

Program Oversight Committee Meeting
Friday, September 20, 2019
8:30 a.m. – 10:00 a.m.

Kentucky Career Center at the NIA Center, 2900 W. Broadway, Louisville KY

Members Present: Rebel Baker-Chreste, Deana Karem, Michael Hesketh, Valerie Hughes, Christy Ralston, Lisa Thompson (proxy for Sadiqa Reynolds), Patricia Williams

Staff: Michael Gritton, Cindy Read, Elizabeth Davis, Jaime Disney, Sarah Ehresmann, Patrick Garvey, Chris Locke, Brian Luerman, Laura Paulen, Stacy Roderick, Rider Rodriguez, Mary Rosenthal, Aleece Smith, Tobin Williamson, Angella Wilson

Guests/Observers: Marsha Berry, Melinda Breslin, Kimberly Boyd-Lane, Philip Donahue, Mike Howard, Ashley Janicki, Natalie Reteneller, Lynn Rippy, Renee Walters, Regan Wann

Welcome and Introductions - *Deana Karem*

The meeting started with a round of introductions. Initially, there was not a quorum (this was remedied after some Committee members arrived a little late). In the meantime, Ms. Karem suggested moving to the Labor Market Update, which did not require a quorum.

Labor Market Update: SummerWorks Study – *Sarah Ehresman*

Ms. Ehresman had “some exciting data” to share today, “a little different than what” she normally does: the SummerWorks Impact Report. This report was prepared by staff at KentuckianaWorks and the Kentucky Center for Statistics and looks at direct placements from 2011-18. She gave a special shout-out to Dr. Katie Bolter, who recently left KentuckianaWorks for a job in Michigan. The full report is available online.

The report begins with a literature review of summer youth employment programs around the country. These programs develop social networks, giving students exposure to new possibilities and the chance to develop relationships with adult mentors. The programs improve soft skills (taking responsibility, accepting feedback, punctuality, etc.). There is a connection built between school and work, so students understand how their school work can apply to their workplace. The income from paychecks helps to motivate students. There is benefit to businesses, too, giving them a chance to engage with new populations and developing a pipeline into the future workforce.

Looking specifically at the youth market in Louisville, SummerWorks direct placements have been growing: around 200 when the program began in 2011 to more than 1,000 in 2018. The goals/objectives of SummerWorks are as follows: 1) Employers help participants build social capital and networks; 2) Participants stay in school for the completion of high school; 3) Participants attend higher education institutions; 4) Participants find employment after graduation. The impact report goes into detail as to how KentuckianaWorks is meeting these goals and objectives.

We partnered with the Kentucky Center for Statistics to look at some of the long-term outcomes and impacts of SummerWorks. Overall, the program has been very effective in building ties with local employers, and employers overall have been happy. Conversely, participants are more likely to graduate, more likely to enroll (and stay enrolled) in post-secondary institutions, and more likely to be employed.

Ms. Karem thought this information is key going forward. She could not remember seeing this much data before, and Mr. Gritton confirmed that we have not had it before. Ms. Karem was particularly impressed by one of the graphics, saying “I can’t stress how important this is.” Ms. Ralston had similar praise for the report, saying “this is a dream, this is crazy awesome, nobody has this type of data. This is really impressive.”

Ms. Ehreshman said that moving forward, she hopes the LMI team does more analysis of programs like this. Ms. Ralston asked if there is any thought of cross-walking this data with Academies models. Mr. Gritton said we will be able to do it in future years; the Academies only started two years ago whereas SummerWorks began in 2011. We should be able to branch this out over time, it will just take a while to build up all the data. Ms. Ralston said data-sharing will be one of our biggest challenges. Upon Mr. Gritton’s suggestion, Ms. Ehreshman explained data was collected on SummerWorks participants and given to KYSTATS. They then used longitudinal data to come up with these numbers, and they can look up participants in the system. Mr. Gritton explained there is no data sharing we have to worry about other than with KYSTATS. He pointed out a few things. First, KYSTATS is a national leader, truly. A lot of people say Kentucky is a national leader in some areas, and it is BS; but this is true for KYSTATS. Many of his colleagues in other cities are amazed. Also, the only other cities he has seen put together info like this are Boston and Chicago. Our theory is SummerWorks can be a life-changing experience, especially for the types of kids the mayor has been motivated about.

Mr. Gritton told Mr. Hesketh this was an area where he could be helpful. Mr. Gritton said Bullitt County once gave \$50,000, but otherwise all the county funding comes from Jefferson. Mr. Hesketh asked if there was any data from that year; Mr. Gritton said “not like this!” Ms. Ehreshman said to get data like this, it requires patience. Mr. Hesketh said the data that was available showed the program certainly has an impact, he just wondered if there was raw data available for Bullitt County. He mentioned the industrial group has concerns that not enough students are going there. Mr. Gritton said two of our leaders in Louisville are Norton and GE Appliances, and he offered to bring people from there out to a regional meeting of employers. He suggested talking about it more offline.

Staff Update: SummerWorks Year-End Report – Chris Locke

Mr. Locke started by pointing out that Mr. Gritton often talks about how other labor boards don’t have labor market research staff, so he wanted to say we appreciate the work done by Ms. Ehreshman (and formerly Dr. Bolter). Mr. Locke explained the document provided to the Committee looks at the SummerWorks performance for the previous year. There were four broad goals: 1) improve experience; 2) increase employers; 3) grow development; and, 4) expand our relationship with JCPS/Academies. The report leaves him excited about many things. This year, there were 803 direct replacements

(though there were some challenges around collecting data due to some companies' policies and that number could actually be higher). There were 589 private sector placements and 214 sponsored positions. Mr. Gritton emphasized that KentuckianaWorks is struggling to get information from some long-term partners like Norton and UPS due to data-sharing concerns. Overall, though, the number of private sector employers grew from 42 to 50. YouthBuild prepared about 1,500 youth in terms of soft-skills.

Mr. Locke thanked the Committee for their support, and opened the floor for questions. Ms. Ralston said she is "obviously a huge fan, long-time supporter of the program." One topic she has been hearing from smaller employers is the opportunity for an employer-to-employer mentorship program, a "coach the coach" type of concept. For example, having smaller employers get a chance to tour other successful programs, get mentors in similar industries, etc. She thinks it would really help with the scalability of the program. People like the idea, there are just some implementation challenges if they are foreign to the concept of bringing on high school kids to their workforce. Ms. Hughes also wanted to make a concerted effort to talk to some of the smaller employers that bring on one or two youth, not just 20+, 30+. Ms. Karem suggested creating a dashboard of sorts; seeing how many SummerWorks youth went into retail, manufacturing, etc. Look at age ranges, look at exact percentages rather than saying "more likely." Regardless, we should celebrate the good data now and celebrate being much further along than we were before.

Staff Recommendation: Renewal of YouthBuild Louisville contract – Chris Locke

The short of it: the contract amount is not to exceed \$382,770. Mr. Locke prepared a document that goes through the history of SummerWorks since YouthBuild came on as a contractor. The contract begins relatively conservative. SummerWorks is going into 2020 in a good financial position, with almost \$1,000,000 already in-house. Each year nearing the summer, the contract grows by adding job coaches. Of note in the memo is that there are going to be some significant changes in 2020. Key things happening include transition of some of the components that have been in place and additional partnering with JCPS and the Academies. The employer-interfacing work that has been done by KentuckianaWorks is going to be transitioned to YouthBuild, meaning they will be doing the day-to-day conversations with employers. KentuckianaWorks will hold on to the strategic aspects of the relationships. The other big change involves maturing the relationship with JCPS and the Academies. JCPS is taking over skills prep for students, alleviating some of the work that YouthBuild has done. JCPS is doing skills prep at the fifteen Academy High Schools and six Magnet Schools (though not the five alternative high schools). KentuckianaWorks has come to a conclusion the J.A. Early Success curriculum is vital; this will help our goal of improving youth experience. We will not refer any young person who has not completed this training. JCPS is also recruiting and engaging around older/disconnected youth and also some in-need college students.

Ms. Karem suggested a vote to accept this recommendation to negotiate and renew the contract with YouthBuild for \$382,770. Ms. Ralston made a motion to accept, which was seconded by Ms. Hughes. For discussion, Ms. Ralston wanted make sure that Ms. Ehresman's data gets in the hands of JCPS teachers / Academy coaches. Ms. Thompson added that KentuckianaWorks should be applauded for their partnership with YouthBuild

Mr. Hesketh had concerns about funding, asking if this was an increase. Mr. Gritton said Metro funding went from \$600,000 to \$500,000, but a number of pledges or in-hand contributions from elsewhere have almost doubled that, so we have nearly \$1,000,000 available. Ultimately, the vote passed with no opposition or abstentions.

Review & Approve Minutes from June 21 & August 16 Meetings – Deana Karem

Ms. Karem pointed out that the section of the June minutes that was contentious is in yellow. The Committee took some time to read the revisions. Ms. Read said she just missed it, that Mr. Williamson did an awesome job of putting the minutes together by just listening to the recording, having not been at the meeting. “We had some shaking or nodding of the heads,” Ms. Read said, “which wasn’t on the tape.” Thankfully, Ms. Swope had taken some handwritten notes, and they proved helpful in putting together a more complete version of the minutes. Ms. Ralston noted her appreciation, saying she specifically remembered abstaining. She brought up concerns about one other issue (“the 300% or 200% threshold) but Ms. Read confirmed the Committee DID vote to pass that, for sure. Ms. Ralston made a motion to accept the June minutes, which was seconded by Ms. Williams. There were no opposed, though Mr. Hesketh abstained since he was not on the Committee in June and therefore not at the meeting. The vote was passed.

Ms. Ralston made a motion to accept the August minutes, which was seconded by Ms. Thompson. There was no opposition. Again, Mr. Hesketh abstained since he was not at the meeting when it took place. The vote to approve the August minutes was passed.

Staff Recommendation: Request to Reclassify Balance of IT funding for ITAs in Other Sectors – Rider Rodriguez

Mr. Rodriguez explained that KentuckianaWorks did not know previously if Louisville Metro funding would be available; later, they found out it was. While the funds have been approved, the degree to which CodeLouisville will be utilizing those funds will be pretty minimal. Therefore, he presented the recommendation that the funds be reallocated elsewhere, which will be clarified later in the presentation by Ms. Read.

Mr. Rodriguez explained the CodeLouisville federal grant is pretty much over. All of the funding has been received; wrapping up reports is all that remains. The model we have been transitioning to with JCTC has us as a service provider. CodeLouisville is a “delivery option” in lieu of some of JCTC’s other offerings. Some of our assumptions have not panned out. Primarily, enrollment is much lower. We are still able to cover all costs, which was part of the concern (i.e., up-front costs). In the new model, people were having to do enrollment/tuition up-front and *then* wait for Pell, WorkReady, etc. This model had folks pull back a bit. Another assumption that didn’t pan out is the new class was not like previous ones. We thought a decent number would be eligible for WIOA funding, but that has not panned out. A comparable number are being paid through Pell or WorkReady, but most are paid through Metro. This means that CodeLouisville will not spend much more than just \$30,000 of the \$200,000 that had been allocated for it.

Looking to the future, we are thinking CodeLouisville will go back to the way it was before the grant; in other words, there is a future path that will not involve WIOA

funding. Basically we have WIOA funds not to exceed \$30,000; in the future, we will not need those. Mr. Hesketh asked if it was because other funding will cover the needs, to which Mr. Rodriguez said yes, the Metro funds (we are cautiously optimistic, he said; the Mayor is behind it and has named it a high priority). There is also a tentative agreement with the Governor's office for discretionary funds. Furthermore, KentuckianaWorks is in conversation with a large company about receiving funding for the program. For now, basically, it is not expected any more WIOA funding will be needed. Mr. Hesketh said this is good news. Mr. Gritton said yes, but he is frowning because previously we had been able to say "CodeLouisville is free!" but now people are having to pay upfront costs like tuition and books, which will be paid back later; in this new model, we had to figure out which funding stream will cover participants (WorkReady, Pell, etc.). Then, there is a delay. Sometimes customers felt they were being asked to write a check and then have reimbursement. Not coincidentally, enrollment is now down 67%. The last class under the federal grant had 350 students; this class has just 120. Louisville tech companies that had been hiring CodeLouisville grads are saying this current version is not acceptable.

Mr. Luerman and MR. Rodriguez have told Mr. Gritton we can do the "old" CodeLouisville for \$500,000 per year. The city and state combined have put forth \$400,000, so we now need 100k. There is no criticism of JCTC here, this model just has not been working like expected. Ms. Karem asked why a stipend (\$100? \$200?) could not be charged. Mr. Gritton said that adding costs immediately drives customers away, referencing behavioral economics. There is no program that KentuckianaWorks does that collects a fee; "we are not in the collection business." Ms. Karem asked if it might make it more appealing to corporations to see people investing in themselves. Mr. Gritton said that is a subject they can discuss in the future. Most of CodeLouisville's customers are people who are working full-time but trying to reinvent themselves, doing 10-20 hours/week, so really they are paying with their time and energy. Stacy Griggs at El Toro is one of the people telling Mr. Gritton we have to make this program bigger. Mr. Gritton, Mr. Rodriguez, and Mr. Luerman met with Mary Ellen Wiederwohl and Mayor Fischer recently to explain that KentuckianaWorks is going a whole year with a max of 120 participants; last year, we had 1,000. That is not the answer they wanted, so KentuckianaWorks leadership is trying to figure out if we can raise money faster to start the "old" CodeLouisville sooner. An increasing amount of Mr. Gritton's time is figuring out how to find money to pay for things that were previously funded by the government.

Mr. Rodriguez provided two options to the Committee. First, the \$170,000 in WIOA allocation for IT funding could be redistributed, since KentuckianaWorks needs only \$30,000 for CodeLouisville at this time; this option is the staff recommendation. The other option is to maintain funding as it currently is, and double down on recruitment the next class. Keep in mind, though, CodeLouisville is built to be a two-semester program. Ms. Baker-Chreste sought clarification on the redistribution. Mr. Gritton explained it would be a two-step process: first, give it back; second, figure out how to use it. Ms. Karem sought a motion for one of the options and referenced the preferred recommendation to reallocate the \$170,000. Mr. Hesketh made a motion which was seconded by Ms. Williams. The vote passed with no opposition or abstentions.

Staff Recommendation: Training Allocation Options – *Cindy Read*

Ms. Read said this is an exciting opportunity, adding “I don’t think anyone on the Board has been here when we had money for ITAs (Individual Training Accounts).” Suddenly, we now have \$170,000 (we used to have \$2,000,000, but those days are long gone). The issue presented to the Committee is how to allocate these new funds, given there are several constraints. For example, we may say “this sector is very important,” but there are no trainings. The sectors are aligned with GLI and State, these are our in-demand occupations (approved by the POC and Board in June). These are the occupations deemed worth investing in. Ms. Ehresman’s team did the work to find where there is job growth above a certain wage. An ITA amount of \$4,100 per person was approved back in June. Basically, this translates to how we might distribute this newly-available funding.

Ms. Read presented three options of distribution to the Committee. The first option is to divide the reallocated funding equally among the six sectors so that each sector gets an equal amount of funds. The second option is to give to the five sectors excluding IT. The third option is to give to the five sectors excluding construction, and giving the most amount to healthcare. Option #3 is Ms. Read’s recommendation, based on history and knowing what is available in terms of training options. In the past, for example, CDL schools know when workforce boards have money, and set their training for roughly that amount. Our biggest investment right now is \$500,000 into KentuckianaBuilds, so construction already gets a lot of our funding. Additionally, \$233,000 goes to KMCC, so construction is being taken care of at those places. Mr. Gritton added a bit of history, explaining that when he started in 2002, training money went out on a first-come first-serve basis; over time, we have moved to a mutual fund type allocation model.

Ms. Karem opened the discussion by asking “if we’re trying to focus on IT, why are we not spending on IT?” Ms. Read said “funding we are recommending giving back was IT, not just CodeLouisville.” Mr. Gritton explained there are not many “short-term” trainings for IT, which is a challenge. We are spending money on CodeLouisville and TechLouisville, so we have funding for the IT sector, just not WIOA allocation. Ms. Read emphasized that if we leave the remaining IT funds reallocated, we are just sitting on money that could have been used. Ms. Read specifically wanted this line included in the motion: “as in previous years, funding levels can be adjusted due to demand.” We are on a short timeline, she said. If this motion is approved today, people can start signing up for the winter semester. However, the Committee waits until the next meeting in November, that timeline is missed. Ms. Read wanted authorization to shift training dollars to where the demand is, and then notify the Committee at the following meeting.

Ms. Karem asked about manufacturing, which is “one of our highest sectors.” Ms. Read said, “Same thing. We have raised private funds for that. \$233,000 at KMCC and \$500,000 with KentuckianaBuilds.” She said “it’s just not a fit with WIOA.” Ms. Hughes asked if there were budgeting and plans for trades such as plumbers and electricians. Ms. Read said not at this moment, but mentioned the \$500,000 invested in KentuckianaBuilds, a program operated by the Urban League. She added that most of the trainings for those trades are offered by unions and free (if you can get into them).

Ms. Thompson asked a follow-up question on what “short-term” training means. Three weeks? Four weeks? Ms. Read said “up to two years.” Ms. Thompson said, “frankly, I look at this zero and I’m thinking of our WIOA-eligible grads who could go further... We have an alumni group. This worries me.... We’re running into what Rider ran into, a scholarship enigma,” referring to folks are at JCTC now who could use some more resources. Mr. Gritton explained “the only other thing I would say is, construction is one of the items eligible for WorkReady. Your graduates should be able to get that, so you wouldn’t have to use WIOA funding.” Ms. Read clarified that for any of our ITAs, you have to apply for FAFSA, Pell, WorkReady. Ms. Thompson provided another reflection, pointing out that CDL graduates are hired almost immediately once they graduate an eight-week program, saying it is so gratifying to see people get that kind of success.

Ms. Karem asked if this motion will go to the Board next Thursday. Mr. Gritton said the challenge is that we only have ninety minutes and we have already got material for that much time, and more needed for additional topics. Ms. Karem said she is concerned whether these numbers are the right amount of allocation per sector. Ms. Baker-Chreste suggested allocating the funds equally and then returning later for “in-demand” decisions. Ms. Rippey said “as a service provider, we help kids get their high school diploma and then a certification. We have had to raise our own money, especially for welding and CDL programs.” Ms. Karem asked if there was consensus to accept the numbers the way it is presented in option #3 and then get data. Another idea was to accept option #1. Ms. Thompson said no to option #3, and Ms. Williams said no to option #1. Ms. Karem then asked people to look at the numbers. Ms. Williams said “remember option #3 is not restrictive, we can move it around based on demand.” Ms. Ralston said “at this point, present the information with data leading to how it’s allocated. We need some sort of date or time period where it becomes open to first-come first-served basis. If a certain number is allocated and X is available, we don’t need to just let it sit.” Ms. Karem asked Ms. Read if the distribution in option #3 was based on data; Ms. Read said it was based on previous experience, she is not sure if there was specific data. Ms. Read reminded the Committee they had a motion on the table and a right to vote; she wants to take a recommendation to the Board that represents what the Committee is thinking. Ms. Karem agreed, and asked what time period would be needed to come back with data about demand-based reallocation. Ms. Read said people are signing up for the spring semester right now, they sign up for the fall semester in mid-spring. KentuckianaWorks will hopefully be getting another allocation from WIOA next year. She was hoping to bring it back in early 2020, since there is no Committee meeting in October. Mr. Gritton said it would absolutely be known by January. If money is allocated for CDL training, “it’s gone in a second.” Healthcare is a challenge, due to two-year training programs. Additionally, CNAs are not on the list of targeted occupations. KHCC says they are not getting as many customers as expected due to lack of training funding. Mr. Rodriguez said a quick way of looking at it is this: “this is allocation for semester-based programs; short-term training can come later.” Ms. Ralston said she would be okay with that.

Ms. Karem called for a motion and “see where that takes us.” Ms. Ralston made a motion to accept Option #3 with Rider’s suggestion (priority for semester programs, then allow for short-term training if the funding is not used by January). Ms. Baker-Chreste asked if

the \$170,000 in funds was a one-time thing or if there would be enough money for people to finish their training. Ms. Read confirmed there would be enough funding for all semesters needed by each customer, even though do not immediately know how much money there will be in the future. Mr. Gritton said that since he started seventeen years ago, there has never been anyone who was unable to complete training they started due to losing funding; if we start someone in training, we will finish their training. Ms. Thompson asked clarification that there would be no allocation for construction. Ms. Williams seconded the motion made by Ms. Ralston. Ms. Thompson said it was incongruent that construction was allocated zero, considering that Mr. Gritton had “challenged our constructions trade group to rise to the level, to walk the walk. They have. They are responding.” Ms. Karem pointed out that other funding goes to KentuckianaBuilds and the KMCC. Ms. Read mentioned supportive services are available to anyone; Mr. Gritton referenced boots and tools as being part of this. Ms. Ralston asked if an effective date of January 31st is too late; Ms. Read said the Committee/Board meets again in November and January. Ms. Ralston asked if this reallocation could happen independently of the Committee. Ms. Thompson said that resources are so short, future meetings would be a moot point; this money will evaporate quickly. There are six sectors important to the economy; the recommended option #3 gives construction zero. She said there will be no money to reallocate in December. Ms. Thompson asked for a fourth option, moving the reallocation numbers around to include construction. The vote proceeded for Option #3, to be re-examined in January based on demand. Ms. Karem, Ms. Williams, Ms. Ralston, Mr. Hesketh, and Ms. Houston voted for it. Ms. Thompson and Ms. Baker-Chreste were opposed. The motion passed 5-2. Ms. Karem said “this has been one of our most difficult votes [but] I have faith in the KentuckianaWorks staff to figure out how to best allocate this.” Ms. Ralston added that the Board can accept, reject, move forward, or amend. Mr. Gritton concluded discussion on this vote by saying “we don’t expect unanimity with these limited resources.”

Executive Director’s Report – *Michael Gritton*

With David and Betty Jones passing away, Mr. Gritton wanted everyone to know of their impact on SummerWorks, especially at the beginning. Overall, they provided more than \$1,000,000 in donations since SummerWorks started. That is just one of a set of stories about their impact on community. About SummerWorks – Mr. Locke and Mr. Gritton are trying to firm up a menu of where we are trying to slot kids in for next summer, giving them something specific: kids in science labs at UofL, kids at the Green Heart Project, fundraising for and starting a Summer Tech Learning thing, and working with Natalie Reteneller and Lynn Rippy are some other cool pathways. We are starting to be like a non-profit, raising money for these kids. Lastly, a shout-out to Ms. Breslin and the team at NIA Center. Micah has moved over to Goodwill. The NIA team placed 114 people in one month, many of them at Amazon, whose \$15/hour wage has changed the game. Mr. Gritton thanked everyone for taking time to attend, acknowledging that everyone is busy.

Adjourn

The meeting adjourned at 10:20 after Ms. Karem called for motion that was passed (unable to tell by whom). She thanked everyone for staying a bit longer than usual.