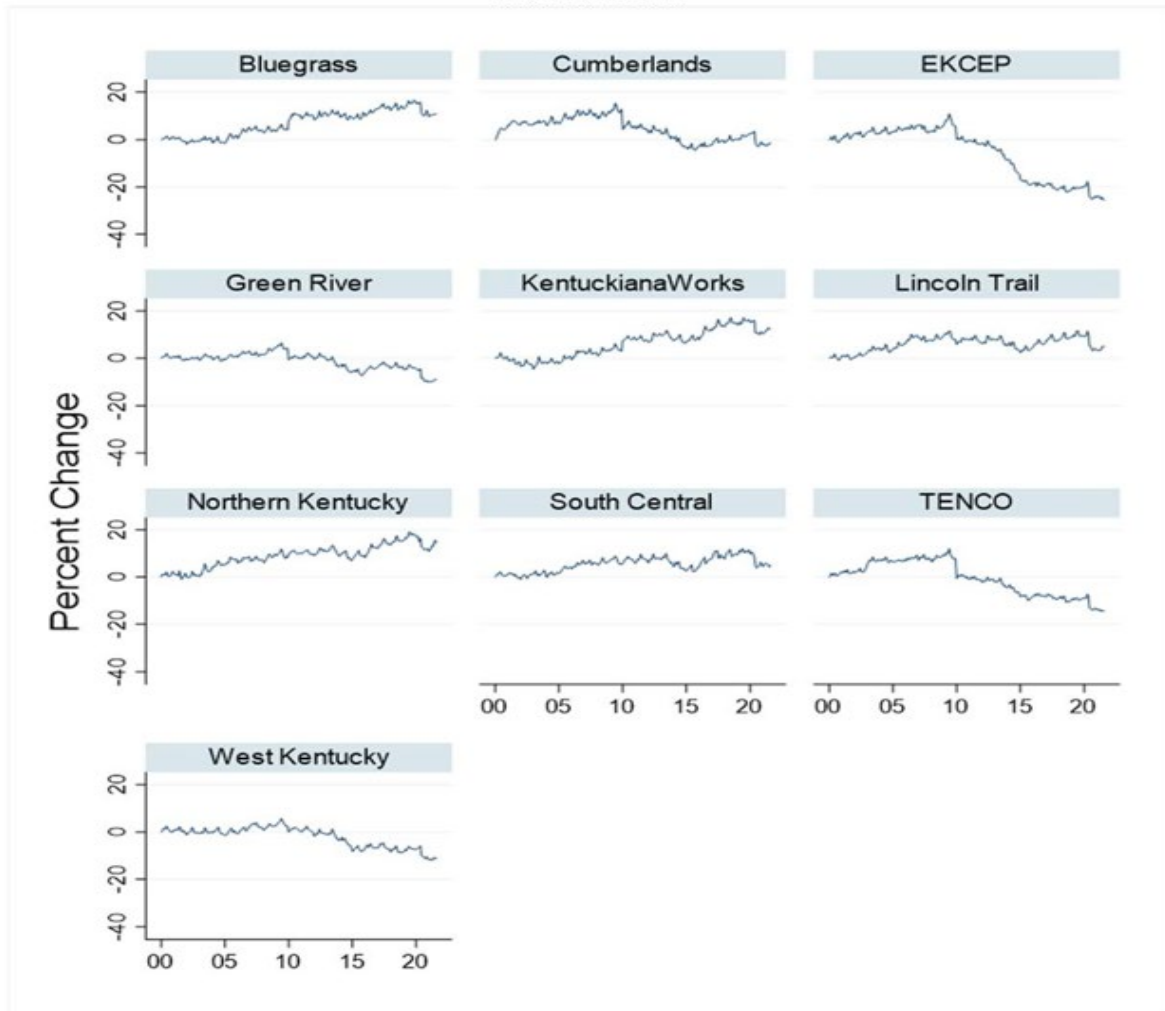
Local Workforce Area	LFPR
Bluegrass	64.1%
Cumberlands	51.5%
EKCEP	38.8%
Green River	59.5%
Kentuckiana Works	66.5%
Lincoln Trail	60.5%
Northern Kentucky	69.5%
South Central	59.5%
TENCO	50.5%
West Kentucky	54.5%
Kentucky	59.6%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Figure 12 shows the number of people in the labor force as a percentage of the labor force in January 2000 across Kentucky's LWAs. Note that the figures are not LFP rates, which is the number of people in the labor force divided by the civilian noninstitutionalized population over the age of 16. Figure 12 shows the general trends in labor force for each LWA and reflects the impact of the pandemic. Urban areas including the Bluegrass, Kentuckiana Works, and Northern Kentucky LWAs have seen their labor forces grow over time. This partially reflects population growth but also reflects stronger economic opportunities in these areas. West Kentucky, TENCO, Green River, and EKCEP, however, have seen their labor force decline. These regional differences are driven by a combination of population trends, economic conditions, and the characteristics of the labor force within each region.

The pandemic hit all areas hard, but the recovery has been somewhat uneven. EKCEP and TENCO have seen their labor forces continue to decline even as COVID-19 restrictions were lifted. Northern Kentucky seems to be recovering its labor force more quickly than the rest of the state. The KWIB Collaborative is currently undertaking the research to publish the three-year workforce funding report for 2019-2021 to ensure that the unprecedented federal investments are aligned across the agencies and sectors, to maximize their impact and measure for success. Identifying successful strategies of our regional partners that have built resilience into our regional workforce systems, will allow communities to build back better and respond more quickly to market fluctuations after COVID-19 leaves center stage.

Figure 12
Percent Change in Labor Force Since January 2000 by LWA
Indexed to 2000



The following section examines the prevalence of specific barriers to labor force participation in Kentucky. Many of the following estimates were based on data from the 2019 5-year American Community Survey and other data sources collected prior to the pandemic. Therefore, the estimates do not reflect changes related to the pandemic.

The population in areas with low LFP tend to have lower levels of education (Table 8). While 12 percent of the state population aged 25 to 64 has less than a high school education, the rate is 21 percent in EKCEP, 17 percent in Cumberlandands, and 14 percent in TENCO. Individuals with lower levels of education are significantly less likely to work as shown in Table 9. Across the state, 40 percent of those with less than a high school education were employed. Sixty-three percent of those with a high school diploma or equivalent were employed. Employment rates among those with a college education were 77 percent.

Table 8
Educational Attainment of
Population Aged 25 to 64

Local Workforce Area	No High School	High School	Some College	Associates Degree	Bachelors or Higher	Total
Bluegrass	10%	27%	21%	9%	33%	100%
Cumberlands	17%	39%	21%	9%	14%	100%
EKCEP	21%	38%	19%	9%	14%	100%
Green River	11%	36%	24%	11%	19%	100%
Kentuckiana Works	9%	26%	23%	9%	33%	100%
Lincoln Trail	10%	36%	24%	12%	18%	100%
Northern Kentucky	9%	29%	22%	9%	31%	100%
South Central	13%	36%	19%	9%	22%	100%
TENCO	14%	38%	22%	10%	17%	100%
West Kentucky	12%	35%	23%	11%	19%	100%
Kentucky	12%	32%	22%	9%	26%	100%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Table 9
Percent Employed by Educational
Attainment Aged 25 to 64

Local Workforce Area	No High School	High School	Some College	Associates Degree	Bachelors or Higher
Bluegrass	48%	67%	74%	79%	86%
Cumberlands	30%	58%	64%	75%	79%
EKCEP	21%	45%	54%	63%	76%
Green River	45%	66%	74%	77%	83%
Kentuckiana Works	49%	68%	75%	81%	87%
Lincoln Trail	43%	66%	73%	76%	87%
Northern Kentucky	48%	71%	77%	81%	89%
South Central	44%	64%	69%	75%	83%
TENCO	30%	54%	60%	76%	81%
West Kentucky	39%	61%	69%	77%	80%
Kentucky	40%	63%	71%	77%	85%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Disability and Health. Those with disabilities are also less likely to participate in the labor force. In Kentucky, approximately 15.9 percent of the population aged 16 to 64, or 453,470 individuals, reported having a disability that limits their activity (Table 10). Less than 29 percent of disabled individuals aged 25 to 64 were employed. This is considerably lower than the 64 percent employment rates among the general Kentucky population aged 25 to 64.

Table 10
Self-Reported Disability and Employment Status

Local Workforce Area	Prevalence of Disability (Aged 16 to 64)		Employment Status (Aged 25 to 64)		
	Number	Percent of Population with Disability	Employed	Unemployed	Not in Labor Force
Bluegrass	71,432	13.2%	33.6%	4.0%	62.4%
Cumberlands	39,258	19.6%	22.4%	1.9%	75.7%
EKCEP	63,280	27.2%	16.6%	3.8%	79.6%
Green River	22,542	16.9%	30.2%	3.6%	66.3%
Kentuckiana Works	81,375	12.5%	35.0%	4.1%	60.9%
Lincoln Trail	28,922	16.6%	31.7%	5.1%	63.2%
Northern Kentucky	35,598	12.0%	33.7%	4.0%	62.3%
South Central	32,393	16.7%	27.5%	3.6%	68.9%
TENCO	34,368	20.0%	23.6%	2.5%	73.9%
West Kentucky	44,302	17.5%	31.7%	2.7%	65.6%
Kentucky	453,470	15.9%	28.8%	3.6%	67.6%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Table 11
Youth Disability Rates, Aged 16 to 19

Local Workforce Area	Number	% Population with Disability
Bluegrass	3,681	7.7%
Cumberlands	1,248	7.8%
EKCEP	2,319	12.6%
Green River	1,171	11.4%
Kentuckiana Works	3,346	6.6%
Lincoln Trail	1,317	9.4%
Northern Kentucky	1,623	6.8%
South Central	1,833	9.6%
TENCO	1,414	10.1%
West Kentucky	1,626	7.8%
Kentucky	19,578	8.3%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Other health factors can also affect labor force participation. Recent research from the University of Kentucky estimated that diabetes reduces Kentucky employment by 15,700 workers (Clark et al. 2019).¹ Several studies have recently examined the impact that opioid abuse has on labor force participation. Krueger (2017) estimated that opioid abuse reduced the U.S. LFP rate by 0.6 percentage points for men and 0.77 percentage points for women.² Aliprantis and Schweitzer (2018) found a much larger effect that suggested a 10 percent increase in opioid prescribing was associated with a reduction in 0.5 percentage point reduction in LFP among men and 0.14 percent reduction among women.³ Based on this research, the University of Kentucky’s Center for Business and Economic Research estimated that increases in opioid prescribing in Kentucky were associated with reduction in labor force participation rates of 1.3 to 3.1 percentage points for Kentucky residents aged 24 to 54 (Clark et al. 2019).⁴ This amounts to approximately 23,100 to 55,200 fewer workers in the Commonwealth.

Older Workers. One in five Kentucky residents are over the age of 64 (Table 12). While the majority of Kentucky’s older population live in urban areas, older residents account for a large share of the population in rural areas. Labor force participation is naturally low among the older population, but many continue to work, either out of preference or need. Approximately 15 percent of residents over the age of 65 are employed or looking for work in Kentucky.

Table 12
Population Aged 65 and Older and Employment Status

Local Workforce Area	Number	Percent of Population		Employment Status (Age 65 & Older)	
		Older	Employed	Unemployed	Not In Labor Force
Bluegrass	120,301	18.2%	17.7%	0.7%	81.6%
Cumberlands	57,387	22.3%	13.2%	0.3%	86.5%
EKCEP	64,408	21.7%	8.3%	0.3%	91.3%
Green River	37,124	21.8%	14.7%	0.1%	85.2%
Kentuckiana Works	155,671	19.4%	17.9%	0.5%	81.5%
Lincoln Trail	41,714	19.3%	13.2%	0.3%	86.5%
Northern Kentucky	64,898	18.0%	17.3%	0.6%	82.1%
South Central	47,088	19.6%	16.4%	0.4%	83.2%
TENCO	48,162	21.9%	10.6%	0.3%	89.1%
West Kentucky	73,873	22.6%	14.0%	0.5%	85.5%
Kentucky	710,626	20.0%	15.1%	0.5%	84.4%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

English Learners. Approximately 2.7 percent of Kentucky’s residents age 16 to 64 have limited English proficiency (Table 13). Labor force participation among those with limited English proficiency is higher than the general population. However, there are significant difference in employment across regions. Nevertheless, limited proficiency with the English language can limit a workers ability to find certain types of employment and earn higher wages.

Table 13
Limited English Proficiency and Employment Status

Local Workforce Area	Prevalence of Limited English Proficiency (Aged 16 to 64)		Employment Status (Aged 25 to 64)		
	Number	Percent of Population	Employed	Unemployed	Not in Labor Force
Bluegrass	20,122	3.7%	72.6%	2.5%	25.0%
Cumberlands	2,296	1.1%	64.1%	1.4%	34.5%
EKCEP	937	0.4%	63.1%	0.0%	36.9%
Green River	2,537	1.9%	59.4%	4.1%	36.5%
Kentuckiana Works	30,204	4.7%	75.1%	2.8%	22.1%
Lincoln Trail	2,743	1.6%	68.1%	2.2%	29.7%
Northern Kentucky	6,358	2.1%	76.0%	0.8%	23.2%
South Central	7,456	3.8%	60.7%	1.0%	38.3%
TENCO	859	0.5%	58.7%	0.0%	41.3%
West Kentucky	3,835	1.5%	66.7%	4.7%	28.6%
Kentucky	77,347	2.7%	71.5%	2.4%	26.2%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Homelessness. The U.S. Interagency Council on Homelessness reported that over 3,116 individuals in Kentucky are homeless on a typical day.⁵ Of these, approximately 629 experienced chronic homelessness. The U.S. Department of Education estimates that nearly 24,000 Kentucky students experienced homelessness during the 2017-2018 school year.⁶

⁵ United States. Department of Housing and Urban Development. The 2020 Annual Homeless Assessment Report to Congress. <https://www.huduser.gov/portal/sites/default/files/pdf/2020-AHAR-Part-1.pdf>

⁶ National Center for Homeless Education. Federal Data Summary School Years 2015-16 Through 2017-18. January 2020. <https://nche.ed.gov/wp-content/uploads/2020/01/Federal-Data-Summary-SY-15.16-to-17.18-Published-1.30.2020.pdf>

Native Americans. Kentucky has a relatively small Native American population. Data from the U.S. Census Bureau’s American Community Survey suggests that less than one percent of Kentucky’s residents were Native American. Approximately 54 percent of Kentucky’s Native American population aged 25 to 64 were employed – lower than the employment rate for the general population.

Long-Term Unemployment. The slow recovery after the Great Recession caused many workers to be unemployed for prolonged periods. This can negatively affect workers’ ability to find employment as skills can depreciate over time. Employers might also be concerned that long-term unemployment might signal concerns regarding a worker’s productivity.

Table 14 shows when individuals who were unemployed last worked. The estimates only include those aged 25 to 64 and pre-date COVID-19. Twenty-eight percent of unemployed workers were unemployed for one to five years. Another 11.5 percent were unemployed for more than five years. This indicates that approximately 29,000 workers who were searching for employment have been unemployed for more than a year.

Table 14

Long-Term Unemployed and Employment Status (Aged 25 to 64)

Local Workforce Area	When Last Worked			Total
	Past 12 Months	1-5 Years	Over 5 Years or Never Worked	
Bluegrass	63.4%	27.6%	9.0%	100%
Cumberlands	49.9%	32.6%	17.5%	100%
EKCEP	43.1%	38.9%	18.0%	100%
Green River	74.9%	16.5%	8.6%	100%
Kentuckiana Works	65.2%	25.6%	9.1%	100%
Lincoln Trail	63.2%	21.9%	14.9%	100%
Northern Kentucky	60.6%	30.2%	9.2%	100%
South Central	66.5%	24.0%	9.5%	100%
TENCO	56.0%	32.3%	11.7%	100%
West Kentucky	58.9%	28.5%	12.6%	100%
Kentucky	60.1%	28.3%	11.5%	100%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Veterans. Among Kentucky residents aged 18 to 64, approximately 5.0 percent are veterans. Labor force participation among veterans is similar to the general population with 68 percent employed and

3.2 percent unemployed and looking for work. The Lincoln Trail LWA is home to a disproportionate share of veterans. Veterans living in this area are more likely to work than in the state as a whole. Veterans make up a smaller share of the EKCEP population and are less likely to work.

Table 15
Veterans and Employment Status

Local Workforce Area	Veterans		Employment Status (Aged 25 to 64)		
	(Aged 18 to 64)		Employed	Unemployed	Not in Labor Force
	Number	Percent of Population			
Bluegrass	23,461	4.5%	70.5%	2.9%	26.5%
Cumberlands	7,582	4.0%	62.6%	1.3%	36.0%
EKCEP	6,268	2.8%	52.3%	4.0%	43.7%
Green River	5,902	4.6%	72.8%	2.1%	25.1%
Kentuckiana Works	30,896	5.0%	70.1%	4.0%	25.9%
Lincoln Trail	17,059	10.3%	69.3%	2.9%	27.8%
Northern Kentucky	16,233	5.7%	75.8%	3.1%	21.1%
South Central	7,854	4.2%	64.2%	4.1%	31.7%
TENCO	6,894	4.2%	61.2%	2.9%	35.8%
West Kentucky	13,705	5.6%	62.2%	3.5%	34.2%
Kentucky	135,854	5.0%	68.0%	3.2%	28.7%

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Poverty / Low-income. The 2021 poverty guidelines published by the U.S. Department of Health and Human Services classifies a family of four as living below the poverty level if its income is equal to or lower than \$26,500. The Department updates the guidelines annually. In Kentucky, 18.7 percent of the population aged 16 to 64 lived at or below the poverty line (100 percent or lower). Another 18.0 percent have family incomes of 200 percent of the poverty. Table 15 shows poverty rates for those aged 16 to 64 within each LWA.

Not surprisingly, employment and labor force participation is less common among individuals in families with lower incomes (Table 17). Nearly 43 percent of Kentucky residents aged 25 to 64 who live at 200 percent of poverty or lower are employed. Over 80 percent of those with incomes over 200 percent of poverty were employed. These poverty statistics reflect the cumulative effects of various barriers to employment.

Table 16
Poverty Levels (Aged 16 to 64)

Local Workforce Area	Percent of Population with Family Income		
	as a Percent of Federal Poverty Guidelines		
	100 Percent or Lower	101 to 200 Percent	Over 200 Percent
Bluegrass	18.4	16.7	64.9
Cumberlands	25.0	23.5	51.5
EKCEP	30.2	24.3	45.5
Green River	18.0	17.9	64.1
Kentuckiana Works	13.9	14.9	71.2
Lincoln Trail	15.8	17.9	66.3
Northern Kentucky	12.0	14.3	73.7
South Central	20.9	19.8	59.3
TENCO	23.3	20.3	56.5
West Kentucky	20.2	20.0	59.8
Kentucky	18.7	18.0	63.3

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

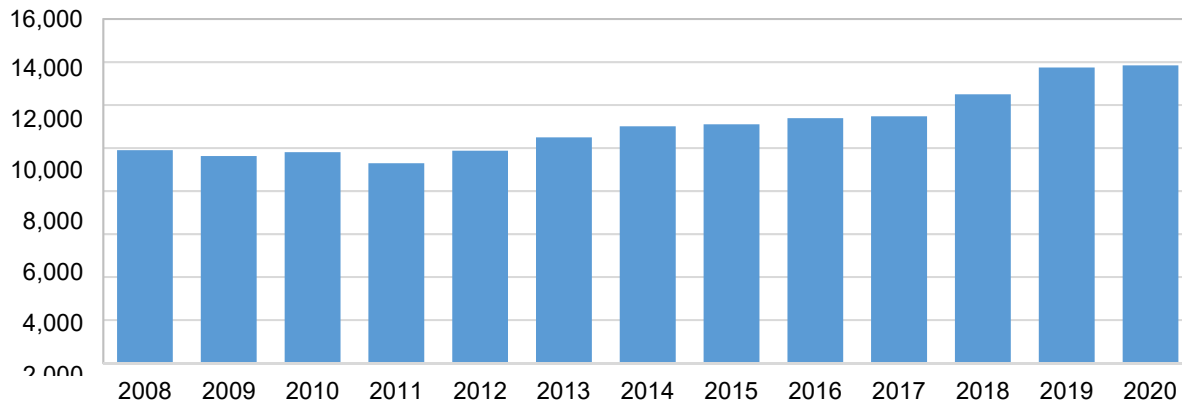
Table 17
Labor Force Participation and Employment of
Those Living at or Below 200 Percent of Poverty (Aged 25
to 64)

Local Workforce Area	Employment Status (Aged 25 to 64)		
	Employed	Unemployed	Not in Labor Force
Bluegrass	49.5	6.0	44.4
Cumberlands	35.7	5.2	59.2
EKCEP	27.3	6.2	66.5
Green River	45.3	4.6	50.1
Kentuckiana Works	49.5	7.5	43.0
Lincoln Trail	45.9	5.5	48.6
Northern Kentucky	47.6	6.1	46.3
South Central	44.5	4.7	50.9
TENCO	34.4	4.3	61.3
West Kentucky	42.4	4.9	52.7
Kentucky	42.5	5.8	51.7

Source: Analysis of U.S. Census Bureau, American Community Survey 5-year estimates, 2019

Foster Care. The Kentucky Citizen Foster Care Review Board reported that 13,838 Kentucky children were in foster care in 2020. Twelve percent of foster children aged out of the system in 2020, which remained consistent with 2019. Foster children will likely face different challenges than the rest of the population as they attempt to gain a postsecondary education, develop skills, and enter the labor force.

Figure 13
Children in Foster Care in Kentucky



Source: Kentucky Citizen Foster Care Review Board Annual Reports 2008 through 2020.

Ex-offenders. According to the Kentucky Department of Corrections, in 2019 there were over 42,000 individuals who were on probation, parole, or some other form of supervision. Half of these individuals were on parole. Finding employment is one of the main challenges these individuals will face as they try to reenter society.

Table 18
Ex-Offenders, 2019

Local Workforce Area	Ex-Offender
Bluegrass	6,225
Cumberlands	3,009
EKCEP	3,773
Green River	2,647
Kentuckiana Works	9,836
Lincoln Trail	2,614
Northern Kentucky	4,094
South Central	3,317
TENCO	1,972
West Kentucky	4,772
Unknown	10
Total	42,269

Source: Kentucky Department of Corrections.

(iii) and (iv) Education, Skills and Skills Gaps

Education is one of the most important determinants of an individual's employment and earnings. Kentucky has generally lagged the nation in this area. Table 19 summarizes education levels in the U.S. and Kentucky for those aged 25 to 64. While approximately 33.4 percent of U.S. residents have at least a Bachelor's degree, this figure is only 25.5 percent for Kentucky's residents. A larger share of Kentucky's population have a high school education or less.

Table 19

Educational Attainment (Aged 25 to 64)

Education	U.S.	Kentucky
No High School	11.0%	11.7%
High School	25.8%	31.7%
Some College	20.6%	21.6%
Associate Degree	9.2%	9.4%
Bachelor's and Beyond	33.4%	25.5%
Total	100.0%	100.0%

Source: Analysis of U.S. Census Bureau,
American Community Survey 5-year estimates,
2019

This educational attainment gap between Kentucky and the nation will likely affect the types of jobs Kentucky can attract. Table 19 shows occupational projections for Kentucky by educational requirements. Kentucky is expected to add 86,311 jobs between 2019 and 2029. More than half of those jobs (56 percent) typically require some type of post-secondary education.

Table 20

Kentucky Occupational Projections by Educational Requirements for Growing Occupations

<u>Education Requirements</u>	<u>Share</u>
No formal educational credential	18%
High school diploma or equivalent	24%
Postsecondary nondegree award	12%
Some college, no degree	1%
Associate degree	4%
Bachelor's degree	31%
Master's degree	6%
Doctoral or professional degree	3%

Source: Kentucky Labor Market Information Branch, Occupational Projections, 2019 to 2029

States with populations that have less education will be less competitive attracting firms that require a highly skilled workforce. As jobs that require more education typically pay higher earnings, this skills gap will contribute to slower wage growth for the state.