

**KENTUCKIANAWORKS BOARD MEETING
GREATER LOUISVILLE WORKFORCE DEVELOPMENT BOARD
Thursday, February 28, 2019
8:30 A.M.
Greater Louisville Inc.**

Members Present: Tony Georges- *Chair*, Jackie Beard, David Bizianes, Derek Bland, Willie Byrd, Rebel Chreste, Steve Cunanan, Ryan Henson, Tami Hatfield-Kennedy, Lisa Kaminski Deana Karem, Kent Oyler, Marty Pollio, Tom Quick, John Snider, Lisa Thompson (representing Sadiqa Reynolds), Vincent James, Jonathan Westbrook, Mary Ellen Wiederwohl

Recognition of Special Guest- *Tony Georges, Cindy Read*

Cindy Read introduced Jenny Lampton of Vocational Rehabilitation, Regan Wann a new member of the One Stop Operator Team and Kathleen Bolter, the new Deputy Director of Labor Market Intelligence for KentuckianaWorks.

Review and Approve Minutes –*Tony Georges*

Mr. Georges asked for a motion to approve or deny the January 24 meeting minutes. There were no questions or comments. Jonathan Westbrook motioned to approve. John Snider seconded the motion. Motion carried.

Update and Discussion –*Mary Ellen Wiederwohl*

Mary Ellen gave an overview of the potential impact of Louisville Metro Government’s (LMG) budget shortfall on KentuckianaWorks Programs. In 2017 the Kentucky Retirement System (KRS) changed their assumptions around their investment returns. KRS proposed a formula that would result in a \$50,000,000 hit to LMG’s budget through their employer contributions at one time. In 2018 LMG along with other cities and counties lobbied the legislature to pass a bill that would allow a phase-in of the \$50,000,000 over 5 years. FY 18-19 was the first year of the phase-in and LMG worked within its current budget to meet the increase. Coming into FY 19-20 LMG has to increase its employer contribution by an additional \$10,000,000 as well as for the next three fiscal years. After the 5 year phase-in period LMG will contribute an additional \$50,000,000 yearly for life. LMG funds about 60 percent of the SummerWorks budget, the same for Reimage and funds 30 percent of the Kentucky Youth Career Center, all programs operated by KentuckianaWorks. The Mayor and some Metro Council members have submitted a revenue proposal around increasing insurance premium taxes. There have been other discussions about program funding cuts. Mary Ellen encouraged the Board and community leaders to engage with their Metro Council members, talk about these programs and express why they are important to the community. Jackie Beard asked in the event LMG gets its taxes where it needs them to be would the programs still be in jeopardy of cuts. Mary Ellen reminded the Board that just 2 years ago SummerWorks took a cut in funding because of the city’s budget strains and we had to fight to get that back up. If we don’t have the revenue these programs will almost certainly face scrutiny again. Willie Byrd asked if KentuckianaWorks is a part of the KRS system. Cindy Read answered yes, we are city employees. Tom Quick asked if the additional \$50,000,000 the city will be required to pay will go specifically to the county and city pension plan only or does KRS have the ability to redirect those funds. Mary Ellen answered no, they cannot redirect those funds. Tony Georges asked if the revenue is better than estimated would that then offset any portion of the insurance tax increase. Mary Ellen answered there is a “whereas” clause, in the future if we are able to go to Frankfort and give different revenue options for the city and those were accepted and adopted by the city then yes we could roll back the insurance premium tax and LMG is very supportive of language along those lines.

Special Staff Recommendation and Vote Needed: Up to \$12,000 in WIOA Funding for the Degrees Work Program – Cindy Read

Cindy reminded the group that at the last Board meeting Michael Gritton gave a heads up that we were looking at having to close down the Degrees Work program. Degrees Work was an effort to increase the number of adults in our region who would go back to college and earn a two-year or four-year degree. It grew out of the community's 55,000 Degrees initiative, was originally funded with outside philanthropic dollars, and was first housed at Greater Louisville Inc. (GLI). Degrees Work still has roughly \$12,000 in the bank from a grant it received from the CE&S Foundation for specific purposes related to Degrees Works' mission (not general operating support). We have asked the Foundation for permission to spend that remaining \$12,000 on the February expenditures that would allow for an orderly shutdown of the program. If we receive that permission, Degrees Work will cease operations March 1st without ever having used a dollar of WIOA to support their experiment. If we do not receive permission to use those grant funds for that purpose, Degrees Work will essentially be roughly \$12,000 short of covering all of its expenses. Therefore, I am requesting permission to spend up to \$12,000 in WIOA funds to cover those last expenses if that permission is not granted. Tony Georges commented that we should be sure we aren't leaving any of the paying customers without a service they paid for. Cindy stated that Michael Gritton has met with all of the Universities and employers and any customer still in the system needing service after March 1 will be transitioned to the KentuckianaWorks College Access Center. Mr. Georges asked for a motion to approve or deny the \$12,000 to be spent to close out the Degrees Work program if it ends up being necessary. Steve Cunanan motioned to approved. Willie Byrd seconded the motion. Motion carried.

Report Out and Votes Needed on Recommendations from the Program Oversight Committee –Cindy Read

Cindy reminded the group of the consent items that were approved from February 22, 2019 Program Oversight Committee Meeting.

- 1) Request to Issue Request for Proposals (RFP) for a One-Stop Operator
- 2) Single Audit Services for KentuckianaWorks and KentuckianaWorks Foundation
- 3) Extension of @Works Solutions of Kentucky Contract for Comprehensive Information Technology Services and Approval to Procure a Salesforce Implementation Partner
- 4) Credentials Recommendations of Postsecondary Education Accountability Standards

Ms. Read gave a brief overview of the details of each item. Derek Bland asked how many companies did we expect to see apply for the One-Stop Operator RFP. Ms. Read said while there is no way to tell how many RFP applications we will receive the process is widely promoted. LMG oversees the procurement process. Jackie Beard asked why do we need an outside contractor to manage our entire IT structure if LMG has its own IT Department. Mary Ellen Wiederwohl answered that it is currently not a part of the agreement with LMG, and would likely cost KentuckianaWorks additional funds to secure that service from LMG's IT department. Rebel Chreste made a request that the core partners at the comprehensive center review and come to a consensus on the details of the One-Stop Operator RFP before the RFP is released. Jackie Beard asked if KentuckianaWorks was the sole funder of this RFP. Cindy Read answered that we are the sole funders as far as actual dollars; however there is an infrastructure funding agreement that reflects that different agencies do contribute to the operation of the comprehensive center. With a little more discussion Mr. Georges asked the group would like to vote on all of the items or just a portion. The group opted to vote on items 2, 3 and 4 separately from item 1. On items 2, 3 and 4 Tom Quick motioned to approved. Deana Karem seconded. Motioned carried. Mr. Georges asked if there was a motion to approve or deny the recommendation to release the One-Stop Operator RFP with the stipulation that the RFP will be brought before the Program Oversight Committee again for more

discussion before it is released. Deana Karem motioned to approve with the addendum. Rebel Chrest seconded. Motion carried.

Labor Market Intelligence Update: What You Should Know about the “Labor Force Participation Rate:

– Sarah Ehresman

Sarah showed a Power Point presentation and spoke on the highlights. Tom Quick asked what the source data for the numerator is. Sarah answered the Bureau of Labor Statistics is considered the official source for the numerator. Tom Quick asked for the actual number representing the labor force participation rate not in percentages. Sarah answered that number is right around 700,000 participants. Tony Georges asked of the 41 percent of non-participants, what percentage would you guess is for acceptable reasons. Sarah answered there are several different reason for different areas so what may be an acceptable reason for not participating in the workforce in one area may not be a good reason in other areas. Mr. Georges asked if 59 percent isn't the ideal rate for the state what would be the ideal rate? Sarah stated that reaching the U. S. average would be the main goal. After some further discussion the group asked for a report on when the baby boomers will be falling out of the workforce percentages and when the millennials will be the bulk of the system.

Update and Discussion: Roles of the State and Local Boards and Potential Threats to the Local Board's Leadership Position- *Cindy Read*

Cindy reminded the group that we had initially asked some of the leaders from the State to join this meeting. The state has formed a commission on which Michael Gritton is serving and they happen to be meeting at this time. Cindy asked the group to read the section of the law provided today when they have some free time. Until recently, we understood the state's strategic direction to be to emulate “the Texas model,” whereby the state workforce board (called the Texas Workforce Commission) aggregates as many federal and state funding streams related to workforce development as possible under the authority of the local/regional boards, sets strategic priorities and performance targets for each of those programs, then holds local/regional boards accountable for meeting those priorities and performance targets. This is a highly effective model, empowers local boards to be the key implementers in their regions, yet also reflects the important role the state needs to play in setting strategic direction for the integration of various programs into a comprehensive workforce system. Cindy stated, the Board has the power to decide how you want to play. When the state leaders come that may be something the Board wants to talk about. Steve Cunanan commented that in general he thinks the Board is in a better position to determine what the strategic needs are for our community on behalf of the employers. We are also able to quickly modify our approach as conditions change and fears that if the state takes over some of the duties of the Board they are not going to be as able to make changes and move at the pace and speed that we have as a Board. Tony Georges stated that he and Michael separately had an opportunity to see the draft of the new report card that has Greater Louisville ranked No. 6 out of the 10 Boards. The numbers aren't right but in general it's just not a good look. Mr. Georges encouraged the group to speak up in behalf of the Board when we get the state reps at the table.

Executive Director's Report – *Cindy Read*

Cindy gave a heads up that we have sent a letter to the landlord at the Heyburn Building asking to be let out of our lease because of maintenance issues. We have mapped out a plan with the Cabinet for Health and Family Services to move the TANF program to Cedar.

Meeting adjourned. The next meeting is scheduled for April 18, 2019.

Staff:

Cindy Read
Angella Wilson
Sarah Ehresman
Huston Monarch
Lori Hiser
Elizabeth Davis-Terhune
Rider Rodriguez
Chris Locke
Latricia Swope
Patrick Garvey
Phil Miller
LaShala Goodwin
Regina Phillips
Brian Luerman
Joi McAtee
Aleece Smith
Mary Rosenthal
Kathleen Bolter
Robert Moore
Laura Paulen

Observers:

Ryan Troutman
Joyce Griffith
Marsha Berry
Jessie Schook
Regan Wann
Joshua McKee
Jenny Lampton

Guest(s):