

**KENTUCKIANAWORKS BOARD MEETING MINUTES
GREATER LOUISVILLE WORKFORCE DEVELOPMENT BOARD
THURSDAY, MAY 25, 2017
8:30 A.M.
Greater Louisville Inc.**

Present:

Tom Quick-Chair, Mark Ballard, Derek Bland, Tony Bohn, Willie Byrd, Tony Carriss, Tony Georges, Dr. Ty Handy, Tami Hatfield-Kennedy, Rev. Vincent James Sr., Kent Oyler, Danette Rhoads, April Troutman, Mary Ellen Wiederwohl

Greetings and Welcome – Tom Quick

Mr. Quick welcomed everyone @ 8:39 a.m.

Recognition of Special Guests: – Michael Gritton

Mr. Gritton welcomed new Board Member April Troutman of Paradise Tomato, and Kristi Putnam of CHFS DCBS Commissioner's Office

Review and Approve Minutes – Tom Quick

Motion was made by Derek Bland to approve the minutes of March 23, 2017 and seconded by Kent Oyler. Motion carried.

Review and Approve Consent Agenda Items – Cindy Read

Ms. Read stated that the Program Oversight Committee is great! She recognized the presence of Bruce Maples of Humana and Christy Ralston of Norton Healthcare, who are very active members of the committee. Danette Rhoads is also on the committee. She spoke about the POC's request for a Program Summary and Dashboard Snapshot of the programs. Previous reports reflected a lot of data that focused more on the program and metrics. The Dashboard Snapshot included in the packet was their first attempt to report out the facts needed but with one correction to use weighted averages in reporting average wage which will be higher.

The programs are put out for bid for operation of the programs for a 4-year or 5-year contract that can only be executed one year at a time with renewable terms. She reviewed the contracts that are up for bid with a not to exceed amount that is money we know we have to execute the contracts as listed in the memo and corrective actions as noted. Staff asked for permission to negotiate contract renewals as presented. Cindy mentioned there was one item on the Consent Agenda that was approved but not mentioned and she wanted to make sure the Board knew that at the POC meeting \$79,000 was added to the YouthBuild Contract for the Mayor's SummerWorks program because we raised more money and we're trying to keep a certain ratio of job coaches and they need to hire 10 more job coaches.

She spoke about a new big change that the Federal Government and State asked KentuckianaWorks to do called the One-Stop Operator. Normally we would have asked for permission to issue the RFP before doing so, but we're out of sequence and thought an extension would be given but it was declined by the Feds. The RFP for a One-Stop Operator is posted for bid. Staff is asking for approval of the RFP. A committee was formed to review the RFP applicants that will be presented at the next Board meeting. This is a new coordination role and we are learning as we go.

Motion was made by Tony Bohn to approve the entire Consent Agenda Items and seconded by Danette Rhoads. Motion carried.

Nomination of Danette Rhoads to serve as a Board Member for the KentuckianaWorks Foundation – Tom Quick

Danette Rhoads was nominated to join the KentuckianaWorks Foundation Board.

Motion was made by Dr. Ty Handy to approve the nomination as presented and seconded by Tony Carriss. Motion Carried.

Presentation and Discussion of the KentuckianaWorks Workforce Innovation and Opportunity Act (WIOA) Local Plan – Eric Burnette

Mr. Burnette talked about the draft copy of the Local Plan that was included in the packet. He asked the Board to read the plan over the next 10 days. If there are any questions, comments or feedback, try to get them to him by Monday, June 5th. Mr. Gritton stated that Congress requires each local workforce board to submit a local plan that the state approves and rolls up to DC. The draft is based on the template questions proposed by the state. This would be good homework for the June 9th retreat planning session to identify key things already being done. KentuckianaWorks is also working on a regional plan with three other workforce boards. The regional plan is not yet done but we are taking the lead in helping the other workforce boards

develop a regional plan and hope to have the whole package completed and ready for approval by the next Board meeting on June 22nd.

Presentation and Discussion: Workforce Revolution – Michael Gritton, Commissioner Beth Kuhn, Kristi Putnam

Michael Gritton spoke essentially about a revolution that the Bevin Administration is trying to bring about in workforce and healthcare. He asked Commissioner Kuhn to speak to the Board to inform them of the vision and scale of the revolution. The revolution may fundamentally change the work, amount of work and kind of work we're asked to do. This is also meant to be part of an environmental scan for the Board before the strategic planning session on June 9th, since what will be presented represents a potentially huge new source of revenue that could provide the ability to serve more customers. It will be described more fully by Commissioner Beth Kuhn and Kristi Putnam.

Commissioner Beth Kuhn – three main points to cover on what's to be accomplished:

- 1) Workforce transformation that many of us have hoped for, asked for, wanted, seen as necessary is upon us. This is a rare opportunity that is in front of us. We are here at a transformative moment. KentuckianaWorks is uniquely positioned to be a huge asset, architect and partner in the transformation.
- 2) It's not all figured out yet. Commissioner Kuhn and Kristi will come back with more questions to bring back and come back to the Board on the number of questions we answer for you today. This is a critical expectation for them.
- 3) Workforce transformation today is specifically about Medicaid. This is not something we are doing to you. This is something we are doing with you. This is something we are going to jointly develop and architect. Kristi Putnam came from Florida. She has been overseeing the project on the Medicaid side of CHFS from the beginning. In entering this project she thought that there was an expectation not yet an understanding of the possible role and direction and leadership from the local workforce boards. She thinks the reason it has gotten this far is because of KentuckianaWorks. Michael's been involved in the conversations all along. We are at the point to ultimately pilot some of the things we're hoping to accomplish here. It's not all figured out and they anticipate really close work in the coming days, weeks and months. This will happen fast and jointly with buy-in from the Governor, his team and all the partners in conjunction with the local workforce boards.

Setting the stage:

Commissioner Kuhn stated that Kentucky is moving aggressively toward "the Texas model," which sees the local workforce boards as the key on-the-ground implementers of all things related to workforce development. Texas tries to consolidate as many funding streams related to workforce development as possible under the power of the local boards, then holds those local boards accountable for producing results

A few weeks ago they took a team to Dallas for a national meeting on the Workforce Innovation and Opportunity Act (WIOA) and to visit their career centers. It was an opportunity to see that workforce board in action as the procurer and overseer of food stamp employment and training, welfare to work, WIOA, and child care. The good news is we are ahead of Texas on the Vocational Rehabilitation side. They just recently started to bring Vocational Rehabilitation services into the workforce boards and under the career centers there. The critical piece and change of this is the way the workforce boards can architect things to be the strategic lead of what services look like in their areas. She spoke about a memo sent in January to all of her staff stating they are a merit state employee and report to a merit state regional manager and the strategic leadership of what happens is that of the workforce board. This is a significant change that we are only beginning to implement, but which holds great promise, and which is the way Texas does things. Another memo will be issued in June on what's happened since January. We need to empower and encourage our staff to be assets in the process of supporting the vision of business leaders and local workforce boards to sort of leap frog on the readiness, effectiveness and preparation of the workforce. This is the first pillar of the process.

Michael Gritton added that the Board has not been engaged much as leaders on what happens in career centers because the career centers and in particular the one at 6th and Cedar (most people think of as the Unemployment Office) has essentially been run by the state and we've provided staff. Starting July 1st, Commissioner Kuhn is describing her expectancy of the Board leaders to set the strategic vision for what happens inside that career center. She has empowered him on behalf of the Board to be in charge of that career center in a way we haven't been before. This means in the next year or two, we're likely to be having more conversations with you and the Program Oversight Committee about what happens inside those career centers. The career centers you've heard about are the ones we control (KMCC, KHCC, NIA) and the two we recently closed in Bullitt and Shelby Counties.

Career centers will be more of a topic for the next couple years when Commissioner Kuhn gets to the next iteration with more money, people and responsibility. Tony Bohn asked if there's a possibility of moving the career center away from 6th and Cedar. His thought on this is we won't ever get away from that "unemployment office"

characteristic. Commissioner Kuhn said this will not be the location of the future for any of this. And, the execution of the details gets clunky, so the more we regularly communicate on meeting the requirements she has, the faster we can get there. Michael stated the harder we push the faster it will happen and the Commissioner has asked us to push. We are leaning toward a new vision of a 'job mall' of modern services, but will have more work to do in the next year to make that vision a reality.

Commissioner Kuhn said the next pillar of this is KentuckianaWorks as a leader in delivering sector strategies, career pathways, service integration and technology. She mentioned the things she likes less are still bricks and mortar oriented. There's a lot of both law and follow up regulation that creates all kinds of acronyms like Infrastructure Funding Agreements (IFAs) and MOUs that basically mean at some point this year she will convene a bunch of people and KentuckianaWorks included to discuss what percent of the copier we all pay for. She stated the challenge for us is to be super smart on doing the bricks and mortar better, in the right place with design that is encouraging and customer-centered and not thinking about it as a career center anymore but as a career system. We have to invest in new technology because customers access us that way. We have to go to where the customers are. This was not the way we built state employees to deliver their services, but was done more so, on the vocational rehabilitation side. We have models underway and counselors who are vocational rehabilitation counselors who go out to where their customers with disabilities are and meet with them to help them with their job search and job plan. How do we leap frog again? We've got to keep those centers, figure out how to manage them effectively and of course we need buildings but it can't be more than 50% of our energy units or the direction its going because it is not the direction the world is going or the direction the customer is going.

Commissioner Kuhn stated they need help with this. KentuckianaWorks has done good work with its partners and in the regional counties, experimenting with mobile service delivery. They have a good relationship at the state level and many locations with libraries but she doesn't believe they have scratched the surface on what it means to truly operate a customer focused system in a world where so many people have technology and smart phones. This will be tested by what we're about to talk about which is all the new customers we have who are out of the labor force, who certainly are not coming into our career centers. Are we going to spend our energy units convincing Kristi that we have a customer we can't find to come to the center? Is that our goal? Or is our goal to get her onto a plan and into a job? If this is our goal, how do we find her and how do we serve her? We need to make 6th and Cedar work as well as we possibly can today, but not invest too much if we think we want to be elsewhere and/or by the way really this is just one place. What is it that we're doing with the rest of the services not only to individual customers, but to businesses? This is the second foundational change that isn't happening as fast as it needs to, relative to the urgency of the generations we're trying to serve in all the ways that customers might be missing in the way we deliver our services currently.

Kent Oyler said he spoke yesterday with Vivek Sarin on economic development and Terry Gill presented there early in the week and he talked about workforce and \$1.2 billion spent in the state on workforce development. He asked how does this coordinate with what they're working on? Commissioner Kuhn said Vivek was at the Kentucky Workforce Investment Board meeting last Thursday and they had a conversation afterwards about what's the long term architecture in state government of workforce services. Where does it belong from a structural standpoint? How is it business-driven which is his perspective. A lot of the dollars that are being counted are education dollars, KCTCS tuition which are workforce dollars as well. From her perspective, WIOA dollars are very small relative to all those education dollars and now to these Medicaid dollars that we may be using to support workforce and education outcomes for Kentuckians. Governor Bevin appointed Vivek, who's a manufacturing executive from a firm in Shelbyville, to serve at the Cabinet for economic development looking across all Cabinets at how workforce systems and services are delivered.

Tony Bohn talked about the findings in the Bingham Fellows project that the small and medium size businesses are being left out of the planning piece. They don't have the folks in their organization to engage in this kind of work where the jobs are being created. Whatever we do here needs to link to the small and medium size business, not just focused on the worker but the business that needs the worker and somehow align them together. Commissioner Kuhn talked about the 10 workforce boards in Kentucky and the urban rural divide that is embedded in what Tony spoke about. The rural workforce boards are very focused on small and medium sized businesses that may have very small HR teams, unlike some of the sophisticated operations at larger companies in our urban areas. Mr. Bohn said our growth will come from the smaller size businesses. Commissioner Kuhn thinks this is a huge opportunity to get it right with some new ideas and people at the table and resources that we haven't had before but coordinated.

Commissioner Kuhn talked about the recently announced Work Ready Kentucky Scholarship that has resources and is a new tool in their toolkit. This is an opportunity to give scholarship funds to individuals with the criteria that they

must pursue a degree or credential in a targeted industry sector. Individuals just can't have an associate degree, but they can in fact be lacking a GED which was not originally in the plans. This will enable us to provide some level of scholarship support to folks who are jointly getting an industry credential and GED. She stated state government is high tech and instructed the Board to send a text message to 66186 with the message being "jobsky", and a lot of information will be received on their website and on the Kentucky Higher Education Assistance Authority that will include Work Ready Kentucky Scholarship. She mentioned that Michael sees this as a complete replacement for the individual training account pieces of WIOA allowing us to serve more customers in getting them more credentials and jobs. This is another tool in the kit that is exciting. This will all be in line with the direction of this Board, the sectors and all the work that's happened. This is another piece of the transformation that is happening now.

Kent Oyler asked if the tuition is limited to the community and technical colleges. Commissioner Kuhn stated there are a few others such as Sullivan University that is a part of this. There are specific institutions that are aligned, the community college system. Dr. Handy stated Sullivan, Campbellsville, Eastern and Western University of Kentucky among others are eligible because they have certificate programs.

Commissioner Kuhn introduced Kristi Putnam who is an expert on the transformation that we are engaged in on the Medicaid Waiver. The thing to understand as we T this up is that for many workforce boards in Kentucky, WIOA is their only funding source, but that is certainly not true for KentuckianaWorks. Your board has done an incredible job in diversifying all the ways that funding gets people trained and into jobs. We are under the Governor's direction and leadership and how do we pull together with other services like Medicaid, Food Stamps (SNAP), TANF or Welfare to Work. Kentucky will be the first state with a Medicaid program and a requirement called Community Engagement. Kentucky will be the first state in doing this in close conjunction and partnership with its workforce system. We get to write the rules this time.

Kristi Putnam is the Program Manager for the Kentucky Medicaid Transformation Project. This is a moment in time that doesn't happen often. We have an opportunity to really look at our Medicaid program as an opportunity to bring people from one place from where they have been for a long time and transform them into places where they think they can't go. There's already been some workforce transformation in 2017. We are now adding to that with the Medicaid Transformation program being a kind of work first approach with the community engagement initiative first and foremost. Nothing like this has ever been done like this in the history of Medicaid. There's been a reorganization of the Office of Employment and Training. The Policy Revisions at One-Stop Procurements are coming in July. Kristi said they are looking at adding SNAP (food stamps) Employment and Training, the TANF Employment which KentuckianaWorks is already engaged in through their partnership with Goodwill's Power of Work. There are a couple local workforce boards already working in the TANF program like KentuckianaWorks, and the Medicaid Community Engagement project will affect the entire Kentucky Workforce System. The big question is: how will KentuckianaWorks participate in this.

Ms. Putnam explained that the state has already been experimenting with having more of this workforce work performed through the workforce boards. The federal food stamp law (called "SNAP" for Supplemental Nutritional Assistance Program) has a community service, education/training or work requirement for people without disabilities to keep drawing SNAP benefits. For years when the economy was coming out of the Great Recession, states got waivers that did not require them to enforce this requirement. But today, 20 counties out of 120 in Kentucky have had this waiver lifted, and the Governor is interested in eliminating the waiver in our other 100 counties. There is an exception of 8 counties that have a federal pilot going on that we can't touch for two more years, but in the other counties he wants to go ahead and see that work waiver lifted so the folks who are on SNAP benefits, who are abled body to be able to go out and work. We need the local workforce boards to be able to do that. The state doesn't have the capacity nor does the state wish to build that capacity in state merit employees.

Kristi noted that Kentucky is the first to propose a community engagement requirement for continuing eligibility for Medicaid benefits. There is a lot of data that shows that when someone is engaged in their community in some respect (volunteering, civic organization, education and training, part-time or full-time job) they ultimately have better health outcomes. The community engagement is intended to get at some of these health outcomes and get people more engaged in their health and their community involvement.

Kent Oyler asked where does a person's disability status weigh into this. Kristi said there are levels of disability but if someone is receiving SSDI, this will go into consideration to see if community engagement applies. There's a medically frail determination as part of this and activities of daily living. If there are certain diagnosis codes or activities of living someone can't do or certain diagnosis is reported they would be considered medically frail and would not be subjected to the community engagement requirement. Tony Bohn asked for the number of abled body

people out there that are eligible to volunteer or work. Kristi gave a range of 380,000 to 420,000 in any given month who could potentially be subject to that across the state. This area has the largest number. These would be people between the ages of 19-64.

Kristi said they didn't want the state to build the system to provide these opportunities, so they landed on making sure there were several different options for local workforce boards to eventually take on the responsibility. It could be Option 1—we're ready now. There are the community based services, support services, case management that will need to happen much like what happens currently with TANF case management. And, under Option 1, the local workforce development board would do an RFP to have those services provided in their community for their workforce board, to include Medicaid, SNAP and possibly TANF. Option 1 is an RFP template that the state is working on in conjunction with all our partners and local workforce boards that could be issued at the local level. This will then mean the local workforce board would be accountable for state performance expectations. Option 2 is the state is going to design an RFP that locals could then use to create their own. Option 3 is if local workforce boards have a lot of changes and not ready to think about where they want to go with this yet, it would be for the state to provide the state vendor to provide the Medicaid, Community Engagement and the SNAP Employment and Training and TANF Services through a state-issued RfP. The state would then hold the vendor accountable and work in partnership with the local workforce boards. The state's preference is whatever's going to work for now, but would love to see this embraced at the local level and taken up in local communities.

Community Engagement and the Kentucky Career Center will give back to the community. The time frame for State Level Developments to go live date for Kentucky Health Medicaid Program is January 2018. There will be pieces of this that would be ready January 2018. This will be a phased in approach both for the program itself and for the community engagement requirement.

Michael mentioned this will be talked about at the retreat June 9th. He asked the Board to have in mind the number of potential customers they could be sending us is more than the total foot traffic that came through the career centers last year. More customers are number one. They will be required to meet with us because they will be under some threat they could lose their Medicaid benefits if they don't participate. We have the potential to create a lot of short term training tracks for people and get them into the jobs that all of you are clamoring to fill. He's more interested in trying to get them jobs than getting them to do volunteer work. He understands what Tony described. We also want to work with people who can help do that because some people may need that option first.

The other big picture thing to understand if he's hearing it right is we could potentially be spending more Medicaid money next year or the year after than WIOA money. This is such a revolution that our biggest funding stream within the next two years could be Medicaid. Commissioner Kuhn stated it's a funding revolution. It's an individual service revolution because many of the customers have multiple benefit programs that they access already. What if we could work with them in a holistic and more resource intensive way and it's a revolution from an employment standpoint in a way Michael just referenced. They get calls every day from businesses saying they can't find people. We will have to decide how big are we in this revolution. This will be one of the topics for June 9th. We want the Board to tell us on June 9th thumbs up or down, or caution signs and tell us what they are. At the moment at the staff level we've been all in. He thanked the Bevin administration people. They have included him and Jeff Whitehead from the beginning in the system design. We've told them for years, the Texas model is the way to do it and to set the standards are the state level, empower us to do it, we'll do it and hold us accountable for doing it. Now, they are challenging us to do it.

Tony Bohn said the federal money we're getting from WIOA is still key. He hopes Secretary Hal Heiner and the Governor are lobbying our Senators and Congressmen from our state to reauthorize that. Because all the other infrastructure that makes this work is embedded in that and if that goes away we can't make this work. Commissioner Kuhn said and you and it's the voice of business on behalf of these programs that are more critical and valuable than state officials. Tony mentioned there are Department of Labor regulations around volunteerism and whether a company's gaining economic value and we have to pay those folks and we might want to make sure we're setting these volunteer opportunities in a way that doesn't come back to haunt us or an organization for gaining some kind of small economic value for helping somebody get to work.

Kristi added that there is an issue with the benefits cliff, so when somebody starts to earn money through work, benefits get lost or the person runs the risk of losing them. This is an issue that will take more time and attention as we move forward.

Tony Carriss asked if there's a way to tie the Justice Department or Corrections into this whole program so they know where it's going and they help funnel some people through this as well. Kristi acknowledged that recidivism is part of the challenge and part of the exit from the correctional system is applying for Medicaid benefits. She just had a conversation with folks in the Justice Cabinet to try to get this connected and bring part of that in. They don't want to try to do everything at once. They do want to consider everything as they are moving in the right direction. The more things brought to their attention that they haven't thought of and the more they can integrate what they are doing and make sure they are considering different cabinets, the better. In February, they had a cross cabinet collaboration meeting. She was receiving different emails from different cabinet folks who are involved with this piece of it. She stated they needed to bring everybody into the room and have everyone on board understanding. Justice has not been in the room yet, but will be next.

Executive Director's Report – Michael Gritton

The Right Turn/REImage program is serving a lot of at-risk kids. One youth participant was murdered recently. I want to make sure you are aware of that. It's both evidence that we are serving the kinds of young people at-risk of violence, but also a real sign of how hard the work is. He talked about his mentee in the program who is graduating today from high school.

The Local Plan has to be submitted by June 30th. He suggested that the Board read the plan to see in detail what KentuckianaWorks talks about at a high level. The June 9th retreat will be high level in strategy on the mission and vision of the Board.

For the good of the order

Tony Bohn stated he is the Vice Chair and will become the Chair in August. We do not have anybody to be the incoming Vice Chair or Chair. He's been the Chair, Vice Chair and Past Chair over the past few years. This will be his last year in chairing the Board. Volunteers are needed for these Board positions.

Adjournment

Staff:

Michael Gritton
Keni Brown
Eric Burnette
Elizabeth Davis
Gloria Fuqua
Patrick Garvey
LaShala Goodwin
Almeta Huddleston
Brian Luerman
Phil Miller
Shadea Mitchell
Huston Monarch
Jennifer Novak
Laura Paulen
Cindy Read
Mary Rosenthal

POC:

Bruce Maples
Christy Ralston

Observers:

Marsha Berry
Sharon Duke
Joyce Griffith
Anne Leigh McAllister
Phyllis McCardwell
Natasha Murray
Betty Rankin
Ryan Troutman
Jennifer Welch

Guests:

Commissioner Beth Kuhn
Kristi Putnam
Rena Sharpe

IT:

Greg Shockley