

**KENTUCKIANAWORKS BOARD MEETING
GREATER LOUISVILLE WORKFORCE DEVELOPMENT BOARD
Thursday, May 24, 2018
8:30 A.M.
Greater Louisville Inc.**

Members Present: Tony Georges—*Chair*, Jackie Beard, Derek Bland, Willie Byrd, Tony Carriss, Rebel Baker Chreste, Todd Dunn, Betty Fox proxy for Sadiqa Reynolds, Vincent James, Lisa Kaminski, Deana Karem proxy for Kent Oyler, Tom Quick, Vidya Ravichandran, John Snider, Tanya Stanley proxy for Tami Hatfield-Kennedy

Greetings and Welcome – *Tony Georges*

Mr. Georges welcomed everyone at 8:35 a.m.

Recognition of Special Guests – *Michael Gritton*

Mr. Gritton recognized all guests.

Remarks and Discussion – *Mayor Greg Fischer*

Mayor Fischer talked about many changes that have taken place over the past 7.5 years where unemployment was 10.5% and is now 3.5%. With this movement there are many different challenges in the unemployment rate. With skillful navigation KentuckianaWorks is now linked to the needs of the employers in the community. KentuckianaWorks is looked upon to guide the entire region on workforce needs.

Mayor Fischer recently attended the KYCC GED and KYFAME graduations and encouraged everyone to attend one of the graduations to hear the inspiring stories told by the students of the many challenging barriers they overcame. He talked about the need for partnerships with employers to help get things done. He stated KentuckianaWorks and Michael Gritton are seen nationally as a model for workforce investment work. The Mayor thanked Michael for representing Louisville well nationally.

Mayor Fischer was thankful for all the work done with the SummerWorks program. The federal government stopped supporting summer youth type of work in 2011. A decision had to be made in the community if SummerWorks would continue as the program is important in teaching kids the value of work and introducing them to a new world of work and networking especially to those that don't have a network of connections. We've been thrilled with the community's response and the KentuckianaWorks Board's leadership of the effort.

Code Louisville's success is a national model for teaching digital skills, cyber security and coding. The program has evolved with the needs of students and employers with the rapid changes in technology. It is important to have massive volumes of new people trained in the community around technology skills. The graduation and placement rates of graduates and higher paying jobs is changing the trajectory of the careers of the people graduating in Code Louisville.

The Mayor addressed the number one workforce issue in the city on skill building. How do we scale dramatically the amount of people that have technology-related skills in our community? Whether it be coding, cyber security, or general tech support skills. Companies are trying to move and grow here. There's a need to figure out how to dramatically scale the skills in our city to attract more people and companies to our area and to grow. A challenge facing our city is the demographics from an aging perspective. We are not as young as we need to be when compared to cities that are growing rapidly. Louisville is seen over the country as the next emerging middle-sized city. More young people are needed to make this happen and we need to increase the number of people with technology skills. It has been proven it could be done with Code Louisville.

The Mayor challenged the Board, in its next strategic planning session, to take up this challenge of scaling technology knowledge and know-how. How can we 10x these efforts?

The JCPS Academies of Louisville program makes sense to move our community forward. The goal is to get 85 companies. We're currently at 60. How do we respond as a business community when a solution comes forward like the academies? The partnership with JCPS is great.

The agreement and goal of the community regarding JCPS is it should be the best large public urban school district in the country. Everybody also agrees with the importance of audits and how they can provide a tremendous pathway toward success. There is a heated and broad disagreement in the community whether or not a decision by the state to come with a management oversight is the right way to go. There's concern with who's taking over. Do they have a track record of success? The Mayor is advocating for more of an assistance role with state support with priority areas to work on and hold the local community accountable for results and check back in in a year on progress. How do you get people excited about helping with change? When local control is given up on any issue it's serious to think about democracy. We can always do better and more. What's the best way to do that? When bringing in new people to do it have they done it before? Everyone was encouraged to be vocal on the matter no matter their position.

The biggest economic question is: we have five economic development clusters for our city and region (advanced manufacturing, logistics and e-commerce, lifelong wellness and aging care, food and beverage, and business services). The big picture question for the long-term health of our city is: how do we take our more traditional 21st century clusters and evolve them so they are dynamic 21st century clusters? How do you take our talents, attractions and growth to be as exciting as what is seen in San Diego or San Jose? This is the biggest question for the long-term growth of our city. For our Board what does it mean to us when we think about innovation? What are the subsets of innovations that we're looking for in our community? What does it mean for advanced manufacturing? How do we intentionally develop these skills? How do we globalize food and beverage segment in a more intentional way? Globalization and innovation jobs are those that pay more to be positioned more for the 21st century. These are big picture questions to think about when doing strategic planning and the immediate issue of advancing in huge numbers our technology savvy skills.

The best way to position our economy in a rapidly growing innovative way is in our wellness and aging care cluster because the demographics in this area are growing rapidly. There's a lot of opportunity here. The question is how do we over perform as a city in the wellness and aging care cluster? We have more companies headquartered in that space than any other city in the country. What does it mean to our innovation? The Innovation District has a presentation about Wellness and Aging Care on East Market Street. Another branding for the city. This is another real opportunity about growth in numbers and skillsets, white collar jobs and service collar jobs.

We can prove to the city that the city's economy can be inclusive. Everybody's involvement is critical that all populations feel connected to a bright and hopeful future. We have to build an inclusive compassionate economy where all needs are met, and an innovative entrepreneurial economy demonstrating what's possible in our economy. The Medicaid Waiver work gives us all kinds of opportunities and challenges as it relates to inclusivity and compassionate workforce readiness. Every person in the city should feel connected to the economic future of the city.

Review and Approve Minutes – Tony Georges

Motion was made by John Snider to approve the minutes of April 26, 2018 and seconded by Vincent James. Motion carried.

Review and Approve Consent Agenda Items – Cindy Read

In review of the Consent Agenda Items, Ms. Read made note for new members or people filling in that KentuckianaWorks does not provide direct services but put out competitive bid contracts for organizations to bid on to provide the services. KentuckianaWorks manages the contracts through program metrics and monthly meetings with organizations.

In response to a request by the Program Oversight Committee (POC) for a digest of programs, staff now provides a snapshot of the work going on with the Program Dashboard and KentuckianaWorks Program Highlights and Areas of Concern Reports providing data on job placements and statistics.

The POC approved renewing the Goodwill, ResCare and Options Unlimited contracts. The Goodwill contract will be extended to September 30th. The state agreed to additional funding to their contract with KentuckianaWorks to cover this extension.

The largest contract is with ResCare for adult career services. ResCare holds the contract with the One-Stop Operator. Both of these contracts will go out for bid next year. Project CASE is operated by Options Unlimited for the Office of the Blind. All of the contracts have been reviewed by POC for approval by the Board.

Tony Carriss asked how the programs go out into the counties outside of Jefferson. Ms. Read named the programs that are offered in the counties. Networks are made through the chambers in each county. Mobile services are provided in the counties with the help of adult education, libraries and social service agencies. The mobile team will soon have regular hours at the Stratton Center in Shelby County. In going forward with the Medicaid Waiver work we are looking to have a center in Bullitt and Shelby counties.

Motion was made by Tony Carriss to approve the three Goodwill and two ResCare contracts and seconded by Tom Quick. Motion carried.

Motion was made by Deana Karem to approve the Options Unlimited contract and seconded by Vincent James. Abstention by Willie Byrd. Motion carried.

Discussion and Votes Needed from the Board – Michael Gritton

Tony Georges stated a decision is needed by the Board on three questions Michael Gritton proposed related to the new Medicaid Waiver work we will be undertaking:

Question 1: Validation of Hours

The question is who validates what is submitted by the customer as being true? Does the Board think the Career Center and KentuckianaWorks should have a role in the validation of the submitted proof or not? Kristi Putnam stated the term validation becomes concerning when talking about eligibility for Medicaid. If there's something the Board is not comfortable with it doesn't mean we can't move forward. Validation is more of a quality assurance process for audit. There will be random audit cycles in the system.

Rebel Baker Chreste stated validation has been an issue with other regions. As KEE Suite (the state's new data platform for all workforce program data, including Medicaid) is being built could there be something built into the system that if the hours don't equal the required hours per month that there's a default/flag in the system so there's no actual person checking a box? Can the system be built to automatically flag DCBS and information automatically sent to the customer? She would like to see technology used as we move forward with the system so it doesn't have to be a person checking the box no matter where they are in the region.

Ms. Putnam replied that the system will automatically flag it if there are fewer than 80 hours for the month. It doesn't automatically upload because there's no system reader that does it. They are looking into

automatic reader capability. Derek Bland stressed the immediate need to take action and take the human element out of it. Get the data on what's going wrong and fix it taking the human element out of it.

Deana Karem asked how much of the random checks will the career coach be doing? Through the RFP contract a quality assurance role can be created to do this.

Vincent James asked about the newer validation system for Medicaid. How different is it from the current system which has been known to be an unpleasant process? What type of system is being developed for people to have an educational, informative and partnership experience to not feel attacked? There will not be any onus on churches, businesses or organizations to do any validation. The question is about the customer satisfaction piece of it in terms of the executing process. There are a lot of flaws in the current process. How will the customer satisfaction piece be different in the new system?

Ms. Putnam replied that the state has done customer testing with Salesforce and feedback from community partners on user friendliness. The system is smart phone enabled. The new system will be a technology platform for easier use. They will continue to make changes for better use.

Tony Georges asked if the Board is okay to have a role in identifying/flagging someone as becoming ineligible. Should we put this in a motion to try it? Or come back if it doesn't work and put in a motion to say we don't want any part of it? A vote is needed.

Rena Sharpe stated that technically the contractors have ownership on these things now with respect to the TANF program. Mr. Gritton replied that while validation of hours for TANF follows a federal law that was passed by Congress and signed by the President in the 1990s, the Medicaid work we'll be undertaking has not been passed by the President or Congress as it is brand new and controversial. So, we don't just want to assume this is a contractor or KentuckianaWorks responsibility. This is a Board decision and not one for the staff to make. Ms. Read talked about the difference with the TANF program where everyone is case managed. In the Medicaid program they will be called upon to validate a document for someone they may not have met or who may not have come in for services.

Tony Georges expressed his concern about having KentuckianaWorks attached to somebody losing their eligibility. Vincent James stated he has deep concerns about it. Tom Quick stated there should be a hand vote of validation do it or not to do it. Tony Georges asked for a show of hands on those leaning not to do it. He asked for a show of hands of those comfortable trying it as a pilot going forward. It was clear that the majority of board members were uncomfortable with the Board or its contractors being asked to validate hours under the Medicaid work.

Jackie Beard stated that the case managers at KentuckianaWorks will be the ones interacting face-to-face with customers, and to those customers, it will feel like we are the ones denying them their claims of eligibility. This is a situation she doesn't think the Board wants to get into. Vincent James stated that some people will lose their Medicaid eligibility due to this validation of hours work, and the case manager attached to KentuckianaWorks will be seen as the person denying the customer.

Tony Georges suggested moving forward today based on the consensus of the board members that we should not agree to validate participation in the program. We can certainly revisit the request in another quarter or two if that is requested by the state, and we can also learn from the work done in other workforce areas. John Snider suggested reviewing it for the first year to see what happens and revisit it a year from now. Deana Karem suggested letting the first county get going and come back and revisit the issue in the fall. The question to Ms. Putnam is can we create a contract that figures out the validation in some other way without it being a problem. Ms. Putnam stated that she felt they could do this. The only problem she had is they are asking all 10 Workforce Boards to sign the same contract, so she'll have to find a mechanism that allows KentuckianaWorks to opt out of this provision after all of the Boards sign the contract first.

Jackie Beard asked if the state would be okay with workforce boards operating differently. Kristi stated yes they have to because it is a 10 workforce board state and everybody operates a little differently. She will take the contract language back to the state to see if they can change it so there's an option for workforce boards to select whether or not this is one of the things they choose to do. This will be a one year contract. Michael said rather than a vote the sense of the Board was clearly a concern about validating. He believes an agreement can be worked out with the state where we don't agree to do validation in the beginning. If Northern Kentucky starts doing it and after 3-6 months it's not a big deal and nobody's concerned we can certainly bring this back to the Board in the fall or winter to have an update about what's happening.

Question 2: Wage Level Sufficient to Lead to Improved Health Outcomes

Mr. Gritton explained that the discussion at the Shelby County meeting was if a person walks in with no skills and there's a job at Waffle House as a Cook for \$8 per hour do you want us to put them in that job because we are a work first organization? KentuckianaWorks typically tries to put people into training to get them a job at \$12.50 an hour or more. The state wrote the Medicaid Waiver based on trying to ultimately improve people's health outcomes. There's been an informal handshake to try and get people jobs at \$12.50 an hour or more. We need the Board's feedback about whether our Medicaid work should aim for this \$12.50 threshold or focus more on getting people back to work at any wage, based on their skill levels.

Question 3: Approach to Available Job Training Dollars

Mr. Gritton explained that the staff also needs the Board's guidance about what approach we should take toward the \$1.5 million in job training funding that's been offered to us by the state. If we expect that to be all we'll receive from the state for job training, we would design the system one way – and expect to ask employers to provide much more of the training that is required. If we expect that there may be more dollars available through the year, we'd design the system differently, and we're asking your advice about how we should approach that as we begin the system design work.

Eric Burnette briefly summarized the labor market data that half of the jobs at \$12.50 an hour or more are an entry level wage at the 25th percentile. The demographics of the population that will be served is not yet known. We are working on getting information through the Kentucky Center for Education and Workforce Statistics from the state about who they sent letters to and who are those people and their demographics. The jobs he just described are overall about 2/3 male. Half of these jobs are made up of 2/3 men. A full 1/3 of them are about 90% male. This is a set of jobs that skew heavily toward male employees currently. This doesn't say women can't do these jobs. But if the Medicaid population has a lot of females, it will be a challenge to place large numbers of them into jobs that traditionally skew "male." We need to be aware of this as we're doing this work.

Jackie Beard asked Eric in looking at the market are these 20 or 40 hours a week jobs. Eric stated he's looking at the hourly rates. It's a good question if these are jobs that employers will hire for 20 hours per week. He will do more digging to get an answer. He stated if an individual is making \$12.50 per hour they are making just above the poverty threshold for a family of four if they are working 40 hours a week.

Michael stated staff is trying to organize a system that has a bias toward trying to get people a job that will pay \$12.50 per hour or more. We're imagining a system that says to the customer we're prepared to do this and invest in them before they go to work. If they prefer instead to take a work first attitude then staff will give them a list of jobs that are available and help them get one of the jobs if they have a high school diploma or GED. Staff would like to know if the Board prefers them to take a work first approach, or one focused on the \$12.50 threshold.

Tom Quick commented that he thinks it's more of a gradation. He talked briefly about potential opportunities for the customer and where it can take them including additional training if they have a GED or diploma. Customers may want to maintain their benefits at minimum level but want help in getting a job

for at least 20 hours per week. The customer has a say in their life as to what they want to do. We should honor the person's wishes as much as we can, laying out options and opportunities that are available to them.

John Snider stated that coming up in October every logistics company is going to be paying \$12.50 an hour. He doesn't think there will be a problem with people going into door A whether it's 20 or 40 hours per week. The problem to accomplish is how do we get them from where they live to finding them jobs? Get them a GED and certified training. This has to be a pathway to work. Don't think of it as just give them a job.

Tony Georges asked is the guidance of the Board to be more of a prescriptive nature to where there might be a goal of \$12.50 or other options to achieve something longer term. Michael reiterated the sense of the Board that our goal is to try to get people a job paying \$12.50 an hour or more going with individual choices. The customer interaction will be designed with different doors to get them \$12.50 an hour or more, and depending on their education and skill level show them the path that will get them there. They will also have an option to work for less and go straight to work. It will not be an either/or thing.

On the question of training, Michael wanted to clarify if the Board is comfortable if the state says if we spend the first \$1.5 million they will give us more money. Ms. Putnam stated that her pledge is that if KentuckianaWorks is able to spend the first \$1.5 million on job training in an effective way, she will work to find additional resources for KentuckianaWorks at the state level.

Mr. Gritton described that a system that expects to have enough funding to meet the demands for job training will include a "menu" of training options for customers that can get them to that \$12.50 an hour threshold relatively quickly. As long as the Board is comfortable with this direction, we will plan to spend the \$1.5 million and trust Ms. Putnam that she will get us more if we need it. Michael stated that we've estimated that we'll need at least 3 times the \$1.5 million being provided, so he encouraged Ms. Putnam to begin thinking now about where those additional resources will come from. If the Board is comfortable with this as a general direction this is what we will do. Mr. Georges confirmed through a general show of hands that the Board is comfortable with this approach.

John Snider asked about the GED that was not mentioned as being the biggest training issue for day one. Kristi is trying to do the work at the state level to figure out what role Adult Education is able to play. Michael is meeting with the local Adult Education leader (Joyce Griffith) to figure out what they can provide out of their current funding but he believes if the number of people is as large as expected some of the \$1.5 million will have to go for GED instruction in Jefferson and the regional counties.

Tony Carriss asked Kristi to explain where the extra money will come from? How will she be able to grab it? Option 1 – There's two years of funding that actually was only allocated the first year. If needed they can reach into year two and bring it into year one. Option 2 – \$5 million coming from Medicaid that is part of year one is 100% state dollars. She convinced Commissioner Miller to take the \$5 million of 100% state funds and spend it upfront and save it on the back end. They will look at additional other funding streams and funds that could be brought back in or other dollars that can be shifted for the right purpose.

Michael stated there were three important things decided on and what staff will be doing on behalf of the Board:

- 1) On the validation side we're going to try to work with Kristi for at least the first year's contract to not have our contractor be in the validation role. Kristi will be invited back in the fall or winter to learn from the experiences of other WIBs.

- 2) There will be a general lean in the system to try to encourage people to choose the doors that will lead them to \$12.50 an hour. Understanding that if this is not what they want we will work to help the customer based on their choice.
- 3) We will make a plan to provide technical training and adult education if needed spending the first \$1.5 million, with the clear expectation that the state will find additional funding to meet the demand for further job training after we spend the first allotment of training dollars. We will look forward to continuing to work with Ms. Putnam on this as the new effort rolls out.

Natalie Cummins of Adult Education in Frankfort clarified that they do provide Title II funding for the Jefferson County Board Adult Education services for free. She wanted to make clear that it wouldn't be necessary to allocate money from Board funds for GED preparation. It's already allocated for this county.

Discussion and Vote Needed: Proposed Budget for Fiscal Year 2019 – Michael Gritton

Michael discussed the memo regarding the proposed budget of \$17.8 million because of the infusion money of the Medicaid Waiver making it the largest budget ever. He provided historical information on previous budget years and reviewed the Pie Chart of proposed spending for FYE June 2019. He explained the agency, administrative, rent and all program costs included in the budget.

Motion was made by Tom Quick to approve the proposed budget for Fiscal year 2019 as presented and seconded by Willie Byrd. Motion carried.

Executive Director's Report – Michael Gritton

Mr. Gritton gave a brief summary of the anticipated move from 6th and Cedar to Chestnut Street. Staff in negotiations with building landlord. SummerWorks is in full force and ongoing. Referencing the Mayor's conversation about building a bigger talent development system in the community, we will want to engage the Board around SummerWorks and the Academies of Louisville. Staff working on bringing in other employers to help lead the work of the academies. Will have more information about the move and space in June.

Meeting adjourned.

Staff:

Michael Gritton
 Almeta Abernathy
 Eric Burnette
 Jaime Disney
 Gloria Fuqua
 LaShala Goodwin
 Chris Locke
 Brian Luerman
 Laura Paulen
 Regina Phillips
 Cindy Read
 Rider Rodriguez
 Alice Smith

Guests:

Mayor Greg Fischer
 Kristi Putnam

Observers:

Keni Brown
 Darlene Bussell
 Deb Giordano
 Joyce Griffith
 Rena Sharpe
 Ryan Troutman
 Jennifer Welch