

## **PROGRAM OVERSIGHT COMMITTEE MEETING**

**Friday, November 15, 2019**

**8:30 a.m. -10:00 a.m.**

**Kentucky Career Center at the Nia Center – 2900 W. Broadway, Louisville, KY**

**Members Present:** Mike Hesketh, Valerie Hughes, Jenny Lampton, Christy Ralston, Lisa Thompson (proxy for Sadiqa Reynolds), Patricia Williams

### **Welcome and Introductions – Christy Ralston**

Ms. Ralston welcomed everyone, joking about the cold weather outside.

### **Review & Approve Minutes from September 20, 2019 meeting – Christy Ralston**

Ms. Ralston asked for a motion to approve the minutes. There was a question from Mr. Hesketh about the soft skills training for SummerWorks. Mr. Gritton clarified that last year, we (KentuckianaWorks) referred some kids who had not completed soft skills training. Those that had not did not always represent the program well. Next year, we are trying to standardize the approach and only refer kids if they have been prepped by Junior Achievers. Mr. Gritton called it “a huge step forward.”

Ms. Thompson made a motion to accept the minutes, which was seconded by Ms. Hughes. The motion passed with no abstentions or objections.

### **Labor Market Update – Who Isn't Working? – Sarah Ehresman**

Ms. Ehresman said there is a longer version of this report on the KentuckianaWorks website, and that this project was done as part of the bi-state regional plan. The Louisville area is benefiting from good economic times, but some people still are not working. Those not looking for a job are analyzed using what is called the labor force participation rate. There are 20,000 prime working age adults who are unemployed and 75,000 prime working age who are not in the labor force, meaning there are 95,000 prime working age adults in the Louisville area who are not working. Who are they, and why are they working?

There are more women not working than men. Women face disproportionate child care and adult care costs. Child care affordability especially is a big obstacle in this region. It currently costs more to provide childcare for one child in the Louisville area than it does to enroll at JCTC. The federal government uses 7% of one's income as being the threshold for “affordable” childcare; currently, only 1/3 of the region's occupations offer a median wage at the threshold needed to afford childcare. Mr. Gritton referenced the “benefits cliff,” saying that as you move up economically, you can lose child care vouchers (or other benefits). He said we have to get the Committee involved with state government officials so that working mothers in particular do not say “it's not worth me taking that job.” There is a committee at the state looking at this benefits cliff, though this is possibly in limbo with the new governor. Ms. Ehresman gave a shout-out to the state of Kentucky for realizing this is a problem. Mr. Hesketh asked for clarification on the matter. Ms. Ehresman said the state has tried to mitigate the child benefits cliff with the childcare voucher. The 200% poverty line number depends on family size. Mr. Gritton clarified that Ms. Ehresman is describing the threshold where the cliff hits. Ms. Ralston said Norton sees this same issue with regards to tuition assistance; once their employees make a certain amount of income, they are no longer eligible. Ms. Ehresman again emphasized women of all racial groups have higher than average rates of not working.

Ms. Ehresman said white and Hispanic men are more likely to be employed than most; for men, it is only black men who have higher rates of not working. An obstacle for working is a record of court involvement; education, healthcare, and call center jobs, for example, often prohibit anyone with a record from working there, so people with a history of court involvement are not able to get re-integrated into the labor force.

Another thing that is known about prime working-age adults who are not working is that people with less education are more likely to not be working. The jobs that have been growing in our region tend to require higher levels of educational attainment, so people with less education are falling even further behind.

We also know that individuals with a disability are more likely to not be working. 60% of disabled adults are not working, triple the overall rate.

KentuckianaWorks helps fill in the gaps with great training programs (construction, manufacturing, tech, Project Case for disabilities, etc.), and we have supportive service dollars available, but the challenge is that investment in workforce development has been declining over the years. About half of our programs are now grant-funded rather than WIOA-funded; we have been creative in finding other funding streams for our programs. This is a problem that is unique to the United States, as the rest of the developed world has largely invested in workforce policies.

Ms. Ralston said “as always Sarah, I am super impressed.” Ms. Ralston said she was talking to Ms. Smith about this topic earlier; that “we run into constraints with data sharing.” One of the next steps for our community is to help our WIB with data sharing; maybe we can get a grant to do this? “We need a tool to exchange data,” Ms. Ralston emphasized. “If we can count half of what we are doing into the numbers to support our friends at KHCC, we could be showing a more accurate picture.” Ms. Ralston said this is one of the things she talked about at Junior Achievers: how do we get these kids get tracked for manufacturing, logistics, leadership, whatever? “How do we capture the 11,000 kids who went through JA and make sure it wasn’t just a one-hit wonder?” Ms. Ehresman said this was a great idea. Ms. Ralston told Ms. Ehresman she brings the Committee all this amazing data... and then we walk out of here and nothing changes. We (POC) are trying to figure out how we impact that. Ms. Ehresman said this discussion starts a conversation, raises awareness, provides concrete evidence more is needed. She said we will send out a link to the slides.

Mr. Hesketh said it was troubling to him to see the biggest growth was in jobs that require four-year degrees. Ms. Ehresman said it does not necessarily reflect what we call job openings, which accounts for turnover. Mr. Hesketh mentioned it reflected growth, not opportunity. Mr. Gritton said if it was jobs without degrees, it would likely be low-wage jobs, and the reason we point out federal disinvestment is because it impacts that gap. Part of the conversation we have been trying to start, according to Mr. Gritton, is that unless you are prepared to put state money into this kind of work, you can not expect anything to change. Ms. Ralston referenced a technology platform that could provide a monitor/case-management tool for folks on their way to obtaining that opportunity.

Mr. Gritton said another problem is the number of people with disabilities who are not working at all. There were budget cuts that limited the kind of people voc-rehab could serve, exemplifying how there are real policy choices being made with real consequences to real people.

Ms. Hughes said her question goes back to Mr. Gritton’s editorial comment, about the benefits cliff. The reality is that it is about “me turning down a job that promotes me getting a couple bucks more.” She asked what was being done. Mr. Gritton replied that the state workforce board has commissioned a report on the benefits cliff. Ms. Ehresman talked about the National Center for Children in Poverty up in Indianapolis having data (housing, food, childcare, health insurance) which shows how as your earnings go up, your actual resources go down; this shows where the benefit cliffs are. Mr. Gritton said other states have used that data to talk with employers. Ms. Hughes acknowledged “we [GE] are right there with people at \$14/hour.” Ms. Ralston suggesting offsetting with on-site child care, saying HR staff need to know about the benefits cliff so they can target policies to offset it.

**Staff Recommendation: Changes to Targeted Occupations List for Healthcare – Aleece Smith**

Back in June, the POC discussed the Targeted Occupations list and there was some concern about nursing assistants. To follow-up on that, Ms. Ehresman sent a survey to healthcare employers to get insight on which healthcare roles on the list should be kept, added, or dropped. The results showed that employers recommended dropping dental assistants, dental hygienists, and phlebotomists, while they proposed adding nursing assistants and pharmaceutical technicians. Phlebotomy is low-wage and is a skill that does not seem to do much for employees; the employer consensus was to drop it from the list. On the other hand, there was across the board support for nursing assistants; yes, the low-wage issue is still there, but the group decided there was a strong enough point to be made based on career growth. Last on the list was pharmacy technicians, which had a lot of discussion. It is generally a low-wage job, but it depends on where you are working. It is also a relatively short-term program, but it does not lead to the same career trajectory as CNA, etc. With all that in mind, Ms. Smith presented these options: keep the list as approved in June, or make the changes as indicated by the HCC (add nursing assistants, remove phlebotomists).

Ms. Ralston thanked Ms. Smith for the presentation and asked the Committee if they had any questions. Ms. Thompson asked to be reminded of CNA earnings level; Ms. Smith said it was \$11.32 to start, on average. Ms. Thompson said this was lower than UPS. Ms. Hughes said if someone comes in as a nursing assistant, there is a clear career path for them. Ms. Ralston said there is “not a position in our region” that is phlebotomy tech in and of itself; that is part of the reason for the recommendation. Patient care DOES align with JCPS initiatives, and there are enough position in the market to justify that. Pharmacy tech is an equivalent, essentially, to a nursing assistant in the hospital setting, but not in a retail setting; however, it is a gateway into the nursing profession. Ms. Smith said that was right, that you do not earn pharmacy school credits by being a pharmacy technician. Ms. Ehresman mentioned that one of the things employers focused on with nursing assistants is the fact that it provides a short-term training option. Ms. Ralston pointed out that another critical component is that JCTC and UofL both require an MNA to get into their nursing school programs, and “one of the things I can tell you as a coach is that if a student can’t afford that course... then that is a barrier for them getting their RA license.”

Ms. Read reminded everybody that the import of this list is that if the POC approves it, we can fund training dollars for it; if the POC does not, then KentuckianaWorks cannot fund it. The wage that was the cutoff wage is around \$12/hour, so we would be making an exception by allowing this since \$11.32 is under that threshold. Ms. Read reiterated that we always have the option for employer groups to weigh in with their knowledge of the workforce. Ms. Ralston said that with patient care or nursing care, some facilities pay substantially more (though of course some pay less, since it is indeed an average wage).

Ms. Ralston said she was not at the healthcare employer collaborative meeting, so she was not the one who pushed this recommendation through, so “I feel that allows me to stay in the vote for this.” She asked for any motions, approvals, feedback, etc. about Ms. Smith’s proposal/ recommendation. Ms. Hughes said she thought it made a lot of sense and she made a motion to approve option #2 (Ms. Smith’s recommendation). Ms. Ralston mentioned appreciation to Mr. Williamson for taking notes of the meeting. Mr. Hesketh seconded the motion. The motion passed with no abstentions or objection.

**Staff Update: Changes to Code Louisville / launch of Tech Louisville – Rider Rodriguez & Brian Luerman**  
Code Louisville

Mr. Luerman provided an update on Code Louisville to make sure everybody is on the same page as to why they have decided to move away from JCTC. In Code Louisville’s current state, it is partnered with JCTC. The federal grant ended earlier this year, putting a full stop on all funds. Code Louisville orchestrated this partnership where participants enroll at JCTC, who then reimburses Code Louisville. They switched from a 12-week model three times per year to four eight-week courses. Upon completion, participants will earn a programming certificate from JCTC.

The numbers change in this new model has been fairly drastic; what was previously three classes per year at 300-350 at each class is now down to just 100 or so participants at two classes per year. Obviously the numbers are way down. A few other things to mention – one thing Mr. Luerman said they are proud of is that no student has to pay out of pocket for the program thanks to Pell Grants, WorkReady Scholarships, employer tuition reimbursement, Metro Scholarships, etc. But, he noted, there are some risks there. These are the key challenges leading Code Louisville to decide to move away from JCTC.

Mr. Luerman emphasized that JCTC have been terrific partners, it is just a “fit” issue. He gave specific shout-outs to Ty Handy, Tully Sellars, and Bruce Jost, and said it is not any one thing in particular that is a critical program killer, the various challenges just add up and have changed the feel of the program. He cited the communication/organization challenge with too many handoffs. He said participants have to figure out tuition questions (KCAC), registration (JCTC), etc. There have been people drop but they did not know it for weeks. There have been questions from participants about “who do I talk to?” because JCTC instructors do not know about the Code Louisville program, Code Louisville instructors do not know about JCTC grading structure, and so on. The program is free, but that is a difficult message to convey with tuition assistance, rules, talking to different people for different things, etc.

Other challenges include: grades (points and letter grades do not fit the classic Code Louisville model, so mentors feel awkward awarding points; this changes how people approach the class) and mentors (some will not be returning because they feel like instructors and feel disconnected as there are internal JCTC systems they do not see and they do not know how to field a lot of college-related questions). Mr. Gritton asked Mr. Luerman to remind people what mentors do. Mr. Luerman said mentors are 100% volunteers, community-minded IT professionals with at least six months of programming experience. They are asked to come twice a week to class, check Slack throughout the week, do mock interviews, etc. Mr. Luerman said another current challenge is financial. A majority of students still show 'pending' on their accounts; Work Ready Scholarship is continually delayed; lower enrollment numbers means lower tuition reimbursed to Code Louisville; not having transcripts from previous colleges is blocking enrollment and financial aid. Mr. Gritton added a subtle detail: the City of Louisville gave us \$200,000 for Code Louisville, but no other county gave us anything. That money funds us if Pell Grants, etc., do not pay for participant costs. It turns out we had fewer people qualify for Pell/WorkReady than we thought, which means we had to spend the Metro scholarship funds a lot quicker than had been expected.

As for next steps, Mr. Luerman stated that the bottom line is Code Louisville feels different now and the tech community's response to it is not strong. He said the JCTC partnership is a difficult relationship to explain, and he is looking at ways to return to the 'classic' Code Louisville style for the May 2020 class by using city/state funding (each have set aside \$200,000 for us, and we are looking for about \$70,000 more).

Mr. Rodriguez asked for any questions. Ms. Ralston said these are the same issues seen at any Associates or Baccalaureate level going forward, and agreed Mr. Luerman did a wonderful job describing the woes of the traditional academic system. She thought it was "important to illustrate that sometimes we set up our own barriers to success." She added JCTC "is more willing than anybody to bend over backwards and break through hoops, so it's not an indictment on them by any means." Mr. Luerman agreed Telly Sellars and Bruce Jost have been phenomenal partners. Mr. Rodriguez said "classic Code Louisville" is almost more streamlined than what we were doing with WIOA grant. Mr. Gritton noted "a number of our Board members are very involved with JCTC and opening the AMIT training center, so not everyone is thrilled we're trying to go back to the old model and pull away from JCTC." He specifically cited Tom Quick, mentioning "we are setting up a meeting with Ty Handy and Telly Sellars" to have a discussion with him. Mr. Gritton said the old model felt to the tech community like a non-profit, and mentors felt like they were helping a non-profit, participants felt like they were at a non-profit which was helping them further their careers. That feel has been lost. In the last "classic" model class, there were around 300 students and fifty mentors; that is the kind of vibe we are trying to get back. He acknowledge there is financial risk, as the budget to run it is \$470,000/year; but, the city has given us \$200,000, and Josh Benton/ the Bevin Administration has also given \$200,000. But this funding is uncertain, and we still need \$70,000. Mr. Gritton referenced El Toro as potentially a breakout company. They have 120 employees now and plan to add 400 in the next five years. They have patented technology, are making millions of dollars. Mr. Gritton said El Toro's CEO/President told him not long ago: "I don't know what you're doing with Code Louisville, but you better fix it." Mr. Gritton said this is why he wanted this to information to be in front of the POC and the Board. "We are trying to be the workforce intermediary and fill gaps," he concluded.

Ms. Ralston said "I think quite honestly it makes sense, the direction you're going," calling it a "stair-steps solution." The other thing we can challenge JCTC with, she said, is making sure they keep it focused on the workforce side instead of the traditional education side; "there are ways to make this work for everyone." Mr. Luerman said one of the things Code Louisville is thinking about is a small partnership with Bellarmine University. They are doing a lot more of the lifting on it, so maybe we can do similar with JCTC, he mused. Ms. Ralston called for an innovative "tech helping tech" space.

Ms. Thompson said "I love your [Code Louisville's] continued enthusiasm for finding work at a bigger scale," but said "I always wonder about demographics, about people who can't go through these hoops anymore. Now it's just too complicated." She was referring to the young black men mentioned in Sarah's report as not being part of the workforce, and asked if they could "have that casualties list ready for the Board meeting" tomorrow. Mr. Rodriguez and Mr. Luerman both said yes. Ms. Ralston said it was a great comment, and Mr. Luerman agreed that it was a great point.

### Tech Louisville

Now, for some good news. Mr. Luerman introduced Tech Louisville, a brand new program. Back in April, JP Morgan Chase announced that Louisville had been selected to receive an Advancing Cities grant (we were one of five U.S. cities to get one). This is a \$3,000,000 grant to improve financial/digital literacy, workforce training, community outreach, and college access. KentuckianaWorks received \$855,000 of it. The Gheens Foundation and Metro Louisville then provided \$100,000 each. The grant requires us to focus on six specific neighborhoods (Russell, Portland, Phoenix Hill, Smoketown, Shelby Park, South Central [Taylor-Berry, Oakdale, Wilder Park, Jacobs, and South Louisville]). We have many partners, including: Metro United Way, Goodwill, A.M.P.E.D., Catholic Charities, Russell: A Place of Promise, Louisville Promise, and Evolve 502. We are trying to train 250 people (and place 200) in tech jobs. Participants earn a credential as an IT support professional. The curriculum is provided by Google through the Coursera platform. Participants log into servers like they are an administrator and fix them. The jobs we are seeking are entry-level IT stuff. Mr. Luerman explained that there are two branches in IT: programming (coding) and infrastructure (hardware). Jobs include help desk technician, network technician, desktop support, and systems administrator. The program is an online curriculum combined with mentor-lead meetups. The program is modeled loosely on the Code Louisville model, and both participants and mentors (all volunteers) seem to be loving it so far. The program is two hours/night, one night/week.

The first class kicked off Nov. 5<sup>th</sup> and we are now at 27 participants (down from 30): ten from South Central, seven Russell, five Portland, the remainder from Smoketown, Shelby Park, and Phoenix Hill. We are temporarily offering it in this classroom at the NIA Center; we are renovating another room here that should be ready next week. Everyone seems really enthusiastic and engaged so far. Mr. Luerman said everyone is listening to him or Rob Moore or the mentors, whoever is talking at any given time. He said the first night a week ago was mostly orientation. In the last class, we brought in four computers to disassemble, and everyone was so engaged; people were getting in there, taking apart computers. Mr. Luerman shared with the POC some photos of mentors teaching participants. The first Tech Louisville class will finish in March and there will be some sort of graduation/hiring event. Mr. Gritton said an employer group will be pulled together to advise, as well.

Mr. Luerman opened the floor to questions. Ms. Read asked if there are openings now; Mr. Luerman said there is a waiting list. There was instantly a waitlist of 40-50 people in the six targeted neighborhoods alone; outside of those priority neighborhoods, there are like 100-150 people wanting to join. Local employers are really excited. Ms. Ralston thanked Mr. Luerman and Mr. Rodriguez, and mentioned her appreciation for both the program and the update.

### **2020 Meeting Schedule – Christy Ralston**

Ms. Ralston wanted to make sure to the Committee saw the 2020 board meeting date list in their folders.

### **Staff Update: Program Reports – Cindy Read**

Ms. Read welcomed Ms. Lampton to the Committee, as it was her first meeting.

Ms. Read said “we don’t spend a lot of time in Board meetings talking about Programming, but I’ll talk with Ms. Ralston about maybe really drilling into this in January.” Ms. Ralston will officially be taking over as POC chair in January. Ms. Read said a lot of work goes into producing the program reports, that she works with the various program directors to compile the highlights/concerns document found in the packet. Mr. Hesketh asked about the Compass Rose grant, for example, in the last meeting. Ms. Read told the Committee they can also ask to spend some time looking at specific reports at these meetings.

Ms. Ralston also welcomed Ms. Lampton and shared excitement about her being on the POC. Ms. Ralston also agreed with Ms. Read, saying “maybe look at spending an extra hour early in 2020 to do some sort of deep-dive on programs,” especially since there are a few new members on the Committee.

### **Executive Director’s Report – Michael Gritton**

Mr. Gritton started by saying the recent election has real consequences and creates big questions for us. Who will be the Cabinet Secretary and Deputy Secretary? The day after the election, the state sent a notice saying “we have money and we want to get it out the door.” Over \$2,000,000 in governor’s discretionary

money that had been set aside to train people impacted by the Medicaid waiver situation. In light of this, KentuckianaWorks submitted a proposal for ~\$750,000 for training funding. We could get it, then it could be taken away; that is how politics work. There are lots of questions and potential challenges for funding with the upcoming transition. We (with Goodwill) have been running TANF, getting people off welfare to get them into jobs. Same for food stamps (SNAP); we are running the employment part of that program in Jefferson County. In the last ten years, we have helped almost 4,000 people get off welfare and into real jobs. The State Workforce Board had a day-long retreat scheduled for yesterday; it was cancelled after the election. "It's really interesting the degree to which this creates a lot of uncertainty," Mr. Gritton said. He encouraged the Committee to be influential with the transition team and Mayor Fischer's staff, if able. Mr. Gritton said he hoped to know more by the next full Board meeting next Thursday.

One other thing he mentioned was that the unemployment system is funded by the Wagner-Peyser law, which dates back to the New Deal era. The Trump Administration has changed this a bit, allowing the state to contract out to have people find jobs. There has always been a mismatch of who is in charge of career centers, etc., creating a bit of workforce paralysis. The Bevin Administration was preparing to use that regulation to lay off state employees and give that money to the WIBs; Kentucky would have been the first state in the country to implement this system. Now, who knows? Who is Governor Beshear going to be getting advice from in the next few months?

Basically, there is a whole bunch of stuff that was in motion assuming Matt Bevin was going to win. These assumptions are now frozen. Now, there are a lot of decisions that have to be made in the next three months. With paying pensions, the proposed Medicaid waiver... where do workforce priorities/funding fall in with all these election promises? There is a lot to determine before the end of January. Mr. Gritton again asked the Committee to please use their influence with key people if they have it. "If you take the TANF, SNAP, and KentuckianaBuilds money away," Mr. Gritton said, "that's \$1,500,000 easily." If you take away Code Louisville, that's another \$500,000. Mr. Hesketh asked what an alternative might be if these funds are lost, if the programs would have to be scaled back; Mr. Gritton said he would try to get money from the city or from philanthropy, but that is not likely because philanthropy does not like to fund programs. People like to start programs, but not to run them. Ms. Ralston proposed extending the Committee meeting in January or February to learn more about the new decisions, and Mr. Gritton agreed.

### **Adjourn**

Ms. Thompson made a motion to adjourn, seconded by Mr. Hesketh. The meeting adjourned at 10:03 A.M

#### **Staff:**

Michael Gritton  
Cindy Read  
Elizabeth Davis-Terhune  
Jamie Disney  
Sarah Ehresman  
Patrick Garvey  
Chris Locke  
Brian Luerman  
Laura Paulen  
Rider Rodriguez  
Mary Rosenthal  
Aleece Smith  
Tobin Williamson  
Angella Wilson

#### **Guests/Observers:**

Melinda Breslin  
Phillip Donahue  
Eric Hicks  
Zakiyyah Raymore  
Demitra Suazo  
Regan Wann  
Renee Walters  
Jennifer Welch