



DEC 10 2012

The Honorable Steven L. Beshear  
Governor of Kentucky  
700 Capitol Avenue, Suite 100  
Frankfort, Kentucky 40601

DEPARTMENT OF LABOR  
APPROVAL LETTER  
KY STATE PLAN AND WAIVERS - 2012-2017

Dear Governor Beshear:

This letter provides approval of those portions of the Kentucky's Unified State Plan that relate to Title I of the Workforce Investment Act (WIA), the Wagner-Peyser Act (W-P), including W-P Agricultural Outreach Plan, Veterans' Programs, and plans for coordination with Trade Adjustment Assistance (TAA), and Unemployment Insurance. The Employment and Training Administration (ETA) received the Commonwealth's proposed Unified State Plan on September 14, 2012. This letter also addresses Kentucky's WIA waiver requests.

Training and Employment Guidance Letter (TEGL) No. 21-11, issued on March 27, 2012, and TEGL No. 21-11, Change 1 issued on August 8, 2012, provide guidance for states to submit their State Workforce Plans and waivers for Program Year (PY) 2012 and beyond. We appreciate the Commonwealth's responsiveness to this guidance.

Plan Review and Approval

ETA has reviewed the Kentucky Unified State Plan in accordance with Title I of WIA, the Wagner-Peyser Act, the Trade Act (as amended), the corresponding regulations, the Unified Plan Requirements (<http://www.doleta.gov/usworkforce/wia-planning/docs/unified-planning-guidance.pdf>), TEGL No. 21-11, and corresponding Change 1. Pursuant to 20 CFR 661.230(e), this letter constitutes a written determination under WIA Section 112 (29 USC 2822), and WIA section 501 (20 USC 9271) which pertains to State Unified Plans, that ETA is approving those portions of the Kentucky Unified State Plan that relate to Title I of WIA, the Wagner-Peyser Act, and TAA for Program Years 2012-2016, July 1, 2012 through June 30, 2017. The annual W-P Agricultural Outreach Plan is approved for the period July 1, 2012 through June 30, 2013.

The Commonwealth is eligible to receive WIA formula allotments for Adult, Dislocated Worker, and Youth programs, and W-P program allotments, effective July 1, 2012 through June 30, 2017.

Unified Plan Partner Programs

Kentucky's Unified Plan includes Unemployment Insurance and Veterans' Programs. In accordance with WIA section 501 (20 USC 9271), the Department of Labor Veterans' Employment and Training Service (VETS) has the authority to approve those portions of the Unified Plan relating to the Veterans' Programs. ETA provided this office with a copy of your Unified State Plan and a copy of this letter.

### Performance Levels

As you are aware, the Regional Administrator annually negotiates with State representatives the performance goals for the WIA and W-P programs. As required by TEGs No. 21-11 and 38-11 dated June 18, 2012, the negotiations of PY 2012 goals were completed in September 2012, well before the deadline of December 31, 2012. On September 17, 2012, the Regional Administrator forwarded to Kentucky a letter advising the Commonwealth of the PY 2012 WIA and W-P final performance goals. The letter constitutes a modification to the State Integrated Workforce Plan. ETA will incorporate Kentucky's final performance goals for PY 2012 into the Regional and National Office copies of the State Integrated Workforce Plan. Please include these final PY 2012 goals in the Commonwealth's official copy of the State Workforce Plan.

### Waivers

As part of Kentucky's Unified State Plan, the Commonwealth submitted waiver requests for waivers of statutory and regulatory requirements under WIA (copy enclosed). The Commonwealth's request for waivers is written in the format identified in WIA Section 189(i)(4)(B) and 20 CFR 661.420(c). The disposition of the Commonwealth's waiver requests is outlined below. This action is taken under the Secretary's authority at WIA Section 189(i) to waive certain requirements of WIA Title I, Subtitles B and E, and Sections 8-10 of the Wagner-Peyser Act.

#### Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The Commonwealth is requesting a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The Commonwealth is granted this waiver through June 30, 2017. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs.

#### Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The Commonwealth is requesting a waiver that allows it to replace the 17 performance measures under WIA Section 136(b) with the common measures. The Commonwealth is granted this waiver through June 30, 2017.

This waiver permits the Commonwealth to negotiate and report WIA outcomes against the common performance measures only, rather than the performance measures described at WIA Section 136(b). The Commonwealth will no longer negotiate and report to ETA on the following WIA measures: WIA adult and dislocated worker credential rates; participant and employer customer satisfaction; older youth measures; and younger youth measures. The Commonwealth will use the three adult common performance measures to negotiate goals and report outcomes for the WIA Adult and WIA Dislocated Worker programs. The Commonwealth will use the three youth common performance measures to negotiate goals and report outcomes for the WIA Youth program. Workforce Investment Act Standardized Record Data system (WIASRD) item 619, Type of Recognized Credential, should be completed for each individual as appropriate, regardless of this

waiver to report on common performance measure outcomes only.

Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).

## DEPARTMENT OF LABOR

The Commonwealth is requesting a waiver of the required 50 percent employer contribution for customized training to permit the use of a sliding scale for the employer contribution based on the size of the business. The Commonwealth is granted this waiver through June 30, 2017. Under the waiver, the following sliding scale is permitted: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent contribution) continue to apply. When determining the funding source for customized training, the Commonwealth must use the appropriate program funds for the appropriate WIA-eligible population. The Commonwealth and local area may provide customized training to individuals age 18 and older with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the Commonwealth and local area may provide customized training to dislocated workers with WIA Dislocated Worker funds. Customized training provided with statewide funds must serve WIA eligible individuals.

Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.

The Commonwealth is requesting a waiver of the time limit on the period of initial eligibility of training providers provided at 20 CFR 663.530. The Commonwealth is granted this waiver through June 30, 2017. Under the waiver, the Commonwealth is allowed to postpone the determination of subsequent eligibility of training providers. The waiver also allows the Commonwealth to provide an opportunity for training providers to re-enroll and be considered enrolled as initially eligible providers.

Waiver of WIA Section 134(a)(2)(B)(iii) and 20 CFR 665.200(e) to exempt a state from the requirement to provide local workforce investment area incentive grants.

The Commonwealth is requesting a waiver of the requirement to provide local workforce investment areas incentive grants to reward regional cooperation, local coordination of activities, and exemplary performance. The Commonwealth is granted this waiver effective through June 30, 2013.

Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training.

The Commonwealth is requesting a waiver to permit local areas to conduct allowable statewide activities as defined under WIA Section 134(a)(3) with local WIA formula funding, specifically incumbent worker training. The Commonwealth is granted this waiver through June 30, 2017. Under this waiver, the Commonwealth is permitted to allow local areas to use up to 10 percent of local Dislocated Worker funds for incumbent worker training only as part of a layoff aversion strategy. ETA believes limiting incumbent worker training to the specified level and requiring it to be a part of layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered

under this waiver is restricted to skill attainment activities. Local areas must continue to conduct the required local employment and training activities at WIA Section 134(d), and the Commonwealth is required to report performance outcomes for any individual served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The Commonwealth is requesting a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The Commonwealth is granted this waiver through June 30, 2017. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the Commonwealth must use the appropriate program funds for the appropriate WIA-eligible population. The Commonwealth and local area may provide on-the-job training to individuals age 18 and over with WIA Adult funds and must provide priority to low-income individuals when funds are limited; the Commonwealth and local area may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Waiver of WIA Section 134(a)(1)(A) to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.

The Commonwealth is requesting a waiver to permit use of rapid response funds to conduct allowable statewide activities as defined under WIA Section 134(a)(3), specifically incumbent worker training. The State is granted this waiver through June 30, 2017. Under this waiver, the Commonwealth is permitted to use up to 20 percent of rapid response funds for incumbent worker training only as part of a layoff aversion strategy. ETA believes limiting incumbent worker training to layoff aversion is the best use of funds in the current economic climate where serving unemployed workers is a paramount responsibility of the workforce system. All training delivered under this waiver is restricted to skill attainment activities. The Commonwealth is required to report performance outcomes for any incumbent workers served under this waiver in the Workforce Investment Act Standardized Record Data system (WIASRD), field 309. TEGL No. 26-09, Section 7A, "Workforce Investment Act (WIA) Waiver Policy and Waiver Decisions for PY 2009 and 2010" and TEGL No. 30-09, "Layoff Aversion Definition and the Appropriate Use of Incumbent Worker Training for Layoff Aversion Using a Waiver" provide policy guidance related to implementation of this waiver.

Waiver of 20 CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.

The Commonwealth is requesting a waiver of the requirements to reduce the data collection burden for employers participating in WIA-funded incumbent worker training programs. The waiver permits the Commonwealth to discontinue the collection of the following Workforce Investment

Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). The Commonwealth is granted this waiver through June 30, 2017.

Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.

The Commonwealth is requesting a waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The Commonwealth is granted this waiver through June 30, 2017. Under this waiver, the Commonwealth can use ITAs for older youth and out-of-school youth program participants. The Commonwealth must continue to make the 10 youth program elements available as described at WIA Section 129(c)(2). The Commonwealth should ensure that funds used for ITAs are tracked and that the ITAs are reflected in the individual service strategies for these youth.

The approved waivers are incorporated by reference into the Commonwealth's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and are incorporated into the Unified State Plan. A copy of this letter should be filed with the Commonwealth's WIA Grant Agreement and with the approved Unified State Plan. In addition, as described in TEGl No. 29-11, the Commonwealth should address the impact these waivers have had on the Commonwealth's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to working together as you implement your Unified State Plan for PY 2012 and beyond. As discussed in TEGl 36-11, we strongly encourage State WIA grantees to adopt the use of the American Job Center brand for your physical One-Stop Career Centers and online tools. We are available to provide technical assistance. If you have any questions related to the issues discussed above, please contact Terri Lonowski, the Federal Project Officer for Kentucky, at (404) 302-5377 and Lonowski.Terri@dol.gov.

Sincerely,



Jane Oates  
Assistant Secretary

Enclosures

cc: John Moran, Deputy Assistant Secretary, Veterans' Employment and Training Service  
Helen Parker, Regional Administrator, ETA Atlanta Regional Office  
Terri Lonowski, Federal Project Officer for Kentucky



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***The Commonwealth of Kentucky  
Unified Plan  
PY 2012 – PY 2017***

**Title I of the Workforce Investment Act of 1998**

**Wagner-Peyser Act**

**Trade Act**

**Veterans Programs**

**Unemployment Insurance**

**Effective July 1, 2012 – June 30, 2017**

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**THE COMMONWEALTH OF KENTUCKY UNIFIED PLAN**  
2012 - 2017

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**ATTACHMENTS**

- A. Checklist, Contacts and Signatures
- B. *WORKSmart Kentucky* KWIB Strategic Plan
- C. Unbridled Future – Economic Development Strategic Plan
- D. Organizational Charts
- E. Kentucky Grievance and Appeals Procedures
- F. Kentucky EEO Grievance Procedures
- G. Kentucky Non-discrimination Statement
- H. Full Waiver Plans

## **A. State Vision and Priorities**

Describe the governor's vision for a statewide workforce investment system. Provide a summary articulating the governor's vision for utilizing the resources of the workforce investment system in support of the state's economic development that address the issues and questions below. States are encouraged to attach more detailed documents to expand upon any aspect of the summary response if available. (WIA §112(a) and (b)(4)(A-C).)

Governor Steve Beshear envisions a workforce system in the Commonwealth of Kentucky (hereinafter referred to as the Commonwealth) that breaks down the silos that have dominated the landscape of workforce development for many years. The new system will fully integrate state and local resources to create a seamless system to serve the employer community, as well as the individuals who will use the system. As a demonstration of his commitment to transform the system, Gov. Beshear dissolved the Commonwealth's previous workforce investment board and established a new board in its place. The size of the board was increased dramatically to include representatives from a variety of state government cabinets, businesses and stakeholder groups that would be necessary to affect change in a meaningful way.

The new board was installed in the spring of 2009 and immediately began a process to develop a strategic plan to transform the Commonwealth's workforce development system. This plan would help the state meet the challenges of a changing global economy and address the most immediate concerns of the "Great Recession." The process included an extraordinary stakeholder engagement process with input from employer and individual customers, local and state workforce professionals, economic development officials, educators and business leaders.

What emerged was a consensus belief that the system was overly complex, not user friendly, program driven, and lacked the cohesion of an efficient and effective service-delivery organization. It also became obvious to the business leaders guiding the planning process that working with the status quo would not yield the desired results. A push for innovative solutions to the challenges identified would be critical for success. The use of national best practices and private sector business models were employed.

What emerged was a philosophy that investment decisions should be based not on the availability of funding streams or existence of programs, but rather on the demand for occupations, the hiring needs and challenges of the Commonwealth's employers, and the best available data on new and emerging businesses. Instead of running programs, the Commonwealth would become a state where the workforce system was in the employer solutions business.

With an extraordinary amount of stakeholder input, the business- and industry-led committees of the board developed a vision statement to guide the development of goals.

### **A New Vision for the Commonwealth's Workforce System**

*The Commonwealth will transform the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians.*

*Goals:*

- 1. Align education and workforce goals*
- 2. Align workforce and economic development goals*

3. *Simplify the system*
4. *Create a customer-centric approach*

(See Attachment B for a complete copy of the *WORKSmart Kentucky* plan document)

1. What are the state's economic development goals for attracting, retaining and growing business and industry within the state? (§112(a) and (b)(4)(A-C).)

The Kentucky Cabinet for Economic Development's (KCED) *Unbridled Future* is the Commonwealth's economic development strategic plan that articulates six priorities, along with an associated set of strategies and action items, to provide the Commonwealth with a holistic guide for development. As the plan is implemented, the precise balance between each may vary, but it is important that attention is paid to each one since all of the priorities will impact the state's success in attracting and retaining the strategically targeted business/industry sectors resulting in the creation of jobs for its citizens. (See Attachment C for a complete copy of the *Unbridled Future* plan document.)

1. Continue to Create a More Competitive Business Climate

The Commonwealth has already made strides at making its business environment more competitive. In 2005, the Kentucky legislature passed a major tax-modernization initiative which eliminated the corporate license tax and lowered the corporate income tax rate to 6 percent. Such changes helped the Commonwealth's Business Tax Climate ranking rise faster than any other state since 2009, up 15 spots to 19th in the current rankings on the 2011 State Business Tax Climate Index. In 2009, the Commonwealth's business incentives programs were streamlined, reforming existing incentives and creating new ones for new and expanding companies in the state. In addition, the Commonwealth continues to rank competitively from a business perspective as well. CNBC's 2011 "Top States for Doing Business" ranked Kentucky as the state having the fourth lowest cost of doing business.

2. Attract, Develop, and Retain Business

The Commonwealth has enjoyed a great deal of success. As the home to nine Fortune 1,000 companies and 82 announced new locations since January 2010, the state is clearly doing many things right. However, in the competitive market of today, it is necessary to continually seek better methods to maintain success.

3. Create and Market a Powerful Kentucky Brand

Aggressive marketing and communications are critical functions of any effective economic development effort. In fact, product promotion may be the most important function of today's economic development organizations. It is critical that marketing tactics are used to communicate the Commonwealth's strengths to both internal and external audiences that impact the state's economic development future.

KCED currently has a comprehensive marketing and communications effort in place that includes paid advertising, media relations, special events, sponsorships and electronic media tactics. This plan recommends some additional strategies to incorporate into existing efforts, particularly as it relates to marketing the state as a prime location for companies in each of the targeted industry sectors.

KCED has a variety of partners that support business development and marketing efforts. A coordinated effort, with KCED assuming a leadership role, will ensure the most "bang for the buck" in enhancing awareness of the Commonwealth and its assets.

#### 4. Work Toward Sustainability

Sustainability, according to the United Nations World Commission on Environment and Development, can be most simply defined as the ability to meet our needs without compromising the ability of future generations to meet their own needs. Developing a sustainable agenda for the Commonwealth is important to preserving and enhancing qualities of the state that are important to its residents as well as supporting green building and design, and the development and use of renewable energy. In addition, many corporate location projects today are considering sustainable practices in their location decisions, particularly those involved with the development or support of alternative energy and solar and wind support manufacturers, all of which are designated sector targets for the Commonwealth. Other Commonwealth targets that may want to locate in a sustainable state include energy-efficient lighting and sustainable packaging manufacturers, as well as any other sector that practices sustainability internally.

The Commonwealth has several statewide, community and university-based programs and initiatives that are related to sustainability. In addition, Gov. Beshear's strategic energy action plan titled *Intelligent Energy Choices for Kentucky's Future* addresses sustainability by increasing the use of renewable energy sources, improving energy efficiency, developing cleaner methods to utilize fossil energy resources, diversifying the state's electricity and transportation energy portfolios, and better integrating the agricultural and energy economies. Increasing a state's use of renewable energy is important because it encourages job creation, energy security, cleaner air and market demand for renewable and clean energy supplies.

Many states have adopted Renewable Portfolio Standards (RPS) and Alternative Energy Portfolio Standards (AEPS) goals or requirements as part of this effort, which gives states a standard designating the amount of electricity utility companies must generate from renewable or alternative energy sources by a given date. As of October 2011, 27 states plus the District of Columbia had enacted RPS requirements, four states have an AEPS requirement and another seven had RPS or AEPS goals for a total of 38 states. While Kentucky does not have RPS/AEPS requirements or goals, six border states (Missouri, Illinois, Indiana, Ohio, West Virginia and Virginia) have such programs in place. North Carolina is another competitor state of Kentucky that has an RPS in place.

Leadership in Energy and Environmental Design (LEED) is an internationally recognized green building certification system developed and administered by the U.S. Green Building Council (USGBC). As of Oct. 21, 2011, there were 44 LEED certified facilities in the Commonwealth, and another 154 projects registered for certification. The Commonwealth currently ranks 32nd overall in the number of LEED certified facilities. The Commonwealth has two programs in place which support construction of LEED certified facilities. In 2010, Governor Beshear signed legislation which supports and encourages the construction and renovation of school buildings using efficient design concepts that meet defined certification requirements. In 2009, Gov. Beshear signed legislation requiring all new public facilities and renovations using 50 percent or more of state funding to achieve LEED certification.

#### 5. Foster Innovation and Technology

As the recruitment of projects and jobs becomes more difficult and expensive, the Commonwealth must enhance its efforts to build an internal infrastructure to foster the organic growth of its own local companies. The Commonwealth has several established programs and efforts that acknowledge the importance of innovation and commercialization

of homegrown technology, but these efforts appear to be underfunded, underappreciated and underutilized.

The Commonwealth's current programs to support innovation-based companies are delivered by two entities – KCED's Office of Commercialization and Innovation (OCI) and the Kentucky Science and Technology Corporation (KSTC). Some of these programs, such as the SBIR/STTR Matching Fund Program, are recognized successful models, while others may need some modification to better address the needs of the constituents they are designed to serve.

Creating wealth and jobs through fostering innovation and commercialization requires the establishment of a closely knit array of knowledge, skills, money, programs and services. It begins with the development of human capital through an effective K-12 education system and continues with quality university education, particularly science, technology, engineering and mathematics.

The intellectual property generated as a result of the investment in education must then be supported through an array of funding vehicles that address the various stages of an idea's development from conception to commercialization and on into the growth cycle of the company.

As the idea matures, the support and funding typically evolves from the public sector to the private sector, with some programs and policies being used to facilitate the transition.

#### 6. Create an Entrepreneurial Culture

An entrepreneur may be best defined as "one who organizes, manages and assumes the risks of a business or enterprise." The role of entrepreneurship and the importance of development of an entrepreneurial culture in economic development have often been underestimated.

Over the years, however, it has become increasingly apparent that entrepreneurship does indeed contribute to economic development. Transforming ideas into economic opportunities is the crux of entrepreneurship. History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities and willing to take risks.

The Commonwealth has a wide variety of programs to encourage and support entrepreneurs and small business. However, it appears that many of these offerings operate in a silo, without consideration for how they might interface with and coordinate with other programs. A coordination of programs for entrepreneurs will help avoid duplication, maximize available resources and ensure that all needs are addressed.

Creating entrepreneurial communities is a concept that recognizes the role communities can play in supporting entrepreneurs. Economic development and community development are two sides of the same coin, and communities that offer an entrepreneurial culture are much more likely to be successful in overall economic development activities.

It is important to note that the plan also identifies 10 key business sectors important to the Commonwealth's future. These are also in alignment with the top five sectors identified by Kentucky Workforce Investment Board's (KWIB) sector work.

2. Given that a skilled workforce is a key to the economic success of every business, what is the governor's vision for maximizing and leveraging the broad array of federal and state resources available for workforce investment flowing through the state's cabinet agencies and/or education agencies in order to ensure a skilled workforce for the state's business and industry? (§112(a) and (b)(4)(A-C).)

In June 2009, Gov. Beshear reconstituted KWIB and at its initial meeting the Governor's Chief of Staff Adam Edelen articulated Gov. Beshear's expectations.

Edelen stated, "*The Kentucky Workforce Investment Board (KWIB) is charged with developing a strategy that is going to make sure every child and every member of our workforce is able to realize their dreams here, raise their families, make a living and be able to compete. The work here is critical for setting the tone for the entire state and that is an important mandate. The Governor charges the KWIB to consider and make recommendations on the infrastructure necessary to support workforce development activities in the way that major players can both work together collectively and more effectively leveraging available funding for both public and private sources. The Governor's goal for the KWIB is to establish a true system for workforce development activities that will be flexible, coherent and responsive to the needs of businesses and is designed to ensure that Kentucky has the workforce able to meet the challenges of the 21st century.*"

It was with that charge in mind that the board began a strategic planning process resulting in the "*WORKSmart Kentucky Strategic Plan*" (See Attachment B). The plan demonstrates a commitment to leveraging state and federal resources focused on workforce investment across state government. The process to develop the strategic plan involved all board members representing a variety of agencies, as well as business and community partners. Focus groups consisting of business people, customers and staff were conducted. Each of the 25 action steps included in the *WORKSmart* plan is grounded in vertical and horizontal partnerships across state government.

An example of a vertical partnership effort supporting the Governor's expectations is the Sector Strategies action step that focuses federal and state resources around statewide and regional growth sectors detailed elsewhere in this document. This action step will impact K-12, community college, university, economic development and workforce development investment in sector strategies. In addition, it will guide the creation of talent development pipelines to support the regional and state identified sectors.

An example of a horizontal partnership effort is the Partner for Success action step. It is an internal effort of the Department of Workforce Investment (DWI) that is focused on integrating service delivery of all four offices within the department. Those offices are the Office for the Blind (OFB), the Office of Career and Technical Education (OCTE), Office of Employment and Training (OET), and the Office of Vocational Rehabilitation (OVR).

A means of supporting the Governor's desire that the major workforce development partners work collaboratively is the Workforce Development Academy. This action step provides training for all partners at every level of the system to be demand driven and solutions based to ensure a customer-centric service delivery methodology. This initiative was funded through the Governor's Statewide Reserve. Its future is unclear as discretionary funds for statewide innovation have been reassigned to federal administration.

Before they were diverted to the federal government, Statewide Reserve investment funds were also used to seed projects such as Skill Up that support skill development to meet the needs of business and industry. This was the Commonwealth's adaptation of the I-Best model integrating adult education and industry certification into one curriculum for adult learners that was being piloted across the Commonwealth. Other innovative projects once supported by these funds included: Work Ready Communities (an education, workforce and economic development, and elected leadership framework for local accountability and change), system rebranding and outreach, user-friendly online services, economic development academy. The Commonwealth is utilizing the remaining Statewide Reserve funds to advance all of these projects, but on a limited-funded basis.

3. Given the continuously changing skill needs that business and industry have as a result of innovation and new technology, what is the governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b)(4)(A-C).)

During the Governor's State of the Commonwealth speech on Feb. 1, 2011, he declared, "*Our challenge, this night and in the mornings ahead, is to continue employing sound and strategic approaches to help our families and businesses survive ... attacking fundamental problems plaguing our people ... and transforming government through a strict diet of fiscal responsibility, ethics and integrity.*"

Two of the three priorities that the Governor detailed in his address were education and creating jobs, which re-emphasized the charge that the Governor gave to the KWIB. He has challenged the system to move away from a silo program and service delivery model to a system that is structured based on inputs, value-added processes and outputs. Inputs include human capital, funding streams, partners, physical components and data. Value-added processes are focused on career development, workforce readiness, employee/employer services and support services. Finally, outputs are workers meeting the needs of our business and industry customers that continue to drive quality-control efforts.

The Sector Strategies initiative results will assist the Commonwealth with the education and job creation priorities, as well as working as a system. This will be accomplished by adapting to the changing skill needs derived from innovative practices and new technologies that business and industry are embracing. Additionally, in 2011 an Industry Partnerships initiative was launched that provided seed money to identify emerging skill needs. That information will be used to adjust education and training investments to meet the needs of state and regional growth sectors. Information garnered through Industry Partnerships will be folded into the Eligible Training Provider List Enhancements KWIB initiative to ensure that providers are meeting the current and future needs of high-growth sectors.

Another structural endeavor is the Accelerating Opportunity Kentucky (AOKY) initiative. The principal partners, Kentucky Adult Education (KYAE), the Kentucky Community and Technical College System (KCTCS) and the Kentucky Education and Workforce Development Cabinet (KEWDC) are working to change their institutional culture.

The AOKY initiative envisions two- and four-year outcomes. Key two-year outcomes will include the engagement of adult education instructors and college technical faculty to deliver team-taught contextualized curricula. Adult education students will also have greater access to resources and be recognized as an important population of the education pipeline. After four years, the pathways will be integrated and sustained as the norm. Students will progress toward

marketable credentials while bypassing developmental education.

A grassroots, complementary initiative that has over a third of the counties in the state already working to achieve results in just six months is the Commonwealth's Work Ready Communities, another action step included in the *WORKSmart* plan. This initiative is designed to reinforce the need for local and regional collaboration among business, education, workforce and economic development to meet the needs of a skilled workforce. Counties and regions can be certified as work ready by meeting threshold criteria on trainability, productivity and quality of life.

The Governor has demonstrated his commitment to ensuring an education and training continuum via Statewide Reserve investments such as Skill Up, Prescription for Health, and Sector Internship. The loss of these funds to the federal government jeopardizes the ability to fund such innovations in the future.

4. What is the governor's vision for bringing together the key players in workforce development including business and industry, economic development, education, and the workforce system to continuously identify the workforce challenges facing the state and to develop innovative strategies and solutions that effectively leverage resources to address those challenges? (§112(b)(10).)

The Commonwealth's strategic plan continues to serve as a model for other states as evidenced by the numerous inquiries and requests for technical assistance from states such as Oklahoma, South Carolina, California, Virginia, Minnesota, Missouri and Kansas.

Several reasons for this interest include the dramatic rate at which changes recommended by the plan have been and continue to be implemented. The KWIB attributes much of this success to the manner in which the plan was developed, the way it is managed by the board, and the quality of the innovative initiatives prescribed to transform the system.

### **Plan Development**

The *WORKSmart Kentucky* plan maximized business and industry involvement, as well as partner agency and local workforce professional participation in the development of the strategies, goals and vision. This extensive engagement process created a sense of ownership in the plan and served as a platform for a unique plan implementation management model developed by the board and its staff.

### **Plan Implementation Management Model**

Strong plan ownership across agencies and all levels of accountability and governance has resulted in a model which created a board champion for each initiative. This member of the KWIB acts as the spokesperson and chair of a steering committee or task force developed to implement the initiative. A state staff person from one of the partner agencies or the KWIB staff serves as the day-to-day manager of the project and assumes all responsibility for project organization, scheduling, budgeting, logistics and communications. Steering committees made up of stakeholders (including business and industry as well as local WIBs) serve as the decision-making bodies in designing the programs, detailing implementation steps and making policy recommendations to the KWIB. This model has also enabled the board to monitor progress through the preparation and distribution of monthly status reports. The monthly reports may be viewed by accessing the KWIB website:

<http://www.kwib.ky.gov/archivedimplementationupdates.htm>

## **Quality of Initiatives**

A common thread woven throughout the state’s strategic plan is the extremely high level of quality with which each initiative is approached and implemented. With largely private-sector board members serving as champions, the expectation that board projects meet private-sector standards is inherent in our management model. Several examples can be found in the implementation of the following three projects.

### **A. Making Investment Decisions Based on Sector Strategies**

Sector strategies will be developed by state and regional, employer-driven partnerships of industry, education and training, and other stakeholders focusing on developing workforce expertise to meet the needs of key industries. It will coordinate information and resources to develop and implement effective responses to workforce challenges common among employers.

The state developed a toolkit for local workforce areas to use in developing effective sector strategies at the local and regional level. In addition, the state identified several sectors with statewide impact, and, under the leadership of business leaders from that sector, fully developed a strategy to serve as the model for all future state, regional and local efforts.

A critical success factor for this project is the engagement of the employer community with economic development, educators, elected officials and the workforce system, however the workforce system should not drive the development of a strategy strategies must come from the private sector.

### **B. Certifying Work Ready Communities**

*“Although the exodus of manufacturing from the United States to offshore locations that became more pronounced during the past 20 years was devastating to many communities, it can be argued that the loss of these lower-skilled production operations made room for the next generation of manufacturing and production that is still occurring today. New industries such as biotechnology and advanced manufacturing require higher-skilled workers and flexible labor forces that many less-developed nations do not offer.” – Area Development Online, March 31, 2010*

In order for the Commonwealth to remain competitive for these new industries, our communities must promote the availability of that skilled workforce. To provide business and industry with the assurance of the availability of this resource, the KWIB created a program to certify communities as “work ready.” Communities must apply for this certification and meet certain high standards for education attainment and credentialing in order to receive the status. Based on the Georgia and Oklahoma models, Kentucky added criteria demanded by employers in today’s economy, including the documentation of achievement in soft skills and computer literacy. Work ready certification gives an assurance that economic development, education, workforce development and local elected officials are aligned in support of common goals that improve the skills of workers.

### **C. The Kentucky Solution**

In collaboration with the KCED and the Kentucky Association for Economic Development, the KWIB and the KEWDC prepared and submitted a Workforce Innovation Fund proposal based on the following concept which originated in the private sector as a training academy designed to

create better communication and cooperation between economic development and workforce professionals. This expanded concept demonstrates the innovative thought process of private-sector leaders and government officials when collaboration reaches its highest levels.

A primary goal of the KWIB strategic plan is to align the Commonwealth's workforce development system with economic development strategies. The vision addresses the needs of prospective employers, as well as Kentucky firms looking to expand in the state via a comprehensive, cohesive, unified approach we call The Kentucky Solution. This collaborative approach delivers on the Commonwealth's new brand, integrating economic and workforce development solutions.

Over the past two years, the KCED and the KEWDC concentrated on efforts to cultivate and nurture a stronger relationship. This relationship will attract new, high-demand jobs and fortify the talent pipeline. The Commonwealth currently lacks a competitive approach to aligning economic and workforce strategies and resources in order to attract, develop and retain business in today's global economy. Both cabinets agree that it is necessary to change the culture of our systems. We must make the collaborative process part of our DNA and not just an occasional activity when it is convenient.

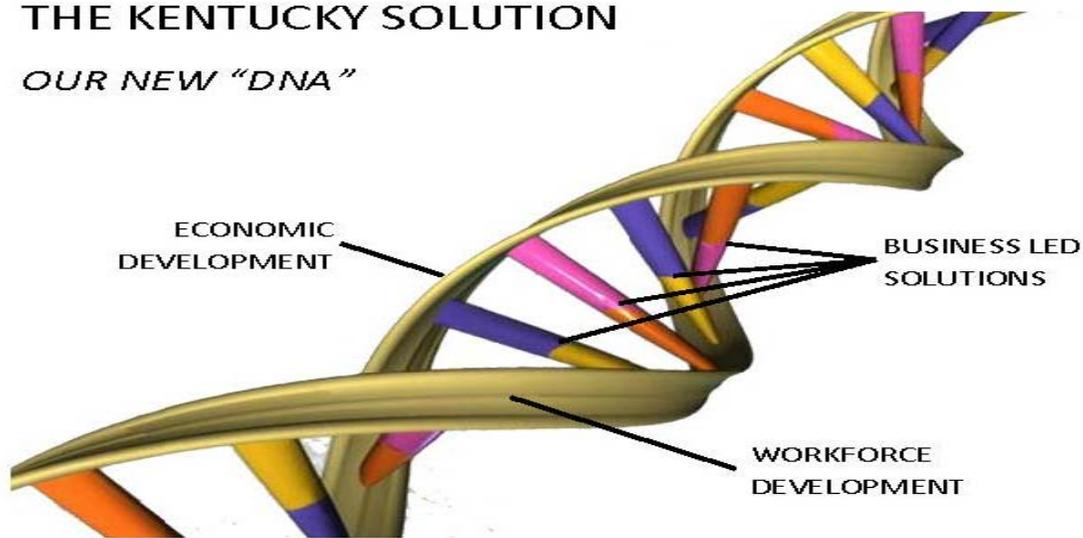
The two cabinets have worked to align sectors and develop a coordinated strategic approach to service delivery. However, this partnership has not transcended to an overhaul of our respective service-delivery systems. Regional stakeholder input sessions demonstrated our ineffectiveness in meeting business demands.

This partnership has not become a part of our policy, governance or administrative structures. Current business services strategies are not fully aligned resulting in a lack of coordination. Policies and procedures fail to provide a common solution to address business needs and identify and develop talent pipelines which meet the skill, recruitment and retention needs of employers. There is no mechanism to share or report data, identify agency leads or develop and utilize common protocols. The Commonwealth has ineffective tools in place for measuring return on investment — the impacts and outcomes of our investments.

To better assist the long-term unemployed and underemployed, the Commonwealth must alter its "DNA" to focus on sector strategies and industry partnerships, leading to effective career pathways for high-demand jobs that are key to our economic future. The Kentucky Solution is based on strong partnerships, regionalism, leveraged resources, entrepreneurship, talent development and responsive employer services.

## THE KENTUCKY SOLUTION

*OUR NEW "DNA"*



Creating the framework for The Kentucky Solution approach and changing our DNA means: resetting executive, regional and local policies, operations and practices; understanding the business climate and development needs; promoting the Kentucky brand; supporting sustainability, innovation and technology; and fostering an entrepreneurial culture. An employer-led solution is a must. Employer leadership, through industry partnerships, will bring the sector strategies to life and serve as the basis for developing a world-class talent development pipeline producing best-in-class employees for employers.

5. What is the governor's vision for ensuring that every youth has the opportunity to develop and achieve career goals through education and workforce training, including youth most in need, such as youth who are: out of school, homeless, in foster care or aging out of foster care, offenders, children of incarcerated parents, migrant and seasonal farm worker youth, have disabilities, or are other youth at risk? (§112 (a).)

In Oct. 2009, Gov. Beshear created the Transforming Education in Kentucky (TEK) task force to provide valuable guidance to shape the future of education in our state. The goal of the task force was to create a unified vision of what schools in the Commonwealth need to offer to better serve students today and tomorrow. TEK builds on current efforts like the Common Core Standards Initiative, Graduate Kentucky, and the Gates Foundation/SREB college and career readiness initiative. Against a backdrop of renewed energy and activity, the task force finalized recommendations to channel all of these efforts into an integrated and comprehensive system of education in the Commonwealth. A few of the key tenets inherent in the recommendations are as follows:

- improving college and career readiness,
- providing every student with the opportunity to earn college credit during high school,
- making better use of technology to improve teaching and learning,
- improving academics in career and tech schools, and
- creating a system of assessments that measure what employers value.

Graduate Kentucky is another initiative of the Governor and First Lady Jane Beshear that applies a community approach to preparing the young people in the Commonwealth. It was established with the recognition that the greatest challenge to preserving and expanding the Commonwealth's comprehensive excellence in the global community of the 21<sup>st</sup> century rests in our ability to produce an educated workforce. Regional summits conducted for two years have brought to the forefront strategies that students, parents, schools, communities and businesses can use to keep students in school. Legislation that would raise the dropout age to 18 while requiring the creation of richer alternative education options for young people has been proposed numerous times. But the Kentucky General Assembly has failed to pass the bill.

The Graduate Kentucky State Steering Committee Final Report , released in April 2012, highlights the efforts of this statewide initiative aimed at lowering the dropout rate in Kentucky. The Governor's office and First Lady Jane Beshear teamed up with businesses and community leaders, parents, teachers, policy-makers and students to hold summits across the state in order to confront the issues that lead to a child's decision to drop out of school. Summit results and analysis listed in this report will be useful and provide guidance to help determine youth programs and services for now and in the future. Statewide best practices are highlighted in this document and represent replicable solutions to the problems facing Kentucky's at-risk youth.

Within the workforce system, the focus has been on strengthening transition services and support strategies that lead to the development and achievement of career goals through education and workforce training. The hope is to create an early-warning system to target at-risk youth that are most in need including those that are homeless, in foster care, aging out of foster care, offenders, children of incarcerated parents, migrant and seasonal farm workers, and youth with disabilities.

The High School Outreach initiative is where the emphasis around building an early warning system for at-risk youth is grounded. The Steering Committee for this initiative has made the Individual Learning Plan (ILP) the anchor of the early warning system. The ILP is an on-line education and career planning tool made available to schools, teachers, students and parents. It is available for students grades 6-12 bringing together their academic achievements, extracurricular experiences and career and education exploration activities. This enables students, parents, teachers and counselors to work together to develop a course of study that meets the student's needs and goals.

The ILP has many features and resources that involve students on a variety of levels:

- Exploring careers beginning in the 6th grade;
- Finding careers that match their skills and interests;
- Creating education plans;
- Establishing personal goals and revisiting these as they progress through school;
- Creating, maintaining and changing resumes;
- Tracking and reflecting on their community services experiences, work experiences, career-planning activities, and extra-curricular and organization activities;
- Exploring colleges and postsecondary opportunities that match their career, postsecondary and life goals;
- Connecting to the KHEAA.org (Kentucky Higher Education Assistance Authority) Web site for help with college planning, tuition assistance information and applications; and
- Collecting personal information like assessment results, advising activities demographic information and educational history.

Acceleration and Intervention plans for students not meeting Explore, Plan and ACT benchmarks can be housed in the student's ILP. The Intervention Plan module can be used for any intervention or acceleration for individual students; even if a student meets benchmarks. Local workforce professionals are building a resource network in partnership with students, parents, teachers and counselors to assist in the acceleration and intervention strategies for at-risk students. One example is Operation Preparation which began in Spring 2012, a joint effort of the Kentucky Department of Education and the Department of Workforce Development and provides a powerful opportunity for schools, students, parents and communities to collaborate in the process of effective advising and focus attention on the importance of planning for college and/or career.

During March 2013, trained volunteer community advisors will meet one-on-one with every 8th- and 10th-grade student. The community advisor will use the student's Individual Learning Plan or ILP (including career interest inventory and EXPLORE/PLAN results) to discuss the student's: career aspirations, required education/training and workforce skills; whether the student is on target to meet their goals; and whether the student is taking the courses recommended to prepare them for a successful future. The meeting is designed to provide both information and inspiration for the student to achieve college/career-readiness. This is a critical component of the early warning system for at-risk youth because in Kentucky school counselors face an average 450:1 student to counselor ratio, presenting challenges for establishing effective advising programs for at-risk youth.

This year, KYAE, OCTE and OET have specifically focused transition services and support strategies on out-of-school youth, those in adult education and those in career and technical education. Two specific initiatives include Accelerating Opportunity Kentucky (AOKY) and Go2College.

These three agencies have invested in a multi-media outreach campaign entitled Know How To Go with a supporting website at <http://knowhow2goky.org/> which is organized based on where specific target populations can plug into the education and training pipeline. Messaging targets those that need to stay in school, pursue adult education and take the next step in training. Another non-traditional outreach program to reconnect out-of-school and at-risk youth to education and training has been through the Commonwealth's public library system. Offering computers, workshops and staff assistance in public libraries is a non-threatening access point for youth.

Accelerating Opportunity Kentucky (AOKY) is a collaborative effort of the Kentucky Department of Workforce Investment, KYAE and KCTCS. It provides an opportunity for young adults and adults to reengage with the education system. The planning effort began in spring 2011 and moved into implementation at eight colleges around the Commonwealth in January 2012. It will go statewide in January 2014 when the remaining eight colleges come on board. Kentucky's vision for the Accelerating Opportunity initiative is to implement a collaborative career pathways model that prepares students to be college and career ready. The testimonials from both youth and adults through AOKY can be viewed at the following link: <http://acceleratingopportunityky.kctcs.edu/Testimonials.aspx>.

Specifically, Accelerating Opportunity is a technical training program that combines basic skills education (math, reading and writing) with technical skills training to prepare students for a high demand job or to continue on for a longer certificate or degree in a related field. Accelerating Opportunity students also take support classes with an adult education instructor to get the math, reading and/or writing skills needed to be successful in their technical courses. This student first

approach gives participants the skills they need to succeed in school and compete in the workforce by also matching students with a success coach and a career coach. The success coach helps participants fill in college paperwork, provides support, and develops plans for students to meet their goals, tracks participants' progress and makes referrals as needed. The career coach conducts a skills assessment, assists with resume writing, job search activities, training services, career counseling, and provides job referrals. The goals of Accelerating Opportunity are to:

- Identify and remove barriers that prevent participants from entering and completing their education;
- Allow participants to earn stackable credentials that bear academic credit;
- Work with business community to ensure students are getting the skills they need in the workplace;
- Implement worker-friendly, flexible programs that provide clear and relevant educational opportunities that result in a job with family sustaining wages; and
- Build sustainable programs so more youth and adults can get the education they need that will help them get a job with family sustaining wages

In April 2012, KYAE announced that it would be working with the Office of Career and Technical Education (OCTE) and KCTCS to fund an opportunity designed to encourage students to transition to college and recruit new students to their programs. Fifteen KCTCS colleges at locations across the Commonwealth agreed to partner with local adult education programs to host a series of College Fairs for Youth and Adults named Go2College, modeled after OCTE's successful Close the Deal sessions. Audiences were current adult education students from area programs, parents of the area CTE students and all other interested youth and adults. Workforce partners were included in many of the scheduled events.

Kentucky Family Resource and Youth Services Centers program offer academic support, counseling and other services to at-risk students. They provide funding to schools serving low-income students. By law, the funding supports coordination and referral to health and social services, employment and career development and education and counseling for substance abuse, mental health and family crisis issues. Local areas report close associations and community collaboration in coordinating and meeting the needs of at-risk students and families.

The Kentucky Department for Libraries and Archives (KDLA) and the Workforce Investment Office of Employment and Training (OET) engaged in qualifying countywide public libraries to participate in a project using Public Library/Workforce Information grant funds. Funds were applied based on county populations. Library staffs were trained on use of EKOS. Training was conducted in sessions designed for assisting customers in resume writing, job interview skills, application completion, basic computer classes, basic internet classes, email basics, job resources online, MS Word, MS Excel, MS Access, MS PowerPoint, etc. These computers, trained library staff and the increased accessibility of local libraries, many with extended hours, has enhanced the public's ability to access valuable workforce services and information for youth and families who may lack the equipment and environment in the home.

Also supporting the Governor's vision for meeting the needs of disabled youth, the Community Based Work Transition Program (CBWTP) is a collaborative effort between participating local school districts, the Kentucky Department of Education (KDE) and the Department of Workforce Investment's Office of Vocational Rehabilitation (OVR), and the Human Development Institute at the University of Kentucky (HDI). The CBWTP is designed to provide a positive beginning in the world of work for students in special education during their last two years of high school. The

goal for the CBWTP is students with disabilities will graduate from high school with positive employment outcomes, working in an integrated work setting with competitive pay.

The CBWTP helps students with their transition needs by providing community experiences, instruction, and employment opportunities, and developing a comprehensive career assessment based on the student's interests, preferences, and strengths. The CBWTP serves students having a range of abilities who need help with:

- Determining the characteristics of a good job, a job that fits personal preferences, offers ways to contribute, and has fitting tasks, setting, and co-workers.
- Finding and negotiating suitable responsibilities, including customizing a job that meets student and employer needs.
- Receiving suitable on-the-job instruction, someone to learn about the typical orientation, training practices and to promote use of these typical ways to the fullest extent possible and facilitate and provide what else is needed.

The High School Outreach project is now working on identifying strategies to enhance the transition services in partnership with OET, WIA and KDE staff.

Gov. Beshear also established the Governor's Re-entry Task Force in 2009 to research innovative drug treatment, causes of recidivism and best practice methods to improve education and vocational training for people who are incarcerated. The Governor's goal is to reduce the recidivism rate by 50 percent over a five-year period. Recommendations from the task force will be used to develop youth service strategies and to determine Statewide Reserve investments to help young offenders.

6. Describe the governor's vision for how it will ensure that older individuals receive workforce training that will prepare them to reenter the labor market and become a workforce solution for employers. (§112 (b)(17)(A)(iv).)

Older individuals remain a vibrant and important part of the Commonwealth's labor market and its economic success. The state will offer entrepreneurial assistance to individuals of all ages through coordinated efforts with the Small Business Assistance Office, the Small Business Development Centers, and extensive partnerships with nonprofit organizations that serve targeted populations in the creation of new business opportunities statewide. Further, the *WORKSmart Kentucky* plan notes that the Local Workforce Investment Board (LWIB) will leverage all available labor resources, including older Americans, to the benefit of its overall economy. The state expects to actively participate with a number of social programs in continuing to encourage and support older Americans as they engage in the labor market.

Partnerships with other agencies and organizations that serve the older worker population exist among Department for Aging and Independent Living (DAIL), the LWIBs, and social service organizations providing services to older individuals including businesses and labor. However, these efforts need to be strengthened statewide. In the Commonwealth, the Senior Community Service Employment Program (SCSEP) is administered by DAIL. SCSEP providers are being offered the opportunity to collaborate with the one-stop career centers to further the resources available to older workers by accessing the core or universal services. Coordination also increases the availability of SCSEP to appropriate one-stop career center customers. Through the one-stop career center system, the Commonwealth will bring together those involved in the older worker community through meetings, development of materials (including Internet resources,

publications and promotional material), and forums (meetings and roundtables) encouraging collaboration and seeking to eliminate service gaps. Easy accessibility, partnering and seamless service for providers and their customers will be greater components of SCSEP.

Priority areas and strategies for older Kentuckians include: providing technological skills upgrade, profiling the learner, investing in confidence reinforcement, chunking training and creating experiential training opportunities.

## **B. One-Stop Delivery System**

1. Describe the state's comprehensive vision of an integrated service delivery system, including the role each program incorporated in the Unified Plan in the delivery of services through that system.
  - a. Identify how the state will use WIA Title I funds to leverage other Federal, state, local, and private resources in order to maximize the effectiveness of such resources and to expand the participation of business, employees, and individuals in the statewide workforce investment system? (§112(b)(10).)

The Commonwealth has been aggressively moving forward in its efforts to leverage WIA Title I funds with other federal, state, local and private resources. In doing so the emphasis has been on improving efficiency and effectiveness at every level of the workforce development system. The clearest indication of that commitment is the *WORKSmart Kentucky* strategic plan. There are action steps targeted at the state, LWIB, community and operational levels.

For example, the Branding and Identity action step has been internally rolled out during the summer of 2012. This initiative used individual and business customer input to re-tool service delivery statewide to meet customers' expectations. WIA funds are also being used for the High Performing Workforce Investment Boards action step. It focuses on a sector-based approach and relies on the strategic engagement of businesses while reinforcing the integration of local, state and federal resources at LWIB and regional levels to meet employer needs. In addition, the one-stop Certification action step will move the service delivery system from one of co-location to collaborative customer service with an emphasis on business services and collaboration at the operational level.

As part of the Sector Strategies action step, the Commonwealth conducted a sector strategy institute to support consensus decision making among education, workforce, economic development, business and community leaders, and gave regional leaders the tools to strategically leverage multiple investments. The third round of Industry Partnership requests for proposal is also under development and will provide seed money to form partnerships in critical state and regional sectors that are employer led and consortium based. Industry Partnership grants are administered for industries to form a consortium approach to address common needs and to strengthen market penetration, talent pipelines and overall sustainability.

The Workforce Development Academy is a train the trainer program that offers a collective approach of our workforce system (OET, OVR, OFB, OCTE, WIAs and partner agencies) as it relates to the Commonwealth's initiatives and utilizing the tools offered to create a holistic approach to serving our business and job seeking customers.

Another leveraging opportunity is the Work Ready Communities action step. This initiative is currently identifying 10 critical criteria that counties and/or regions can achieve through education, economic and workforce development collaborations to provide a skilled workforce that the employer community needs.

The Commonwealth's most recent venture was an application to the Workforce Innovation Fund Grant that focused on building capacity and fortifying the relationship between the KEWDC and the KCED. This would enhance our business services redesign initiative that creates a solution based approach to serving our employers and targets sectors through training of business team members about sectors to build the expertise of staff, credibility among business and ultimately linking job seekers to appropriate employment.

Technology enhancements also have continued in the form of Focus/Talent and Focus/Career. The Focus/Suite software package allows job seeking customers to simultaneously register for service and develop a resume. Artificial intelligence matches the skill sets of customers to the job that matches their abilities. Focus/Talent lets our employer customers fill jobs by providing search engines that rapidly find matches and have the ability to "clone" applicants that are a perfect match. This saves time and resources and builds the credibility of our system.

- b. What strategies are in place to address the national strategic direction discussed in Part II of this guidance, the governor's priorities, and the workforce development issues identified through the analysis of the state's economy and labor market? (§112(a) and 112(b)(4)(D).)

The Commonwealth is committed to ensuring that every Kentuckian has the opportunity to gain the requisite knowledge, skills and abilities to participate in the workforce at a level that pays a family sustaining wage and career lattices in high-growth sectors. To address this challenge, the Commonwealth applied for the Workforce Innovation Fund as mentioned above. It also demands a new level of collaboration among the education, workforce development and economic development professionals in the Commonwealth. To accomplish that goal, the Commonwealth is participating in a number of national initiatives.

The Skill Up initiative, identified in the *WORKSmart Kentucky* strategic plan as the I-Best action step, provided an expedited format for low-skilled adults to gain a General Equivalency Diploma (GED), an industry certification and a National Career Readiness Certification center, and a Microsoft certification. This collaboration among KYAE, KCTCS and the Kentucky DWI was a pilot project, conducted in several locations across the Commonwealth. The collaborative has scaled up this effort through the AOKY project.

The Commonwealth participated in Employment and Training Administration's Career Pathways Technical Assistance initiative. Once again, the Career Pathways collaborative was centered on critical regional sectors partnering with KYAE, KCTCS and OET. There are two LWIBs working with local partners to develop career pathways for low-skilled adults. This work will serve to inform our Sector Strategies initiative and, like Skill Up, be evaluated and scaled up through the AOKY project.

As the Sector Strategies initiative continues to roll out through the identification of state and local growth sectors, the Eligible Training Provider action step will move into completion. The focus of this effort is to evaluate the current process fine tune it, upgrade its technology

to make it more user friendly. The revised process will result in a re-evaluation of each of the providers on the list to determine if they support the identified state and regional growth sectors.

The Business Services Redesign action step completed its contract with Thomas P. Miller and Associates. A Business Services Framework will now be developed in collaboration with the LWIBs. A statewide training institute was conducted to educate and retrain those currently in the system as well as new partners. Resources will be made available to each LWIA to support specific operational adjustments and training needs to align with the new direction. This initiative has been informed by and grounded in ETA's Rapid Response: Solutions for Economic Transition work.

In support of our application to the Workforce Innovation Fund Grant, The KEWDC and KCED have aligned their strategic plans to create the Kentucky Solution toward economic vitality within the Commonwealth.

- c. Based on the state's economic and labor market analysis, what strategies has the state implemented or does the state plan to implement to identify and target industries and occupations within the state that are high growth, high demand, and vital to the state's economy? (§112(a) and 112(b)(4)(A).) The state may want to consider:
- Industries projected to add a substantial number of new jobs to the economy;
  - Industries that have a significant impact on the overall economy;
  - Industries that impact the growth of other industries;
  - Industries that are being transformed by technology and innovation that require new skill sets for workers; or
  - Industries that are new and emerging and are expected to grow.

### **Targeted Industry Analysis**

The current sector strategies project being developed under the guidance of KEWDC includes a data-driven industry sector analysis. The analysis includes gathering and evaluating multiple data perspectives, such as historical performance and future industry growth projections at the six-digit NAICS level.

Research predicts the top 20 fields requiring a bachelor's degree will increase by 14.8 percent from 2010 to 2020. Of the top 20 jobs, the top five are all in the technology sector. For those who do not want to obtain a bachelor's degree, an associate's degree in a medical profession such as laboratory technician or registered nurse will grow by an average of 17.9 percent through 2020 in the Commonwealth. Currently, several local areas have initiatives targeting the healthcare industry.

The automotive industry is a key target industry with opportunities for locating virtually anywhere in the Commonwealth. The auto industry provides high wages, is a healthy part of the U.S. and world economies, and provides one of the higher economic multiplier effects because of the connection with high value-added supplier plants. Positioned geographically in the center of the U.S. "auto alley," Kentucky is within 500 miles of 69 auto and truck assembly plants. Kentucky's location, productive workforce and low business costs make the state a natural for automotive manufacturing and supplier plants.

The Commonwealth's new economy effort is comprehensive and multi-dimensional. It includes programs housed not only in the KEWDC, but also the Council for Postsecondary Education (CPE), the Kentucky Science and Technology Corporation (KSTC) and KCTCS, along with universities and the private sector.

The Commonwealth's targeted industry clusters as identified through the KWIB Sector Strategies Initiative were defined based on detailed industry analysis. The KWIB, in conjunction with the KEWDC, engaged the services of Maher & Maher to facilitate and provide technical expertise for the development of sector strategies. A data-driven process, supplemented by stakeholder expertise, sector strategy implementation has defined the Commonwealth's key industry sectors.

The consultants along with KWIB members, the local knowledge of leading LWIBs, and input from representatives from KCTCS, Department of Commercialization and Innovation, KCED, KEWDC and other key stakeholders, continue to research and monitor the Commonwealth's economic drivers to understand the dynamics of job creation and earnings, strengthening the Commonwealth's economic base.

Key data elements considered for defining the Commonwealth's Sector Strategy approach were historical growth, future projection, industry concentration, industry competitiveness, export orientation, job multiplier effects, earnings multiplier effects, industry average wage, and workforce compatibility. The accumulation of this data along with input from a data team and steering committee members provided the Commonwealth with five statewide, world-class sectors on which to focus.

1. Automobile/Aircraft Manufacturing
  2. Transportation, Distribution and Logistics
  3. Business Services and Research & Development
  4. Health Care/Social Assistance
  5. Energy Creation/Transmission
- d. What strategies are in place to promote and develop ongoing and sustained strategic partnerships that include business and industry, economic development, the workforce system, and education partners (K-12, community colleges, and others) for the purpose of continuously identifying workforce challenges and developing solutions to targeted industries' workforce challenges? (§112(b)(8).)

The strategic plan continues to promote the development of partnerships in an effort to provide timely and relevant solutions to workforce challenges in a number of ways. The following are descriptions of four projects as prepared by the steering committees overseeing each one.

### **High Performing Workforce Investment Boards**

To continue to fulfill the KWIB's goal for the state to provide consistency and leadership to help the LWIBs achieve their full potential, the High Performing WIBs initiative validates the good work being done by LWIBs, sets the course for a vision and future investments in the LWIBs, creates a culture of success and provides a technical assistance system to help the boards improve.

## **Benefits to Communities**

The best boards are creative, entrepreneurial and calculated risk takers on behalf of their communities. High-impact boards have significant positive impact on workforce issues. They have a value that extends beyond their authorization under WIA that justifies their existence over and above a single funding stream.

We have ensured an inclusive and collaborative process, by forming a stakeholder steering committee to help shape the work and define high impact. The committee drafted policy parameters, established criteria, indicators and measures of high performance; and created an application process and self-assessment tool. Boards have received training on the criteria and process. The state has completed Phase I and will kicked off Phase II July 1, 2012. Standards that reflect appropriate goals and processes will be developed. Volunteer reviewers within the system (that does not create a conflict) will be trained to score applications and perform on-site validation visits to assess the impact. Each LWIB will receive a feedback report that identifies its strengths and challenges and recommendations for improving the board. Participating boards will receive either an incentive award for being high impact or technical assistance resources if they need help to attain that designation.

## **Work Ready Communities**

The KWIB, in conjunction with the KEWDC, has implemented a Work Ready Communities program, to certify counties as “work ready” based on the quality of their labor force. The program raises the concept of “certified employability” from the individual level, as indicated by a person’s attainment of a NCRC or other credentials, to the community level. Further, it promotes cooperation among key community stakeholders (community college staff, secondary education, economic development professionals, elected and appointed officials, employers, chambers, school boards, community organizations, and others) as they work toward a common community goal. The KWIB and OET staff has conducted presentations throughout the Commonwealth, engaging multiple entities and Gathering support for this crucial endeavor.

## **Benefits to Communities**

Earning Certified Work Ready Community status ensures citizens have the talent necessary to staff existing jobs and to master the innovative technologies new jobs will require in the future. This certified status shows employers and prospective employers that a county has the talented workforce that business demand - a sustainable, reliable pipeline that delivers the right workers with the right skills at the right time.

Work Ready Communities can:

- attract new businesses and investment,
- gain a competitive advantage over surrounding communities,
- help existing companies grow and add jobs,
- recruit creative, talented and innovative people, and
- revitalize and sustain their economies.

Each community must gather local support and commitment and apply for the Work Ready Community designation. To earn the designation of a Certified Work Ready Community, counties have to meet and maintain certain criteria such as:

- encouraging current workers and the available workforce to earn NCRCs,
- demonstrating a commitment to meeting certain public high school graduation rates, and
- building community commitment for meeting these goals.

In the long run, this is a program that will benefit communities as well as the entire state. By taking part in the effort, counties can transform their economies and give themselves a competitive advantage in attracting new businesses and jobs. By identifying both the needs of business and the available skills of the Commonwealth's workforce, the state can more effectively generate the right talent for the right jobs.

### **Sector Strategies**

The KWIB, in conjunction with KEWDC, engaged the services of Maher & Maher to facilitate and provide technical expertise for the development of sector strategies. This change management initiative was designed to introduce the concept of sector strategies, what they are, why they are important and how they should impact service delivery strategy for the workforce system and our partners throughout the state.

Partnering with Economic Modeling Strategies (EMSI), a leader in economic data collection and analysis, the goal was to align the workforce, economic development and education systems with the needs of the state's high growth/high wage industries. KEWDC has developed five sectors (as previously) that will drive funding and resources as well as each of the 10 workforce regions. These sectors are aligned with industries' growing, high demand and sustainable wages. These sectors vary among regions to represent local need, culture and industry.

### **Benefits to the State and Its Regions**

Determining the state's economic drivers help state leaders understand the dynamics of job creation and earnings, and help them strengthen the state's economic base and diversify for future growth.

- The implementation of sector strategies will simplify the workforce development service delivery system and help achieve a customer-centered system.
- Sector strategies lead to an efficient use of resources as organizations that are primarily responsible for attracting companies and jobs to a region and those supplying the skilled workforce are working together to attain a shared regional vision.
- The data-driven process, supplemented by stakeholders' on-the-ground intelligence, will define the state's key industry sectors, thereby allowing all related systems to align to industry needs, eventually benefiting all Kentuckians and its workforce.

### **The Process**

- The Commonwealth designed a Sector Strategies 101 course that demonstrated a high-level overview of the power and benefits of sector and cluster strategies.

This instructor-led training was developed in the format of a PowerPoint, presented as a webinar and then converted into a self-paced learning course.

- This facilitated the identification of five statewide target sectors and three to five sectors in each region.
- Three Sector Strategies Institutes were conducted to introduce the value of regional sector approaches, discuss the results of the data analysis and foster a method of collaborative, regionally based decision-making in building regional sector strategies.
- A strategy was developed for one statewide sector and provided critical industry, occupation and education data analysis. This became the model for regions to develop their own sector strategies.
- A Sector Strategies toolkit was developed that includes decision-making tools, strategy-development tools, best practices and model strategies.

### **Economic Development Partnership**

As mentioned previously the KEWDC and the KCED have formed a partnership to jointly impact business by creating a coordinated effort to assist businesses with their needs. Economic Development's "Unbridled Future" strategic plan and the KWIB strategic plan are aligned and a willingness by both parties to engage in conversation, create joint successes in assisting business by communicating at high levels will lead to credibility among our customers, trust among the partners and consistent professional growth opportunities as consistent communication promotes better understanding of each entities role.

### **Benefits to the State and Its Regions**

- This partnership enhances communication and collaboration between workforce boards and economic development agencies by bridging differences in "language," goals and cultures.
- It focuses on a seamless delivery of services provided by a system not individual agencies.
- It helps improve and evolve methods of projecting jobs and training needs of the future by building and strengthening relationships among all parties prior to a crisis situation.
- It increases opportunities for entrepreneurship in a culture of innovation.
- It creates constant professional growth opportunities.
- It establishes credibility.

### **Accelerating Opportunity Kentucky (AOKY)**

KCTCS, in partnership with KYAE and the KWIB, was awarded a \$200,000 grant as a part of Accelerating Opportunity, a Breaking Through Initiative. Supported by a strategic partnership of five of the nation's leading philanthropies, AOKY will help the Commonwealth transform adult education into more successful pathways leading to economic security for underprepared workers in today's demanding job market.

AOKY seeks to change the way education is delivered to adult learners by putting adult students on track to earn a postsecondary credential so they can seize the opportunity to earn family-sustaining wages and break the intergenerational cycle of poverty.

Upon completion of the design stage, the Commonwealth was awarded an implementation grant to be delivered over a three-year period. Educational pathways to higher skills, credentials and employment will be rigorously tested and independently evaluated.

Accelerating Opportunity: A Breaking Through Initiative is a multi-state effort managed by Jobs for the Future that promotes improved academic access and economic opportunity for low-skilled adults. This effort seeks to enhance adult education and postsecondary systems by integrating basic skills with occupational training and adequate institutional support for adult learners, ensuring they receive the postsecondary credentials needed to succeed in high-skilled jobs and break the cycle of poverty in their communities. Accelerating Opportunity: A Breaking Through Initiative is supported by the Bill & Melinda Gates Foundation, the Joyce Foundation, the W.K. Kellogg Foundation, the Kresge Foundation, and the Open Society Foundations.

#### **Benefits to the State and Its Regions**

- This partnership enhances communication and collaboration between workforce staff and educational instructors.
- It focuses on a seamless delivery of services provided by a system not individual agencies.
- It creates a holistic approach to services.
- It creates constant professional growth opportunities.
- It promotes continuous educational opportunities for job seekers.
- It maintains motivation for students who can rapidly move through the educational criteria while gaining industry recognized credentials.

#### **Business Services Redesign**

As mentioned previously, the Business Services Redesign will shape the way the Commonwealth reaches out to business. It will be solutions based as opposed to selling services. It will be a collaborative approach as opposed to operating in silos and it will offer a consistent approach to delivery.

#### **Benefits to the State and Its Regions**

- This initiative enhances communication and collaboration among the system.
- The redesign focuses on a seamless delivery of solutions.
- It creates opportunity for the entire system to benefit.
- It promotes a framework to recognize best practices.
- It enhances credibility to further impact the Commonwealth.

- e. What state strategies are in place to ensure that sufficient system resources are being spent to support training of individuals in high growth/high demand industries? (§112(b)(4)(A) and

112(b)(17)(A)(i.)

The Commonwealth has put a premium on training individuals in high-growth/high-demand sectors. Under Gov. Beshear's leadership, the Commonwealth retooled its use of Statewide Reserve funds to support training in viable state and regional sectors. Specifically, a Statewide Reserve Investment strategy including long-term and short-term investments has been developed. Investments have been made in the Prescriptions for Success, Pre-Apprenticeship, Sector Strategies and High Performing WIBs to name a few. Unfortunately, Statewide Reserve funds are no longer available to create new opportunities, reward innovative thinking and support continuous growth opportunities of our system.

Since the state and regional sector strategies were identified last summer, the state has begun overhauling the Eligible Training Provider List as outlined in the *WORKSmart Kentucky* strategic plan. Also, the industry partnerships tied to the identified targeted sectors will ensure that the training needs of employers in those sectors have been developed and education and training partners will align program offerings to support those employer needs.

Additionally, the Commonwealth will continue to utilize a method undertaken with ARRA resources: evaluating how training dollars are spent and how those expenditures correlate with the identified training needs regionally and statewide. This will be done on a quarterly basis at the state level as well as assessed through the overall monitoring process.

As mentioned, partnering with Economic Development will guide KEWDC resources to ensure they are being delegated to the right areas, in the appropriate amount and in a timely pro-active method as opposed to a re-active manner.

Finally, at a local level, the Work Ready Communities will continue to focus on key education, business, community, workforce and economic development leaders and the need to increase the skill level of the emerging, incumbent and underemployed workforce in high-growth/high-demand occupations.

- f. What workforce strategies does the state have to support the creation, sustainability, and growth of small businesses and support for the workforce needs of small businesses as part of the state's economic strategy? (§112(b)(4)(A) and 112(b)(17)(A)(i.)

The KWIB understands the importance of small business and the potential for economic and job growth with existing small businesses as well as the promise of innovation-driven business creation. The strategic plan deals with small business and entrepreneurial efforts in a number of ways.

First, the Sector Strategies initiative recognizes the importance of a business sector regardless of the size of the companies that comprise it. By facilitating these efforts, the workforce system can serve small business in a number of ways, including development of career pathways and training programs that small business would likely not have the capacity to develop on their own; serving as a forum for businesses to mentor each other and gain the advantages of a larger entity because of the cooperative aspects of the partnership; and realizing the benefits of a renewed or new relationship with the

workforce system as a solutions-based resource for building their capacity to compete.

Second, an initiative called “Mind Your Own Business” is an effort to increase the workforce system’s participation in the innovation and entrepreneurial economy of the Commonwealth. While we cannot teach entrepreneurship, we can help train individuals in the practice of operating a successful business as well as the key component of this initiative: making connections between entrepreneurs and venture capitalists.

The following is a description of this initiative from the *WORKSmart Kentucky* strategic plan.

Mind Your Own Business promotes entrepreneurship and innovation as employment and economic development options with training available through every one-stop career center and area technology center throughout the state. Innovative thinking and local adaptation is encouraged by this strategic plan therefore, a standardized statewide curriculum is not recommended.

Local areas are encouraged to work with education, business and finance partners as well as small business development centers and the state’s Innovation and Commercialization Centers to develop a comprehensive entrepreneurship training program that is responsive to local needs while meeting certain minimum standards to be established by the Governor.

In addition to providing opportunities for entrepreneurship training, local alliances are encouraged to link successful participants with venture capital, micro-finance and other financing resources.

Area technology centers operated by the Kentucky OCTE should work with the LWIBs to create secondary-level versions of the entrepreneurship training opportunities.

- g. How are the funds reserved for statewide activities used to incent the entities that make up the state’s workforce investment system at the state and local levels to achieve the governor’s vision and address the national strategic direction identified in Part I of this guidance? (§112(a).)

The following is the policy for investing Statewide Reserve funds adopted by the KWIB. This includes Tier I thru Tier III funding based on priority. With the limited Statewide Reserve dollars of \$1.2 million, the following initiatives will assist the Commonwealth efforts.

**Tier 1 Investment:**

***Branding/Outreach*** ***\$200,000***

The outreach efforts have been initiated with state and regional brand leadership being identified. Internal launch activities have begun along with the development of critical foundational efforts. This will include an aggressive outreach initiative detailed in action step 22.

***Sector Strategies*** ***\$300,000***

This program will provide funding for additional Industry Partnerships addressing the state-

level targeted sectors identified by the KWIB and the KCED as well as regional targeted sectors. Technical assistance and expansion strategies will also be carried out.

**Tier 2 Investments:**

***User-Friendly Online Services*** **\$225,000**

The steering committee has started meeting to develop the architecture to realign the Workforce Development System's online presence to the new brand and brand promise. This investment will target programming changes identified by the steering committee as well as customers. Resources will also be provided to LWIAs to align their website to the new brand for consistency.

***One-Stop Certification*** **\$50,000**

The KWIB adopted the standards in August 2011. LWIAs have been completing self-assessments and submitting technical assistance plans to the Commonwealth. LWIAs may begin the certification process October 1, 2012. Resources will be directed toward the development of products, training and other roll-out activities.

***High Impact WIBs*** **\$50,000**

The KWIB established the criteria in May 2011. LWIAs have had the opportunity to access technical assistance funds to meet the standards and criteria through June 2012. Funds will be used to develop the tools, products, training and assist in roll-out for the standards year which began July 1, 2012.

***Business Services Redesign*** **\$100,000**

The steering committee is finalizing a business service redesign framework. The intent is to provide support to Commonwealth companies throughout the business lifecycle as opposed to predominantly times of dislocation as detailed in action step 14. Locals will be able to apply for planning funds to support the redesign efforts.

***Workforce Academy Phase 2*** **\$250,000**

The Commonwealth has developed training entitled *Foundations for the Future: Building Kentucky's 21<sup>st</sup> Century Workforce Academy*. The train-the-trainer was completed in June 2012 and roll-out begins in the summer of 2012 across the system. A curriculum plan for continued training through the Academy will be finalized in June. The proposed resources will be used to implement those recommendations which will result in a comprehensive training program for all staff. It will support consistency and quality across the Commonwealth. It is action step 21 in the *WORKSmart Kentucky* plan.

***Entrepreneurship*** **\$50,000**

Funds will be made available to establish foundational state level criteria for meaningful entrepreneurship training programs.

***National Career Readiness Certificate (NCRC)*** **\$50,000**

The Commonwealth will offer scholarship funding for returning veterans, persons with disabilities and the chronically unemployed as well as assist with job profiles.

**Tier 3 Investments:**

***State/Local Innovation***

***\$150,000***

These resources will be invested in statewide and local projects that support system transformation and the four goals of the KWIB: align with the Commonwealth’s education objectives; align with economic development strategies; simplify the workforce development service delivery system and improve service to achieve a customer-centered delivery system.

***Eligible Training Providers***

***\$75,000***

An overhaul of the existing Eligible Training Provider List policy and procedures is underway. Once the policy is adopted by the KWIB, the funds will help the state modify the online tools, data reporting mechanisms and training activities.

***High School Outreach***

***\$50,000***

A survey process is underway by the steering committee to assess the career development needs and supports around the college and career readiness standard. These resources will be used to develop specific products and provide support services identified and prioritized by the steering committee.

***Case Management***

***\$50,000***

One-stop career centers are moving toward integrated customer service delivery through Partners for Success and the one-stop Certification process. Adjustments to the online case management system as well as training on those new tools and processes will be needed. Resources will be used to make the needed changes and accompanying supports.

- h. Describe the state’s strategies to promote collaboration between the workforce system, education, human services, juvenile justice, and others to better serve youth that are most in need and have significant barriers to employment, and to successfully connect them to education and training opportunities that lead to successful employment. (§112(b)(18)(A).)

When the KWIB was re-established, a steering committee was developed to include all of the secretaries of key cabinets involved in workforce development. The steering committee identified potential action steps for enhancing services to youth most in need and with significant barriers. They include Tech High, I-Best (which changed to Skill Up and is now known as Accelerating Opportunity), Apprenticeships, High School Outreach, GED Express, Partner for Success and Case Management.

Specific collaborative initiatives were discussed in detail in earlier sections, but include the following:

- Governor’s Re-entry Task Force,
- Graduate Kentucky initiative,
- College and Career Readiness,
- National Career Readiness Certificate (NCRC),
- Accelerating Opportunity Kentucky,
- Transitions initiative, and
- Career Pathways.

Kentucky has made a primary focus to develop strategies to assist at-risk youth to stay in school, but there are real efforts underway to reengage youth whether homeless, foster care, offenders, children of incarcerated parents, migrant and seasonal farm worker youth or youth with disabilities. As identified throughout this document, there are a number of task forces

that Governor Beshear has initiated with recent reports which provide clear action steps for all the critical partners mentioned earlier in this document. Therefore, workforce leadership does not see the need to create additional interagency collaboratives comprised of workforce system, education, human services, juvenile justice and others to carry out these action steps.

Specifically, the interagency partners need to map the recommendations of all the task forces that impact Kentucky's youth. Efforts will be made to align and prioritize these recommendations which will result in a comprehensive, integrated strategy for Kentucky's at-risk youth population. The interagency partners will then evaluate the strategy to determine any gaps with a keen eye toward Kentucky's out-of-school, youth populations with significant barriers. The goal of this process is to determine if there is a need to diversify efforts regarding this population in particular. The workforce system will then work with interagency partners to move forward in a coherent and collaborative manner to execute the action steps outlined in the roadmap through the continuing work of each task force as well as the WORKSmart Kentucky plan. This process will be invaluable as the KWIB plans to update and revise the WORKSmart Kentucky plan in 2013 as well as inform our state and regional technical assistance strategies.

- i. Describe the state's strategies to identify state laws, regulations, policies that impede successful achievement of workforce development goals and strategies to change or modify them. (§112(b)(2).)

The KWIB has developed a strategic plan to work with all partners in the state to improve the process of finding employment and maintaining a productive and trained workforce.

The KWIB strategic plan identified barriers to employment for the Commonwealth's job seekers. These barriers are aggressively being addressed through various technology enhancements. The KWIB is also developing sector strategies on a state and regional level to address the problem of being program driven rather than demand driven. Being demand driven will allow the state and local areas the ability to focus workforce needs on an industry assuring a flow of workers for present and future needs.

On June 15, 2010, Gov. Beshear signed House Bill 5, a measure aimed to restore stability to an unbalanced unemployment insurance (UI) system, and shore up the state's depleted Unemployment Insurance Trust Fund. The legislation is based on recommendations by a task force of Kentucky business and labor representatives and lawmakers convened by the Governor to study the state's UI system. House Bill 5 modernizes the state's unemployment tax and benefits structure.

Beginning this year, the law gradually increases the taxable wage base from \$8,000 to \$12,000 over a 10-year period; implemented a waiting week before eligible workers can begin to receive benefits after they file a claim; and reduced the statutory replacement rate used to calculate a claimant's weekly benefit amount from 68 percent to 62 percent.

In 2011, the Commonwealth undertook a major project for the enhancement of EKOS, known as America's one-stop Operating System (AOSOS). Through an RFP process, the Commonwealth selected Focus Suite software from a vendor, Burning Glass Inc., in Boston, Mass. Focus/Career has replaced both the Commonwealth's self registration for job seekers and e3.Ky.gov employer portal at no cost to job seekers or employers. Focus/Talent is utilized by employers who prefer to enter their company information and job posts, which are

automatically processed into the EKOS database and viewable to job seekers in the EKOS Self Service Module on America's Job Exchange (AJE) and Job Central (JC). These enhancements have streamlined the process and are assisting job seekers in maintaining and updating resumes as additional training is received.

It is the responsibility of the KWIB and the OET to identify laws, regulations and policies that may impede the successful achievement of the Governor's workforce development vision.

To support efficiencies within the Unemployment Insurance Division, OET has contracted the services of CSG. The purpose of the RFP was to look at all business processes within Unemployment Insurance Division, make recommendations for improvement and share best practices. CSG completed a 16-week evaluation in June 2012. The OET will assess the recommendations and determine cost and impact of implementing processes and technology systems.

- j. Describe how the state will take advantage of the flexibility provisions in WIA for waivers and the option to obtain approval as a work flex state pursuant to §189(i) and §192.

The Commonwealth requests the continuance of the following previously approved waivers. (See Attachment H – Full Waiver Plans)

**1. Waiver of WIA Section 133(b)(4) and WIA Regulations §667.140 to increase the allowable transfer amount between adult and dislocated worker funding streams allocated to a local area.**

Local boards have the option to continue to transfer up to 50 percent of a program year allocation for adult employment and training activities and up to 50 percent of a program year allocation for dislocated worker employment and training activities between the two programs.

The waiver will provide LWIBs the continued ability to better respond to changes in the economic environment and the local labor market. The only programmatic impact will be the flexibility to channel resources to the population with the greatest need at that time.

**2. Waiver of WIA Section 133(b)(2)(B) to be expended on incumbent worker training activities pursuant to the rules adherent to statewide activities described by WIA Section 134(a)(3).** These funds will be connected to layoff aversion activities.

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, the Commonwealth will be able to strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting the Commonwealth's goals related to layoff aversion, skill enhancement and business services.

**3. Waiver of WIA Section 134(a)(1)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.330 to permit a portion of the funds reserved for rapid**

**response activities to be used for incumbent worker training.** Allow up to 20 percent of Rapid Response funds to be shifted, as needed, to LWIAs for the purpose of providing incumbent worker training.

This waiver promotes maximum investment of available funds as well as increases levels of service. It focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promoting flexibility of LWIAs to further expand incumbent worker activities.

4. **Waiver of 20CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.** Permit the Commonwealth to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). Under the waiver, the Commonwealth will continue to collect and report information on incumbent workers trained with LWIA dislocated worker funds and rapid response funds awarded to local areas for layoff aversion, in the WIASRD Section II, Program Activities and Services Information, and Section III, Program Outcomes Information, to account for the use of funds.

The goal of this waiver is to minimize the data capture requirements impacting skills upgrade training programs through incumbent worker training so that employers are not unnecessarily burdened with federal data collection requirements that do not provide relevant program information. The goal is to simplify the process of serving businesses and industries and incumbent workers. Expected program outcomes include allowing local area flexibility to offer incumbent worker services and enhancing services to businesses along with increasing flexibility to engage and work with businesses in improving skills of the employer's workforce. Additionally, by eliminating the requirement to capture information that does not impact program outcome, this waiver will allow local areas to timely assist employers in averting layoffs and improve employer customer satisfaction.

5. **Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training (OJT).** WIA would reimburse up to 90 percent to employers with 50 or fewer employees and up to 75 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees would be reimbursed at the 50 percent rate.

Employers, WIA customers and job seekers will be positively affected through this waiver. The Commonwealth's smaller employers will benefit due to the increased reimbursement rate. The time the employer has to devote to the OJT employee, will make them more valuable to present and future employers. As more employers are able to access OJT training, it will provide training to more adults and dislocated workers eligible for services under WIA.

6. **Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).** Through this waiver, the employer match would range from a minimum of 10 percent to a maximum of 50 percent, based on the employer's size. Specifically, the Commonwealth would establish the required portion of the costs, which would not be less than 10 percent of the costs for employers with 50 or fewer employees

and not less than 25 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees would be charged the 50 percent rate.

The proposed sliding scale for the employer contribution will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small-employer budget. Local areas will be able to more effectively market WIA-funded customized training services to the private sector in support of building relations with employers in high-demand, high-growth industries.

7. **Waiver to permit the Commonwealth to replace the performance measures at WIA Section 136(b) with the common measures.** The waiver facilitates system integration and streamlines the reporting process across partner programs.
  8. **Waiver of the prohibition at 20CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth to utilize Individual Training Accounts (ITAs) for Older Youth program participants.** The waiver allows for continued flexibility in using youth funds to provide training services to youth, while retaining the limited adult funds to be used for adult training services. The waiver has increased efficiency and customer choice for older youth. Additionally, the waiver has enhanced the efficiency and ease in tracking of funds for each funding stream.
  9. **Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.** The waiver has allowed training providers to offer continuous, uninterrupted service to WIA customers. WIA customers continue to have the ability to choose their training providers and access training services in their local areas with the highest degree of informed customer choice possible.
  10. **Waiver of the requirements of WIA Section 134(a) (2) (B) (iii) and 20 CFR 665.200(e) relating to the provision of incentive grants to LWIAs.** In Program Year 2011, Congress decreased the amount of funding for statewide activities from 15 percent to 5 percent. This reduction restricts the Commonwealth's ability to effectively fund and carry out all required statewide WIA activities and currently identified statewide innovative projects. The current unobligated funding level in the governor's reserve is insufficient to cover the cost of incentive grants to workforce areas.
2. Describe the actions the state has taken to ensure an integrated one-stop service delivery system statewide. (§§112(b)(14) and 121).)
- a. What state policies and procedures are in place to ensure the quality of service delivery through one-stop career centers such as development of minimum guidelines for operating comprehensive one-stop career centers, competencies for one-stop career center staff or development of a certification process for one-stop career centers? (§112(b)(14).)

The Commonwealth is building upon its policies and procedures to promote and instill quality in the service delivery of our one-stop career centers and system as a whole. The following initiatives are being used to ensure a high quality of service delivery to customers.

- **Branding and Identity:** This is an initiative to infuse a cultural shift in the delivery of services offered to our employer and job seeking customers, as well as

instill credibility within the economic development community. Our priority is to promote a consistent message that will infuse continuity in the delivery of all services offered within the Commonwealth's workforce system. In addition, the goals for the system branding are to create a sense of value and promote a heightened level of professionalism and customer service.

- **One-Stop Certification Process:** This initiative is designed to build continuity and consistency in the delivery of services in the one-stop career centers. Partnerships, common forms, and a truly integrated approach to serving the employer and job seeking population is the emphasis of this strategy.
- **High Performing Workforce Investment Boards:** This initiative will develop an assessment tool that will be utilized by peers of Workforce Investment Board directors and state agency staff. The process will review strategic plans, assess the impact of policies and procedures, engage board members as opposed to board staff in making strategic decisions that impact communities and play a vital role in enhancing economic development initiatives.
- **Partner for Success:** This initiative brings together management and front-line staff from within and throughout the workforce development system. This strategy brings a holistic approach to services through an integrated method toward trainings, networking opportunities and nurturing an awareness of the array of services that partner agencies offer. This initiative also identifies gaps in service and duplications of system offerings.
- **Workforce Academy:** This "train the trainer" approach to workforce activities will promote a consistent training atmosphere that will increase knowledge throughout the workforce system and across partner agencies. Online trainings and a certification process will instill value in the work that is done to serve employers and job seeking customers. One of the key topic areas that will further our interest of integration is cross-functional supervision of our systems multiple agencies.
- **Case Management Trainings:** This initiative complements our one-stop Certification process by sharing common assessments, developing and coordinating common referrals processes and creating a common triage tool that will promote integration and a concerted effort toward effectively serving our customers.
- **One-Stop Management Teams:** Efforts will be made to encourage each local workforce region to coordinate and facilitate one-stop career center management teams, share successes, develop strategies to promote integration, identify cost sharing opportunities, incorporate functional supervision opportunities and promote a continual growth within the one-stop system.

In addition, OET is taking every opportunity to either renovate existing site locations to include OVR, OFB and additional partners to create an integrated experience for our customers.

- b. What policies or guidance has the state issued to support maximum integration of service delivery through the one-stop delivery system for both business customers and individual customers? (§112(b)(14).)

State leadership has coordinated, facilitated and will continue to promote an integrated

system. This includes all mandated and non-mandated partners that can contribute toward a holistic approach that moves all customers toward a positive path and instills communication and trust among partners within the system.

- **Rebranding and Outreach** - A comprehensive rebranding of our workforce system offices to the Kentucky Career Center name and logo will address the architecture of the entire system including One Stops, online services, and other public interfaces. This will transform the identity of the “unemployment office;” increase the awareness and use of online job matching and training services by unifying promotional efforts; increase the use of our job portal Focus Career and Focus Talent by employers and job seekers with increased promotional activity; reduce confusion for those unfamiliar with the system by simplifying the message and increasing the efficiency of statewide outreach; and increase communication among all service delivery points by unifying them under one brand.
- **Workforce Academy** - In order to achieve system-wide consistency in the approach to customer service, a training program will be developed and provided to all service delivery staff. Great customer service also depends on knowledgeable service delivery staff with the confidence to perform all aspects of their jobs and an understanding of the system itself. In addition to customer service training, opportunities for training in the following areas are also recommended:
  - workforce system orientation,
  - workforce programs,
  - management,
  - media relations,
  - case management,
  - career counseling, and
  - partner cross-training, as appropriate.

Development of the training programs will include a mix of live on-site and on-demand web-based training modules.

Policies have been and will continue to be identified to support local, regional and statewide integration. Such plans include:

- **Cost allocation plans:** Align Memorandums of Understanding (MOU) and Resource Sharing agreements (RSA) that have been developed and are executed within each region. The cost allocation plan will also promote buy-in from each partner agency and promote a higher level of participation and commitment.
- **Memorandum of Understanding:** MOUs will be developed that are consistent and specifically outline the responsibilities of each participating partner and the resources that each has to offer the system.
- **Resource Sharing Agreements (RSA):** Development and processes of RSA’s are critical to have relevant and current information on the partners within the career centers, the square footage of space utilization, and to determine equitable cost distribution.

- **Partner Coordination of Services:** Many of the Commonwealth's initiatives promote coordination of services that will eliminate duplication and streamline positive outcomes and overall performance. As previously stated, initiatives include common assessments, referrals processes, triage tools and orientations for customers to learn about the service the one-stop system provides.
- **National Career Readiness Certificate (NCRC):** This is a nationally recognized credential that is portable and creates an opportunity for a higher skilled job seeker and higher-quality referral for our business customer. This effort combines multiple-partner agencies in the proctoring, profiling and outreach efforts to promote the value of this credential. The NCRC process creates an additional tool for our business services unit to further engage business and promote our one-stop system.
- **Business Services Redesign:** This effort will create a proactive, solutions-based approach to the services offered to the business community. This initiative will promote a coordinated effort toward service delivery in a strategic manner. The objective is to maximize business services resources by aligning them with economic development goals around business development.

One approach under consideration is that each partner agency that represents the business services team will perform outreach efforts toward a designated sector, while receiving training related to that industry or sector. This would promote a concerted effort to not duplicate services, increase integrity within our profession, ability to speak business language and engrain thoughtful and strategic measures to meet the needs of business.

- **Strategic Plan Development:** Each mandated partner within the workforce delivery system will develop individual strategic plans that will complement the overall state plan and instill a collaborative approach toward the common goal of efficient and effective services to both business and job seeking customers.

- c. What actions has the state taken to promote identifying one-stop infrastructure costs and developing models or strategies for local use that support integration? (§112(b)(14).)

One-stop infrastructure costs are identified in each local area/region in the development of the Memorandum of Understanding (MOU) and Resource Sharing Agreement (RSA) among partners. State leadership has met with Real Properties in the Finance Cabinet, the decision-making agency responsible for state properties, and the KEWDC's facility management staff to determine accurate and reasonable costs of operating one-stop facilities.

Focus/Career and Focus/Talent create the opportunity for partner agencies to utilize this system to ensure job matching and the securing of sustainable employment for our mutual and exclusive customers.

Our Partners for Success initiative allows our partners to network, gain an understanding of each other's roles, responsibilities and services offered. It also allows the chance to identify gaps and duplication of service so that we can collectively develop strategies to effectively and efficiently serve our customers.

Local areas are continuously seeking opportunities to integrate the services of one-stop partners through co-locating partners at shared facilities. Part of the evaluation criteria of any new lease space is the integration and inclusion of one-stop partners in the decision process. Likewise, input from partners is obtained when planning any renovation of existing facilities. This strategy promotes buy-in of partners and ensures that customers are served in a comprehensive setting. It also increases efforts to meet the customer needs and improves the success rate of programs offered by the one-stop partners. In addition to providing the customer with a seamless delivery system, efficiency in the expenditure of resources by the participating partners is also achieved.

As an example, co-locating allows partners to share the cost of common areas in the one-stop facility, such as reception areas, computer labs, and training and conference rooms. Integrated one-stop facilities also minimize the expense of support personnel including receptionists, resource room support workers, janitorial services and technical support. Efficiencies are also achieved through the elimination of duplicate equipment and supplies such as copiers, computers, office supplies and building maintenance.

Examples of this strategy are the relocation of the Hazard OET local office in the new EKCEP one-stop facility. Future integration opportunities being considered include: Morehead /TENCO, Covington /Northern Kentucky, Owensboro/Green River, Elizabethtown/Lincoln Trail and Louisville (Preston Highway) /KentuckianaWorks Frankfort/Bluegrass and Somerset/Cumberlands.

- d. How does the state use the funds reserved for statewide activities pursuant to §§129(b)(2)(B) and 134(a)(2)(B)(v) to assist in the establishment and operation of one-stop delivery systems? (§112(b)(14).)

With the limited Statewide Reserve Funds the Commonwealth is continuing to support the initiatives that were started. It is critical that the state find the means to support innovative local and regional projects that enhance the quality of one-stop delivery services and systems. Strategic designation of use of funds has been established based on the priorities of the KWIB. Strategic priority investment planning is in place to target specific dollar amounts and utilization and expectations for the following initiatives...

**Tier 1 Investment:**

- Branding/Outreach \$200,000
- Sector Strategies \$300,000

**Tier 2 Investments:**

- User Friendly Online Services \$225,000
- One-Stop Certification \$50,000
- High Impact WIBs \$50,000
- Business Service Redesign \$100,000
- Workforce Academy Phase 2 \$250,000
- Entrepreneurship \$50,000
- National Career Readiness Certificate \$50,000

**Tier 3 Investments:**

- State/Local Innovation \$150,000
- Eligible Training Providers \$75,000

- High School Outreach \$50,000
- Case Management \$50,000

e. How does the state ensure the full spectrum of assets in the one-stop delivery system support human capital solutions for businesses and individual customers broadly? (§112(b)(14).)

Several KWIB initiatives address and support services and staff involvement in delivering a full array of services in a holistic manner. These initiatives promote a business and job seeker focused approach that is solutions based and customer-service driven. These include the following programs.

- **High Performing Workforce Investment Boards (WIBs):** This initiative develops an assessment tool that will be utilized by peers of WIB directors and state agency staff. The process will review strategic plans, assess impact of policies and procedures, engage board members as opposed to board staff in making strategic decisions that impact communities and play a vital role towards enhancing economic development initiatives.
- **Workforce Academy:** As mentioned previously the academy will use a “train the trainer” approach to workforce activities that will promote a consistent training atmosphere to increase knowledge throughout the workforce system and across partner agencies. Online trainings and a certification process will instill value in the work that is done to serve employers and job seeking customers. In addition, this effort will develop benchmark criteria and baseline standards for consistency within the system.
- **Outreach Initiative:** Once the branding strategy is in force, it will solidify the goal to create a simple, user-friendly workforce system. This consistent identity will promote a cultural shift in the system that will be driven by a sense of urgency, a higher level of professionalism, service “without walls” and a new standard of value among staff and for the services that are offered to businesses, job seekers and the community as a whole.
- **Business Services Redesign:** As mentioned previously, the Business Services Redesign will shape the way we reach out to business. It will be solutions based as opposed to selling services. It will be a collaborative approach as opposed to operating in silos and it will offer a consistent approach to delivery.
- **Unemployment Insurance Customer Service Plan:** This initiative was part of the OET cultural shift. Operating and believing that OET is one agency with various responsibilities as opposed to separate employees that happen to work for the same agency is critical to engaging the business sector, as well as increasing the success rate of re-employing dislocated job seekers.

The unemployment insurance customer service plan included the following strategies that have been completed.

**Short-term Strategies (completed)**

- Direct deposit
- Increased resources dedicated to the help desk
- Triage process addressing e-mails to the help desk and calls to the local offices

- Conducted programmatic training and follow-up customer service training
- Conducted focus groups to review forms and make them user/reader friendly
- Created awareness among local groups such as SHRH and Chambers of Commerce to share message with business community

#### **Long-term Strategies**

- Created accounts for customers so they can use self-service functions and asses account information
- Expanded the unemployment insurance (UI) call center and online services so customers can perform basic UI functions such as locate checks, reissue checks and reset their PIN
- Automated the UI appeals and tax processes to reduce manual and time-intensive work to electronic processes

In addition, to support efficiencies within the Unemployment Insurance Division, OET has contracted the services of CSG. The purpose is to look at all business processes within the UI Division, make recommendations for improvement and share best practices. CSG completed their 16-week evaluation in June 2012. The OET will assess the recommendations and determine cost and impact of implementing processes and technology systems.

### **C. Plan Development and Implementation**

1. Describe the methods used for joint planning and coordination of the programs and activities included in the Unified Plan. (WIA §501(c)(3)(A).)

The Kentucky DWI reached out to the programs identified under Section 501 of the Workforce Investment Act. Information concerning Section 501 along with TEGL 21-11 was sent to the following agencies/programs:

- Department of Workforce Investment
  - Workforce Investment Act (WIA) Title I
  - Wagner-Peyser Act
  - Trade Act
  - Veterans Programs
  - Unemployment Insurance
  - Office of Vocational Rehabilitation (Rehabilitations Act, Title I)
  - Office for the Blind (Rehabilitations Act, Title I)
- Postsecondary Vocational Education Programs
  - Kentucky Community and Technical College System (KCTCS)
- Department of Aging and Independent Living
  - Senior Community Service Employment Program (SCSEP)
- Council on Postsecondary Education
  - KY Adult Education

An initial meeting was held on April 13, 2012 to discuss the Unified Plan process. All above mentioned programs were represented. After this initial meeting, programs electing to enlist in

the Unified Plan development included only those programs under the DWI.

DWI program staff has continuously been involved in the KWIB's *WORKSmart Kentucky* strategic plan. DWI leadership and staff are aware of, and currently involved in, the coordination of programs and activities which encompass the direction the Commonwealth is headed in transforming the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians.

The first step was the development of an extensive outline that addressed the questions posed in the Unified Plan guidelines. The outline was completed by top leadership and respective program staff. The outline, which parallels the ideology of the *WORKSmart Kentucky* strategic plan, was provided to the KWIB and accepted at the quarterly KWIB meeting on May 17, 2012. It was also available on the KWIB Website.

2. Describe the process used by the state to provide an opportunity for public comment and participation for each of the programs covered in the Unified Plan.
  - a. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs*, describe the process used by the state, consistent with section 111(g) of WIA, to provide an opportunity for public comment, including comments by representatives of business and representatives of labor organizations, and input into development of the Plan, prior to submission of the Plan.

Stakeholder focus groups were conducted in June, 2012. These forums provided stakeholders and the public the opportunity to provide input and comments. LWIB directors were given a copy of the draft plan on July 17, 2012. Considering input and comments from directors and other stakeholders, a final draft was completed in mid July, 2012. The final version for KEWDC review was completed the end of July, 2012 and provided to the KWIB on Aug. 2. The final plan was presented and accepted at the quarterly KWIB meeting on Sept. 6, 2012. The draft document was placed on the cabinet's and KWIB's Web sites for the final comment period on Aug. 20, 2012. State and LWIBs were notified that the final draft version was posted to the KEWDC's and the KWIB's Web sites.

3. Describe the types of activities and outcomes that were conducted to meet the consultation requirement. Demonstrate, as appropriate, how comments were considered in the Plan development process including specific information on how the various WIA agency and program partners were involved in developing the Unified State Plan.

The following agencies, groups, or individuals must be consulted if the Unified Plan includes:

- a. *WIA title I, Wagner-Peyser Act, or Veterans Programs*: (§112(b)(1) and 112(b)(9))  
The governor of the state, state board, local chief elected officials, business community, labor organizations.

The following agencies, groups and individuals should also be consulted for WIA title I, Wagner-Peyser, or Veterans Programs: local boards and youth councils, educators, vocational rehabilitation agencies, service providers, welfare agencies, faith and community-based organizations and the state employment security agency.

In addition, describe the role of the state board and local boards in planning and coordination in the Unified Plan (§501(c)(3).)

Local and state boards, as well as program partners, were involved and consulted throughout the plan development. Comments were considered and incorporated, as deemed significant, based on a review by representatives of the KWIB, LWIBs and cabinet leadership.

#### **D. Needs Assessment**

1. Many of the programs that may be included in a Unified Plan require a needs assessment. State agencies should fulfill these assessment responsibilities collaboratively or, at a minimum, create a planning process that promotes the sharing of needs assessment information among all agencies involved in preparing the Unified Plan. Sharing of assessment data can create a framework for the coordination and integration of services that are to be provided through the one-stop delivery system. The state may organize the presentation of assessment data in its Unified Plan in a manner it deems most appropriate and useful for planning, such as on a program-by-program basis, by geographic region, or by special population.

Describe the educational and job-training needs of individuals in the overall state population and of relevant subgroups of all the programs included in the Unified Plan.

In answering this question, if the Unified Plan includes:

- a. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs*, identify the types and availability of workforce investment activities currently in the state. (§112(b)(4)(A-D).)

Under the Workforce Investment Act (WIA) Title I-B Adult and Dislocated Worker and Trade Act programs and in accordance with regulations, workforce investment activities are divided into core, intensive and training categories.

Core activities are primarily self-service or informational in nature, such as:

- WIA eligibility determinations (outreach; intake, which may include Unemployment Insurance (UI) worker profiling; and orientation to the one-stop career center services) and assistance in establishing eligibility for non-WIA financial aid programs including public assistance,
- basic assessment of skill levels, aptitudes, abilities and supportive service needs and information on programs that may assist individuals in upgrading skills and meeting other workforce needs,
- information services including Focus/Career and Focus/Talent and other job listing services, job skills information, high-demand occupations, local area performance, information on how to file for UI, and performance and program cost of training providers on the Eligible Training Provider List, and
- group services such as job club and job search activities, assessment activities, employability planning, career planning, resume writing workshops, etc.

Intensive activities begin with the development of an Individual Employment Plan (IEP). These activities require service registration. Beyond the IEP development are such activities as:

- comprehensive and specialized assessments of skill levels and employment needs,
- group counseling, individual counseling and career planning,
- case managements, work experience and internships,
- short-term, pre-vocational services, including the development of learning skills, communication skills, interviewing skills, punctuality, personal maintenance skills and

professional conduct skills to prepare individuals for unsubsidized employment or training,

- short-term courses not designed to provide immediate employment and/or credential but to provide the skills necessary to enable the individual to become more employable (included are single-course work seminars that provide instruction in specific computer software packages), and
- Adult Basic Education (ABE)/English as a Second Language (ESL) courses not tied to any other training program.

Training activities also require registration and include activities such as:

- occupational skills training resulting in a credential, including training for nontraditional employment; skill upgrading and retraining; academic skills training and entrepreneurial training,
- on-the-job training; programs that combine workplace training with related instruction, which may include cooperative education programs; and training programs operated by the private sector,
- adult education and literacy provided in combination with services described above, and
- customized training, including apprenticeships conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.

All core services are accessible to the “universal customer” at all of the one-stop career centers throughout the Commonwealth. The other services are generally available to individuals based on need and available funding. Where appropriate and where WIA funding is not available, referrals are made to other sources where support may be available.

### **Wagner-Peyser Activities**

The Wagner-Peyser program provides job preparation and placement assistance to job seekers, including workshops on career exploration, job-seeking skills, resume writing, interviewing, and using the Internet to find jobs. Special efforts are made to serve UI claimants, veterans and individuals with disabilities.

Wagner-Peyser funds support the Commonwealth’s Focus Suite (Focus Talent/Career/Assist), a web-based labor exchange system that links job seekers and employers. Other public employment and training programs in the Commonwealth rely on the program’s labor exchange system to assist their program-eligible customers find employment and the employer find qualified workers.

### **Veterans Programs**

Jobs funded by the Jobs for Veterans State Grant are filled by veterans who are assigned full-time duties as either a Disabled Veterans Outreach Program (DVOP) specialist or Local Veterans Employment Representative (LVER) to provide coverage through all one-stops and local offices. LVERs and DVOP specialists are strategically located to best serve their targeted populations. Additional consideration for staffing is based on service point compliance evaluations, as well as an on-going statistical analysis using real-time data extracted from the Employ Kentucky Operating System (EKOS). Since Kentucky is a rural state, selected LVER/DVOP staff split time between itinerant offices within the region in order to provide services to reach the greatest

number of clients.

Specially trained veterans serve in distinctly different roles as DVOP specialists to provide intensive services to veterans with barriers to employment or LVERs to perform outreach to businesses and train other one-stop career center staff in the provision of services to veterans. Because LVER and DVOP staff have specific roles and responsibilities distinctly different from the Wagner-Peyser funded labor exchange staff, the regional managers ensure that the LVERs and DVOP specialists provide services to no more than 25% of the veteran population served. Wagner-Peyser and WIA funded staffs are the first service providers to veterans and provide services to no less than 75% of all veterans served through the career centers.

The DVOP specialists provide or facilitate the provision of case management and intensive services to veterans with special employment and training needs. These services, at minimum, include conducting an assessment and developing and documenting an individual employment plan (IEP) subject to periodic review. Through the development of an IEP, the DVOP identifies the veteran's barriers to employment and helps the veteran develop a plan to address those barriers.

The DVOP develops and implements an outreach plan, in coordination with other staff and career center partners, to locate veterans who can benefit from case management and intensive services. These services are provided in coordination with agencies such as Vocational Rehabilitation and Employment, Homeless Veterans Reintegration Program grantees, the Department of Veterans' Affairs civic and service organizations, local Workforce Investment Act providers, veterans' service organizations, state and county Veterans' Affairs Offices and the Kentucky Community and Technical Colleges.

The DVOP will provide or facilitate a full range of employment and training services to eligible veterans with the primary focus of meeting the needs of those who are unable to obtain employment through core services.

The DVOP may serve as a training facilitator for the Transition Assistance Program (TAP) and may refer eligible disabled veterans to the U. S. Department of Veterans' Affairs for services under the Disabled Veteran Transition Assistance Program (DTAP). Personnel selected to serve as Transition Assistance Program facilitators receive training from National Veterans Training Institute staff. Classes are conducted in a professional manner following the class outline developed by the U. S. Department of Labor.

When a veteran seeks services at a one-stop center, s/he initially receives core services by one stop or career center staff. Veterans and disabled veterans within the targeted groups, who are not determined "Job Ready," are primarily routed to the DVOP for screening to determine whether intensive services are appropriate. The DVOP specialist routes veterans in need of specific services to the appropriate one stop or career center partner. Conversely, one stop or career center partners refer veterans in need of employment and intensive services to the DVOP for assistance.

Targeted veteran groups include disabled veterans, homeless veterans, enrollees and completers of a program of Vocational Rehabilitation and Employment (VR&E) through the Department of Veterans' Affairs, with maximum emphasis on meeting the needs of economically and educationally disadvantaged veterans. Services will be provided to veterans identified as economically disadvantaged, including those who have exhausted unemployment benefits, have drawn 13 weeks or more of unemployment benefits, and unemployed veterans who are not

eligible for unemployment benefits.

DVOP specialists report to the regional manager. Regional managers ensure that DVOP specialists perform the responsibilities as described in their Staff Performance Plans and state VETS Plan.

LVERs directly serve employers in accordance with 38 USC 4104 and work in concert with the regional business services teams to develop employment opportunities for veterans. LVERs also train other staff and service delivery system partners to enhance their knowledge of veterans' employment and training issues. LVERs provide or facilitate a full range of employment and training services to meet the needs of recently separated veterans in the workforce development system.

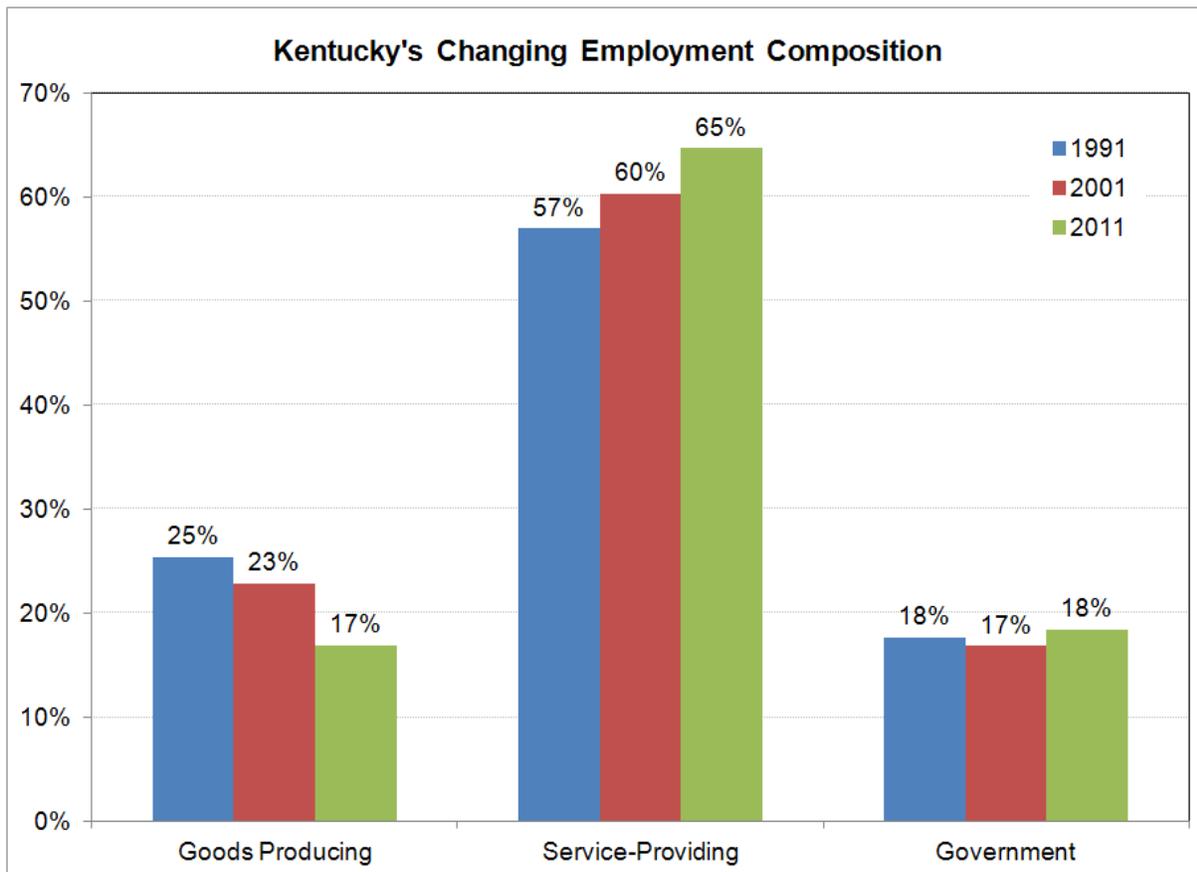
LVERs cultivate relationships with labor unions, apprenticeship programs, and the business community to develop employment and training opportunities for veterans. Additionally, LVERs facilitate or promote job fairs to promote employment and training opportunities for veterans within their respective areas. At least one major job fair, giving priority to veterans, is conducted annually in each region. These employer outreach activities will increase awareness of the business case to hire veterans. LVERs report to the regional manager in their area.

2. *WIA Title I and Wagner-Peyser Act Economic and Labor Market Analysis* (§112(b)(4)): As a foundation for this Plan and to inform the strategic investments and strategies that flow from this Plan, provide a detailed analysis of the state's economy, the labor pool, and the labor market context. Elements of the analysis should include the following:

- a. What is the current makeup of the state's economic base by industry?

The Commonwealth's economy has changed substantially over the last two decades in response to global competition. In 1990, one-fourth of all non-farm employment was in the goods producing sector; another 60 percent was in service industries and the rest was in government. During the past 20 years a dramatic rise in productivity and increasing global competition has resulted in a decline in the proportion of employment in goods production and a corresponding increase in service-providing industries.

That chart shows that between 1991 and 2001 the share of goods-producing industries slipped from 25 percent to 23 percent. The change became much more dramatic in the next ten years, from 2001 to 2011, with a drop of 6 percentage points. Part of the reason was the general contraction in the economy during the recession and the resulting decline in construction and manufacturing. Construction employment decreased by 20,100, or 23 percent in this ten-year period. Kentucky's manufacturing employment base contracted by 27 percent with the loss of 79,200 jobs. A substantial part of the decline was due to globalization and the emergence of China as a major low-cost competitor. A much-overlooked reason for the shift from manufacturing to professional and business services is the renewed focus on core competencies. For example, motor vehicle manufacturers outsourced much of their administrative and accounting activities to businesses specializing in administrative and support services.



Source: Current Employment Statistics program, OET and the Bureau of Labor Statistics.

The Commonwealth's non-farm employment base averaged 1.8 million in 2011. The private sector employs more than 80 percent of all Kentuckians. Goods producing industries like mining, construction and manufacturing employ 302,800 Kentuckians. Private sector service-providing industries employ 1,157,800 Kentuckians. These service sector jobs are quite diverse and include industries like trade and transportation, financial services, health care, temporary placement services, and hospitality. Government jobs number 329,900, or about 18 percent of total non-farm employment. They include employees in public schools and state universities, the military and the postal service.

Four of Kentucky's eleven non-farm supersectors showed statistically significant shifts in composition between 2001 and 2011. Seven supersectors—mining, trade, transportation and utilities, information, financial activities, leisure and hospitality, other services, and government—had no discernible change in aggregate composition during the ten-year period.

In 2001 construction provided almost 5 percent of total employment in Kentucky. Following the recession and the collapse of the housing market, employment fell by 23 percent with a loss of over 20,000 construction jobs. Over half these jobs were for specialty trade contractors who perform specific activities like pouring concrete, site preparation, plumbing, and electrical work. These are typically specialized and well-paid trades with licensing and

training requirements. The loss of these skilled jobs has been felt in the wider economy in the form of reduced consumption and spending.

Employment in manufacturing accounted for a little over 16 percent of non-farm jobs in 2001. Following the recession that proportion shrank to about 12 percent in 2011. The manufacturing base lost 79,200 jobs during the ten-year period. The largest drop was in machinery and electrical equipment (down 12,900 or 33 percent) and transportation equipment manufacturing (down 16,600 or 28 percent). In percentage terms alone the relatively small apparel manufacturing industry contracted by over 80 percent with the loss of 8,700 jobs. The labor market for durable goods, as well as apparel and textiles, has slowly shifted to low-cost manufacturing countries. But the durable goods industries, especially machinery and auto, rely on both domestic buyers and exports. U.S. domestic demand fell substantially during the recession dampening manufacturing employment. Following the emergence from recession the demand for machinery and transportation equipment has risen sharply creating more employment opportunities in the manufacturing sector, especially in new areas like advanced additive manufacturing.

Professional and business services comprised 8.7 percent of the Commonwealth's non-farm employment in 2001, and moved to 10.5 percent by 2011. With the addition of 30,000 new jobs in this ten-year period the employment base expanded by almost 20 percent. The largest expansion was in professional, scientific, and technical services, as well as in administrative and support services. The labor market shift into business services is the result of cost-cutting measures in companies resulting in the outsourcing of non-core jobs. An example would be contracting for legal services instead of having an in-house legal department.

Educational and health services expanded from providing 11.8 percent of the jobs in the Commonwealth to 14.3 percent. This translates into a gain of 42,100 jobs or a 20 percent increase between 2001 and 2011. Almost all the increase was in the area of health care and social assistance. Health care is a rapidly expanding part of the economy. Though Kentucky's employment expanded by 21 percent during the ten-year period it fell short by 5 percentage point from the U.S. average growth of 26 percent. This is an area that has great employment growth potential.

### Kentucky Employment Composition 2001 and 2011

INDUSTRY	Number of Jobs (in thousands)		Percent of Total Employment	
	2001	2011	2001	2011
<b>TOTAL NONFARM EMPLOYMENT</b>	<b>1,805.4</b>	<b>1,790.4</b>	<b>100.0%</b>	<b>100.0%</b>
Goods Producing	399.9	302.8	22.2%	16.9%
Service-Providing	1,405.5	1,487.7	77.8%	83.1%
Government	312.1	329.9	17.3%	18.4%
<b>MINING AND LOGGING</b>	<b>20.5</b>	<b>22.6</b>	<b>1.1%</b>	<b>1.3%</b>
Coal Mining	15.3	16.3	0.8%	0.9%
<b>CONSTRUCTION</b>	<b>87.7</b>	<b>67.6</b>	<b>4.9%</b>	<b>3.8%</b>
Construction of Buildings	19.3	13.7	1.1%	0.8%
Heavy and Civil Engineering Construction	14.1	12.1	0.8%	0.7%
Specialty Trade Contractors	54.3	41.9	3.0%	2.3%
<b>MANUFACTURING</b>	<b>291.8</b>	<b>212.6</b>	<b>16.2%</b>	<b>11.9%</b>
<b>Durable Goods</b>	<b>185.7</b>	<b>129.0</b>	<b>10.3%</b>	<b>7.2%</b>
Wood Product Manufacturing	13.0	9.3	0.7%	0.5%
Machinery & Electrical Equip	38.7	25.8	2.1%	1.4%
Primary Metal Manufacturing	16.7	11.5	0.9%	0.6%
Fabricated Metal Product Manufacturing	24.0	18.2	1.3%	1.0%
Computer & Electronic Product Mfg.	10.9	5.9	0.6%	0.3%
Transportation Equipment Manufacturing	58.4	41.8	3.2%	2.3%
Motor Vehicle Manufacturing	20.0	11.1	1.1%	0.6%
<b>Non-Durable Goods</b>	<b>106.1</b>	<b>83.6</b>	<b>5.9%</b>	<b>4.7%</b>
Food Manufacturing	23.6	26.1	1.3%	1.5%
Apparel Manufacturing	10.8	2.1	0.6%	0.1%
Paper Mfg, & Printing & Related Activities	26.0	19.3	1.4%	1.1%
Petroleum, Coal, Plastics & Rubber Products	19.4	15.1	1.1%	0.8%
Chemical Manufacturing	14.3	12.9	0.8%	0.7%

**Kentucky Employment Composition  
2001 and 2011 (continued)**

INDUSTRY	Number of Jobs (in thousands)		Percent of Total Employment	
	2001	2011	2001	2011
<b>TRADE, TRANSPORTATION &amp; UTILITIES</b>	<b>379.9</b>	<b>364.0</b>	<b>21.0%</b>	<b>20.3%</b>
Wholesale Trade	72.9	70.7	4.0%	3.9%
Merchant Wholesalers, Durable Goods	35.4	34.3	2.0%	1.9%
Merchant Wholesalers, Nondurable Goods	31.3	28.6	1.7%	1.6%
Retail Trade	215.7	201.5	11.9%	11.3%
Motor Vehicle and Parts Dealers	25.8	23.8	1.4%	1.3%
Food and Beverage Stores	38.3	33.2	2.1%	1.9%
Gasoline Stations	21.8	16.5	1.2%	0.9%
General Merchandise Stores	49.4	50.5	2.7%	2.8%
Transportation, Warehousing, and Utilities	91.3	91.8	5.1%	5.1%
Utilities	7.1	6.5	0.4%	0.4%
Transportation and Warehousing	84.2	85.3	4.7%	4.8%
Truck Transportation	22.6	21.2	1.3%	1.2%
Warehousing and Storage	12.4	18.3	0.7%	1.0%
<b>Information</b>	<b>32.8</b>	<b>26.7</b>	<b>1.8%</b>	<b>1.5%</b>
Telecommunications	10.5	10.3	0.6%	0.6%
<b>FINANCIAL ACTIVITIES</b>	<b>82.2</b>	<b>84.3</b>	<b>4.6%</b>	<b>4.7%</b>
Finance and Insurance	62.2	66.4	3.4%	3.7%
Credit Intermediation & Related Activities	33.8	34.3	1.9%	1.9%
Insurance Carriers and Related Activities	23.6	26.8	1.3%	1.5%
Real Estate and Rental and Leasing	20.1	17.8	1.1%	1.0%
<b>PROFESSIONAL &amp; BUSINESS SERVICES</b>	<b>157.8</b>	<b>187.8</b>	<b>8.7%</b>	<b>10.5%</b>
Professional, Scientific, and Tech Services	57.0	69.8	3.2%	3.9%
Mgmt of Companies and Enterprises	15.8	19.5	0.9%	1.1%
Administrative and Support	85.0	98.5	4.7%	5.5%
Employment Services	39.7	46.8	2.2%	2.6%
Services to Buildings and Dwellings	18.5	20.0	1.0%	1.1%

**Kentucky Employment Composition  
2001 and 2011 (continued)**

INDUSTRY	Number of Jobs (in thousands)		Percent of Total Employment	
	2001	2011	2001	2011
<b>EDUCATIONAL &amp; HEALTH SERVICES</b>	<b>213.3</b>	<b>255.4</b>	<b>11.8%</b>	<b>14.3%</b>
Educational Services	28.7	31.9	1.6%	1.8%
Health Care and Social Assistance	184.7	223.5	10.2%	12.5%
Ambulatory Health Care Services	63.2	76.7	3.5%	4.3%
Hospitals	61.9	73.1	3.4%	4.1%
Nursing and Residential Care Facilities	35.9	43.4	2.0%	2.4%
Social Assistance	23.7	30.3	1.3%	1.7%
<b>LEISURE &amp; HOSPITALITY</b>	<b>152.9</b>	<b>169.4</b>	<b>8.5%</b>	<b>9.5%</b>
Arts, Entertainment, and Recreation	17.7	18.2	1.0%	1.0%
Accommodation and Food Services	135.2	151.2	7.5%	8.4%
Food Services and Drinking Places	118.9	137.7	6.6%	7.7%
<b>OTHER SERVICES</b>	<b>74.5</b>	<b>70.2</b>	<b>4.1%</b>	<b>3.9%</b>
<b>GOVERNMENT</b>	<b>312.1</b>	<b>329.9</b>	<b>17.3%</b>	<b>18.4%</b>
Federal Government	37.2	40.9	2.1%	2.3%
State Government	97.4	100.9	5.4%	5.6%
Local Government	177.5	188.2	9.8%	10.5%

b. What industries and occupations are projected to grow and/or decline in the short term and over the next decade?

As shown in Table 1, 17 of Kentucky's 21 industry sectors are projected to experience job growth between 2008 and 2018. While employment continued to decrease in most industry sectors between 2009 and 2010 due to the economic recession, an overall growth rate of 7.5 percent is still projected over the 2008-2018 decade.

Industry Sector	Employment		Percent Distribution		Change 2008-2018	
	2008	2018	2008	2018	Number	Percent
Total Employment, All Jobs	1,995,077	2,143,763	100.00	100.00	148,686	7.5
Self-Employed & Unpaid Family Workers, Primary Job	143,624	151,448	7.20	7.06	7,824	5.4
Agriculture, Forestry, Fishing and Hunting	29,164	27,964	1.46	1.30	-1,200	-4.1
Mining	23,461	24,632	1.18	1.15	1,171	5.0
Utilities	6,588	6,322	0.33	0.29	-266	-4.0
Construction	84,354	95,562	4.23	4.46	11,208	13.3
Manufacturing	245,212	219,748	12.29	10.25	-25,464	-10.4
Wholesale Trade	76,461	78,938	3.83	3.68	2,477	3.2
Retail Trade	210,644	219,228	10.56	10.23	8,584	4.1
Transportation and Warehousing	87,839	94,209	4.40	4.39	6,370	7.3
Information	29,759	29,342	1.49	1.37	-417	-1.4
Finance and Insurance	71,193	74,725	3.57	3.49	3,532	5.0
Real Estate and Rental and Leasing	19,923	21,071	1.00	0.98	1,148	5.8
Professional, Scientific, and Technical Services	68,156	85,349	3.42	3.98	17,193	25.2
Management of Companies and Enterprises Admin. & Support & Waste Management & Remediation	19,580	21,109	0.98	0.98	1,529	7.8
Educational Services	94,304	108,830	4.73	5.08	14,526	15.4
Health Care and Social Assistance	165,477	185,450	8.29	8.65	19,973	12.1
Arts, Entertainment, and Recreation	232,627	281,277	11.66	13.12	48,650	20.9
Accommodation and Food Services	19,165	21,780	0.96	1.02	2,615	13.6
Other Services (Except Government)	152,471	164,022	7.64	7.65	11,551	7.6
Government	76,866	84,495	3.85	3.94	7,629	9.9
	138,209	148,262	6.93	6.92	10,053	7.3

Source: Office of Employment and Training, Kentucky Industry Employment Projections, 2008-2018

At over three times the average growth rate for all industries, the Professional, Scientific and Technical Services industry sector is projected to grow by 25.2 percent between 2008 and 2018, making it the fastest growing sector. This sector comprises industries such as Legal Services; Accounting, Tax Preparation, Bookkeeping, and Payroll Services; Architectural, Engineering, and Related Services; Computer Systems Design and Related Services; and Management, Scientific, and Technical Consulting Services, among others. As a whole, the sector is projected to grow by nearly 17,200 jobs and increase its share of total employment from 3.42 percent to 3.98 percent over the 2008-2018 decade.

The Health Care and Social Assistance sector should be the next fastest growing industry sector between 2008 and 2018, with a projected growth rate of 20.9 percent and a gain of 48,650 in employment. Ambulatory Health Care Services, Hospitals,

Nursing and Residential Care Facilities, and Social Assistance are the subsectors within this industry sector. All four of these subsectors are projected to experience significant growth through 2018 as a growing number of workers will be needed to care for Kentucky's rapidly aging population.

The Educational Services sector is projected to add the third-highest number of jobs between 2008 and 2018, with employment increasing by approximately 20,000. With a growth rate of 12.1 percent, this sector is projected to grow much faster than the average rate for all industries, increasing its share of total employment from 8.29 percent in 2008 to 8.65 percent in 2018.

Short-term industry projections for 2010-2012 are shown in Table 2. These projections are significantly different from the 2008-2018 long-term projections because of the onset of the recession in 2008 and because long-term projections reflect annual average employment while short-term projections reflect quarterly average employment – in this case 2010, 4<sup>th</sup> quarter to 2012, 4<sup>th</sup> quarter. Employment levels in several industries, such as construction, are subject to seasonality and typically have lower levels of employment during the 4<sup>th</sup> quarter than on annual average. Fifteen of Kentucky's 21 industry sectors are projected to grow through 2012, 4<sup>th</sup> quarter as employment levels rebound toward their pre-recession levels.

**Table 2 - Kentucky Employment by Industry Sector  
2010 and Projected 2012**

Industry Sector	Employment		Percent Distribution		Change 2010-2012	
	2010	2012	2010	2012	Number	Percent
Total Employment, All Jobs	1,945,230	1,966,720	100.00	100.00	21,490	1.10
Self-Employed & Unpaid Family Workers, Primary Job	145,580	147,406	7.48	7.50	1,826	1.25
Agriculture, Forestry, Fishing and Hunting	28,188	27,904	1.45	1.42	-284	-1.01
Mining	22,452	22,730	1.15	1.16	278	1.24
Utilities	6,432	6,420	0.33	0.33	-12	-0.19
Construction	68,699	68,982	3.53	3.51	283	0.41
Manufacturing	212,931	212,438	10.95	10.80	-493	-0.23
Wholesale Trade	72,312	73,339	3.72	3.73	1,027	1.42
Retail Trade	204,895	205,861	10.53	10.47	966	0.47
Transportation and Warehousing	84,507	86,393	4.34	4.39	1,886	2.23
Information	26,442	26,384	1.36	1.34	-58	-0.22
Finance and Insurance	66,549	66,772	3.42	3.40	223	0.34
Real Estate and Rental and Leasing	17,984	17,920	0.92	0.91	-64	-0.36
Professional, Scientific, and Technical Services	68,148	71,993	3.50	3.66	3,845	5.64
Management of Companies and Enterprises Admin. & Support & Waste Management & Remediation	19,676	20,209	1.01	1.03	533	2.71
	97,072	99,121	4.99	5.04	2,049	2.11
Educational Services	179,962	180,700	9.25	9.19	738	0.41
Health Care and Social Assistance	243,728	248,667	12.53	12.64	4,939	2.03
Arts, Entertainment, and Recreation	17,226	17,197	0.89	0.87	-29	-0.17
Accommodation and Food Services	150,098	152,100	7.72	7.73	2,002	1.33
Other Services (Except Government)	70,617	70,713	3.63	3.60	96	0.14
Government	141,732	143,471	7.29	7.29	1,739	1.23

Source: Office of Employment and Training, Kentucky Industry Employment Projections, 2010-2012

Table 3 illustrates projected changes to the occupational makeup of Kentucky's labor force between 2008 and 2018. Most of the major occupational groups that are projected to experience an increase in employment are classified as professional or service-related occupations.

<b>Table 3 - Kentucky Employment by Major Occupational Group 2008 and Projected 2018</b>							
<b>SOC Code</b>	<b>Title</b>	<b>Employment</b>		<b>Percent Distribution</b>		<b>Change 2008-2018</b>	
		<b>2008</b>	<b>2018</b>	<b>2008</b>	<b>2018</b>	<b>Number</b>	<b>Percent</b>
00-0000	Total, All Occupations	1,995,077	2,143,763	100.0	100.0	148,686	7.45
11-0000	Management Occupations	110,416	114,342	5.53	5.33	3,926	3.56
13-0000	Business and Financial Operations Occupations	63,815	72,670	3.20	3.39	8,855	13.88
15-0000	Computer and Mathematical Occupations	31,870	38,313	1.60	1.79	6,443	20.22
17-0000	Architecture and Engineering Occupations	24,357	25,384	1.22	1.18	1,027	4.22
19-0000	Life, Physical, and Social Science Occupations	12,024	13,646	0.60	0.64	1,622	13.49
21-0000	Community and Social Services Occupations	25,360	28,909	1.27	1.35	3,549	13.99
23-0000	Legal Occupations	12,275	13,548	0.62	0.63	1,273	10.37
25-0000	Education, Training, and Library Occupations	104,781	120,139	5.25	5.60	15,358	14.66
27-0000	Arts, Design, Entertainment, Sports & Media Occs.	28,832	31,062	1.45	1.45	2,230	7.73
29-0000	Healthcare Practitioners and Technical Occs.	115,523	139,906	5.79	6.53	24,383	21.11
31-0000	Healthcare Support Occupations	52,131	65,127	2.61	3.04	12,996	24.93
33-0000	Protective Service Occupations	39,432	44,223	1.98	2.06	4,791	12.15
35-0000	Food Preparation and Serving Related Occs.	162,064	175,944	8.12	8.21	13,880	8.56
37-0000	Building & Grounds Cleaning & Maintenance Occs.	64,001	68,421	3.21	3.19	4,420	6.91
39-0000	Personal Care and Service Occupations	56,852	66,341	2.85	3.09	9,489	16.69
41-0000	Sales and Related Occupations	215,004	225,762	10.78	10.53	10,758	5.00
43-0000	Office and Administrative Support Occupations	307,417	323,467	15.41	15.09	16,050	5.22
45-0000	Farming, Fishing, and Forestry Occupations	21,424	20,303	1.07	0.95	-1,121	-5.23
47-0000	Construction and Extraction Occupations	101,373	110,565	5.08	5.16	9,192	9.07
49-0000	Installation, Maintenance, and Repair Occupations	90,968	96,753	4.56	4.51	5,785	6.36
51-0000	Production Occupations	196,356	186,178	9.84	8.68	-10,178	-5.18
53-0000	Transportation and Material Moving Occupations	158,802	162,760	7.96	7.59	3,958	2.49

Source: Office of Employment and Training, Kentucky Occupational Employment Projections, 2008-2018

Healthcare Support Occupations are projected to be the fastest growing occupational group with a 24.9 percent increase in employment. Close behind are Healthcare Practitioners and Technical Occupations at 21.1 percent. The combined share of total employment for these two groups should increase from 8.4 percent in 2008 to 9.6 percent in 2018. Healthcare-related occupations are projected to grow at such a high rate primarily because of Kentucky's aging population.

Two more major occupational groups are expected to grow more than twice as fast as the statewide average of 7.45 percent for all occupations: Computer and Mathematical Occupations (20.2 percent) and Personal Care and Service Occupations (16.7 percent).

Other occupational groups that are projected to grow at a faster-than-average pace are: Education, Training, and Library Occupations (14.7 percent); Community and Social Services Occupations (14.0 percent); Business and Financial Operations Occupations (13.9 percent); Life, Physical and Social Science Occupations (13.5 percent); Protective Service Occupations (12.2 percent); Legal Occupations (10.4 percent); Construction and Extraction Occupations (9.1 percent); Food Preparation and Serving Related Occupations (8.6 percent); and Arts, Design, Entertainment, Sports and Media Occupations (7.7 percent).

Just over a quarter (25.6 percent) of 2018 projected employment will be in Office and Administrative Support Occupations and Sales and Related Occupations. While these two groups are the largest in terms of total employment in Kentucky, they are expected to grow at a slower rate than the average for all occupations – 5.2 percent and 5.0 percent, respectively. The slower-than-average growth rates these occupational groups are projected to experience mean that their share of total employment will fall from a combined 26.19 percent in 2008 to 25.62 percent in 2018.

The only two major occupational groups that are projected to decline in employment are Farming, Fishing and Forestry Occupations (-5.23 percent) and Production Occupations (-5.18 percent).

Changes in technology, work processes, automation, the demand for products/services, and outsourcing are among the major causes of employment growth and decline among occupations.

### **Industries/Occupations with Projected Decline in Employment**

Kentucky's manufacturing sector is projected to lose approximately 25,000 jobs from 2008 to 2018, a decrease of more than 10 percent. While several of Kentucky's manufacturing industries have grown since 1990, total employment in the industry has rapidly declined. Employment in apparel manufacturing, for example, has plummeted by nearly 92 percent during this time period, from 32,300 jobs in 1990 to only 2,700 in 2010. Losses in the apparel manufacturing industry have also been seen across the U.S. as companies continue to outsource these jobs to other countries. This trend is expected to continue in both the short term and over the next decade. Some occupations in this industry that will be adversely affected include:

- sewing machine operators,
- inspectors, testers, sorters, samplers and weighers,
- helpers – production workers, and
- textile cutting machine setters, operators and tenders.

Several other manufacturing industries have sustained large employment losses since 1990; primary metal manufacturing (-4,400), computer and electronic product manufacturing (-3,800), wood product manufacturing (-1,100) and chemical manufacturing (-1,000) have each declined by at least 1,000 employees during this time period. Each of these four industries is projected to experience further job losses over the next decade. As a result of the forecasted decline in manufacturing employment, production occupations are expected to experience the largest number of job losses. Some specific occupations that should see significant declines in employment include:

- cut, punch, and press machine setters, operators and tenders,
- team assemblers,
- managers of production and operating workers,
- assemblers and fabricators, all other,
- machine feeders and off bearers, and
- molding, core making and casting machine setters, operators and tenders.

Employment in agriculture, forestry, fishing and hunting in Kentucky has been steadily declining for a number of years. While the overall size of the average farm has grown, the number of actual farms has been in decline. This trend is expected to continue in the short term and over the next decade resulting in job loss in the animal and crop production and logging industries. Specific occupations that will see the most job losses within this category include:

- farm workers and laborers, crop and nursery,
- agricultural equipment operators, and
- logging equipment operators.

### **Industries/Occupations with Projected Growth in Employment**

Short-term and long-term growth is expected to be much more significant in service-providing industries than in goods-producing industries. Short-term growth is expected in service-providing industries as employment levels return to their pre-recession levels, but long-term projections have an even more favorable outlook. Many industries are expected to experience significant employment growth as the economy rebounds and the market begins to improve. The industries and the occupations that are projected to have the most favorable outlook due to a high number of annual openings include the following:

#### **Health Services**

- registered nurses
- pharmacists
- nursing aides, orderlies and attendants
- occupational, physical and respiratory therapists
- medical and dental assistants
- home health aides

#### **Educational Services**

- elementary, secondary, and postsecondary teachers
- teachers and instructors, all other
- teacher assistants

### **Food Services and Drinking Places**

- cooks, restaurant
- cooks, fast food
- waiters and waitresses
- combined food preparation and serving workers
- managers of food preparation and serving workers

### **Professional, Scientific and Technical Services**

- lawyers
- paralegals and legal assistants
- accountants and auditors
- architects
- civil engineers
- computer software engineers
- database administrators
- network systems and data communications analysts

### **Transportation and Warehousing**

- truck drivers, heavy and tractor-trailer
- truck drivers, light or delivery services

### **Administrative and Support Services**

- managers of office and administrative support workers
- employment, recruitment, and replacement specialists
- office clerks, general

### **Social Assistance:**

- social and community service managers
- child, family, and school social workers
- social and human service assistants
- personal and home care aides

### **Construction and Specialty Trade Contractors**

- managers of construction trades and extraction workers
- carpenters
- construction laborers
- cement masons and concrete finishers
- operating engineers and other construction equipment operators

- electricians
- plumbers, pipefitters, and steamfitters
- construction and building inspectors
- highway maintenance workers

c. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? Estimate projected demand.

Educational attainment is used as a proxy for skill levels. The Bureau of Labor Statistics (BLS) classifies occupations into 11 different categories:

**Postsecondary awards**

- first professional degree
- doctoral degree
- master's degree
- bachelor's degree or higher, plus work experience
- bachelor's degree
- associate's degree
- postsecondary vocational awards

**Work-related training**

- work experience in a related occupation
- long-term on-the-job training
- moderate-term on-the-job training
- short-term on-the-job training

The following table indicates the number of jobs in each of the education and training categories in 2008 and their projected employment levels in 2018. Although the majority of jobs fall in the moderate-term and short-term on-the-job training categories, the highest growth rates are projected to be in occupations requiring at least a postsecondary award. These occupations are classified as skilled.

**TABLE 4: Employment and Average Annual Job Openings, 2008-2018, by Education/Training Categories**

Education/Training	Code	Employment				Change		Job Openings	
		Number		Distribution		2008-2018		2008-2018	
		2008	2018	2008	2018	Number	Percent	Number	Percent
Total, All Occupations		1,995,077	2,143,763	100.0%	100.0%	148,686	7.5%	63,494	100.0%
First Professional Degree	1	22,328	25,844	1.1%	1.2%	3,516	15.7%	792	1.2%
Doctoral Degree	2	20,681	23,871	1.0%	1.1%	3,190	15.4%	705	1.1%
Master's Degree	3	20,543	24,510	1.0%	1.1%	3,967	19.3%	856	1.3%
Work Experience Plus Bachelor's or Higher Degree	4	78,237	80,595	3.9%	3.8%	2,358	3.0%	2,277	3.6%
Bachelor's Degree	5	199,334	227,051	10.0%	10.6%	27,717	13.9%	7,230	11.4%
Associate's Degree	6	87,701	104,635	4.4%	4.9%	16,934	19.3%	3,378	5.3%
Postsecondary Vocational Training	7	119,499	133,511	6.0%	6.2%	14,012	11.7%	3,839	6.0%
Work Experience in a Related Occupation	8	214,042	225,846	10.7%	10.5%	11,804	5.5%	5,693	9.0%
Long-Term On-The-Job Training	9	128,288	137,066	6.4%	6.4%	8,778	6.8%	3,698	5.8%
Moderate-Term On-The-Job Training	10	389,013	403,549	19.5%	18.8%	14,536	3.7%	10,219	16.1%
Short-Term On-The-Job Training	11	715,411	757,285	35.9%	35.3%	41,874	5.9%	24,807	39.1%

Source: Office of Employment and Training, Kentucky Occupational Employment Projections, 2008-2018

The primary occupations in the growth industries identified in section B have a mixture of skills and/or educational requirements and include the following.

- **Educational Services:** Growth is expected among both skilled positions and those that require less education.
- **Health Services:** Some of the growth occupations require postsecondary education and others require special certifications or moderate-term on-the-job training.
- **Food Services:** Almost all the jobs in this industry require only short-term or moderate-term on-the-job training.
- **Retail Trade:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.
- **Transportation and Warehousing:** Almost all the jobs in this industry need short-term or moderate-term on-the-job training.
- **Wholesale Trade:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.
- **Professional and Technical Services:** Almost all the jobs in this industry require postsecondary education.
- **Administrative and Support Services:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.
- **Information:** Some of the growth occupations require postsecondary education and others require special certifications or moderate-term on-the-job training.
- **Social Assistance:** Most of the growth jobs in this industry need short-term or moderate-term on-the-job training.
- **Transportation Equipment Manufacturing:** Some of the growth jobs in this industry need postsecondary vocational training, while some require moderate-term to long-term on-the-job training.
- **Specialty Trade Contractors:** Most of the growth jobs in this industry need long-term or moderate-term on-the-job training and/or special certifications.

As the economy in the Commonwealth relies less on agriculture and simple manufacturing and the demand for services and complex manufacturing increases, the occupational needs of the state will change. Although the highest number of employees in the state will only need short-term or moderate-term on-the-job training to perform their jobs, these are also the lowest paying positions. However, the projected growth rate for jobs requiring more education is higher than the average projected growth in employment for all occupations. These positions earn a great deal more than the average worker in the state.

**TABLE 5: 2010 Average Annual Kentucky Wage Estimates by Training Category**

<b>Training Category</b>	<b>Training Code</b>	<b>Total Employment</b>	<b>Avg. Annual Wage</b>
Postgraduate	1,2,3	63,552	\$85,360
Bachelor's Degree & Bachelor's Degree with Work Experience	4,5	277,571	\$62,732
Associate's Degree or Postsecondary Vocational Training	6,7	207,200	\$40,511
Work Experience in a Related Occupation or Long-Term OJT	8,9	342,330	\$43,622
Moderate-Term OJT	10	389,013	\$31,179
Short-Term OJT	11	715,411	\$23,335

Source: Office of Employment and Training, *Kentucky Occupational Outlook to 2018*

d. What jobs/occupations are most critical to the state's economy?

Two methods were used to determine which jobs were most critical to the state's economy. First, NAICS three-digit industry sectors that had the most annual average private ownership employment between 2010, 3<sup>rd</sup> quarter and 2011, 2<sup>nd</sup> quarter were identified. These industries are particularly important to the Commonwealth's economy because they make up a significant portion of the state's overall workforce. Additionally, 12 of these 15 sectors are projected to gain employment between 2008 and 2018. The three largest occupations within each of these industry sectors were then identified in order to provide some specific jobs that are important to the economy. Second, the three-digit NAICS sectors with the highest annual average wage between 2010, 3<sup>rd</sup> quarter and 2011, 2<sup>nd</sup> quarter were identified. In order to narrow the list to industries having the most profound impact on the economy, only those three-digit industries that employed at least 1,000 people were included. The largest occupations within these industry sectors were also identified.

**Sectors with the most employment and largest occupations within those sectors:**

1. Food Services and Drinking Places (NAICS 722)
  - Combined Food Preparation and Serving Workers
  - Waiters and Waitresses
  - Cooks, Restaurant
2. Administrative and Support Services (NAICS 561)
  - Janitors and Cleaners, Except Maids and Housekeeping Cleaners
  - Security Guards
  - Laborers and Freight, Stock and Material Movers (Hand)
3. Ambulatory Health Care Services (NAICS 621)
  - Medical Assistants
  - Receptionists and Information Clerks
  - Dental Assistants

4. Hospitals (NAICS 622)
  - Registered Nurses
  - Nursing Aides, Orderlies, and Attendants
  - Licensed Practical and Licensed Vocational Nurses
5. Professional and Technical Services (NAICS 541)
  - Accountants and Auditors
  - Lawyers
  - Paralegals and Legal Assistants
6. General Merchandise Stores (NAICS 452)
  - Retail Salespersons
  - Cashiers
  - Cargo and Freight Agents
7. Nursing and Residential Care Facilities (NAICS 623)
  - Nursing Aides, Orderlies, and Attendants
  - Licensed Practical and Licensed Vocational Nurses
  - Registered Nurses
8. Specialty Trade Contractors (NAICS 238)
  - Electricians
  - Plumbers, Pipefitters, and Steamfitters
  - Heating, Air Conditioning, and Refrigeration Mechanics and Installers
9. Transportation Equipment Manufacturing (NAICS 336)
  - Team Assemblers
  - Assemblers and Fabricators, All Other
  - Cutting, Punching, and Press Machine Setters, Operators and Tenders
10. Merchant Wholesalers, Durable Goods (NAICS 423)
  - Sales Representatives, Wholesale and Manufacturing
  - Mobile Heavy Equipment Mechanics, Except Engines
  - Computer, Automated Teller, and Office Machine Repairers
11. Credit Intermediation and Related Activities (NAICS 522)
  - Tellers
  - Loan Officers
  - Customer Service Representatives
12. Food and Beverage Stores (NAICS 445)
  - Cashiers
  - Stock Clerks and Order Fillers
  - Food Preparation Workers
13. Nondurable Goods Wholesale Trade (NAICS 424)
  - Drivers/Sales Workers
  - Truck Drivers, Heavy and Tractor-Trailer
  - Sales Representatives, Wholesale and Manufacturing
14. Social Assistance (NAICS 624)
  - Child Care Workers
  - Preschool Teachers, Except Special Education
  - Personal and Home Care Aides
15. Food Manufacturing (NAICS 311)
  - Meat, Poultry, and Fish Cutters and Trimmers

- Helpers – Production Workers
- Bakers

Sectors with the highest annual wage (based on a minimum of 1,000 jobs) and largest occupations within those sectors:

1. Securities, Commodity Contracts, Investments (NAICS 523)
  - Securities, Commodities, and Financial Services Sales Agents
  - Customer Service Representatives
  - Accountants and Auditors
2. Management of Companies & Enterprises (NAICS 551)
  - Customer Service Representatives
  - Bookkeeping, Accounting, and Auditing Clerks
  - Executive Secretaries and Administrative Assistants
3. Petroleum and Coal Products Manufacturing (NAICS 324)
  - Petroleum Pump System Operators, Refinery Operators, and Gaugers
  - Chemical Plant and System Operators
  - Mixing and Blending Machine Setters, Operators, and Tenders
4. Pipeline Transportation (NAICS 486)
  - Gas Plant Operators
  - Petroleum Pump System Operators, Refinery Operators, and Gaugers
  - First-Line Supervisors/Managers of Production & Operating Workers
5. Computer and Electronic Product Manufacturing (NAICS 334)
  - Computer Hardware Engineers
  - Team Assemblers
  - Inspectors, Testers, Sorters, Samplers, and Weighers
6. Electronic Markets and Agents and Brokers (NAICS 425)
  - Sales Representatives, Wholesale and Manufacturing
  - Merchandise Displayers and Window Trimmers
  - Shipping, Receiving, and Tracking Clerks
7. Utilities (NAICS 221)
  - Electrical Power-Line Installers and Repairers
  - Customer Service Representatives
  - First-Line Supervisors/Managers of Mechanics, Installers, & Repairers
8. Mining (NAICS 212)
  - Operating Engineers and Other Construction Equipment Operators
  - Roof Bolters, Mining
  - First-Line Supervisors/Managers of Construction Trades and Extraction Workers
9. Water Transportation (NAICS 483)

- Sailors and Marine Oilers
  - Captains, Mates, and Pilots of Water Vessels
  - Ship Engineers
10. Monetary Authorities – Central Bank (NAICS 521)
    - Financial Managers
    - Loan Officers
    - New Accounts Clerks
  11. Insurance Carriers and Related Activities (NAICS 524)
    - Insurance Sales Agents
    - Insurance Claims and Policy Processing Clerks
    - Customer Service Representatives
  12. Electrical Equipment and Appliance Manufacturing (NAICS 335)
    - Team Assemblers
    - Industrial Truck and Tractor Operators
    - Industrial Machinery Mechanics
  13. Chemical Manufacturing (NAICS 325)
    - Chemical Equipment Operators and Tenders
    - Chemical Plant and System Operators
    - Industrial Machinery Mechanics
  14. Beverage and Tobacco Product Manufacturing (NAICS 312)
    - Laborers and Freight, Stock, and Material Movers (Hand)
    - Packaging and Filling Machine Operators and Tenders
    - Industrial Truck and Tractor Operators
  15. Oil & Gas Extraction (NAICS 211)
    - Wellhead Pumpers
    - Roustabouts, Oil and Gas
    - First-Line Supervisors/Managers of Construction Trades and Extraction Workers

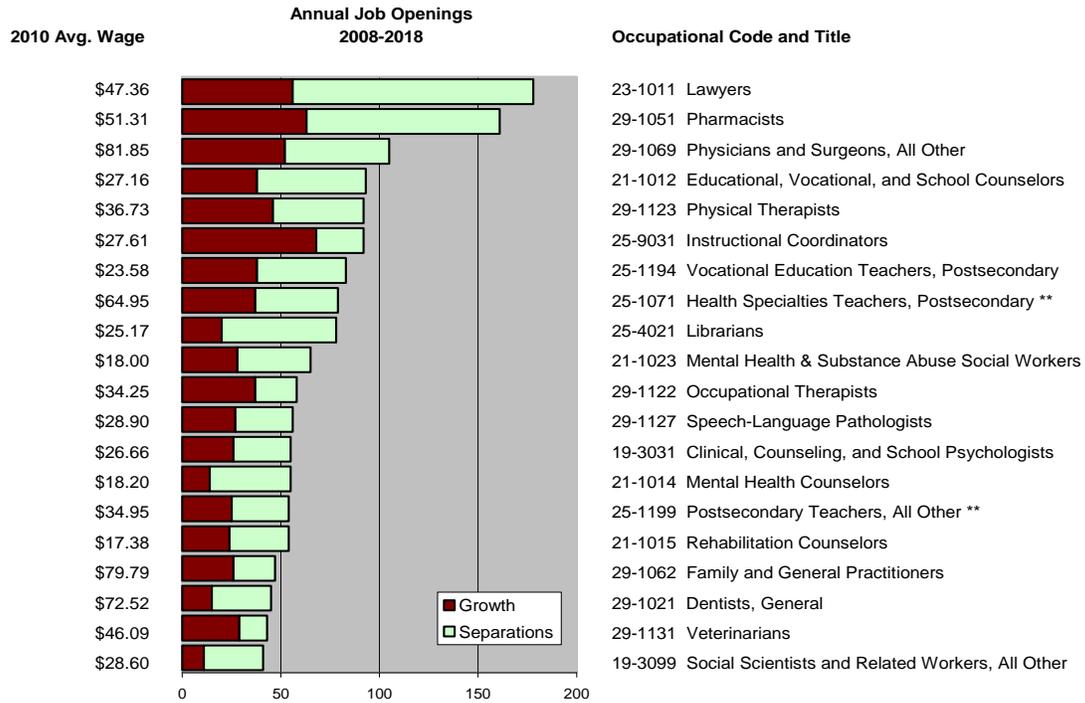
While the occupational makeup of the employment in these industries varies, a large percentage of jobs in these industries will require a highly trained and highly educated workforce.

e. What are the skill needs for the available, critical and projected jobs?

Total employment in the Commonwealth is projected to increase by nearly 150,000 between 2008 and 2018. This increase in total employment, combined with workers leaving occupations due to retirement, changing careers or leaving the labor force for other reasons, means that the Kentucky economy is expected to generate approximately 64,000 job openings annually. While many of these jobs will require only short-term or moderate-term on-the-job training, most occupations offering high wages and high growth potential will require some type of postsecondary training. The charts below show some of the most critically needed

occupations, based on a combination of projected annual openings through 2018 and higher than average wages.

**Twenty Kentucky Occupations with the Most Annual Job Openings Generally Requiring a Graduate or Professional Degree\***

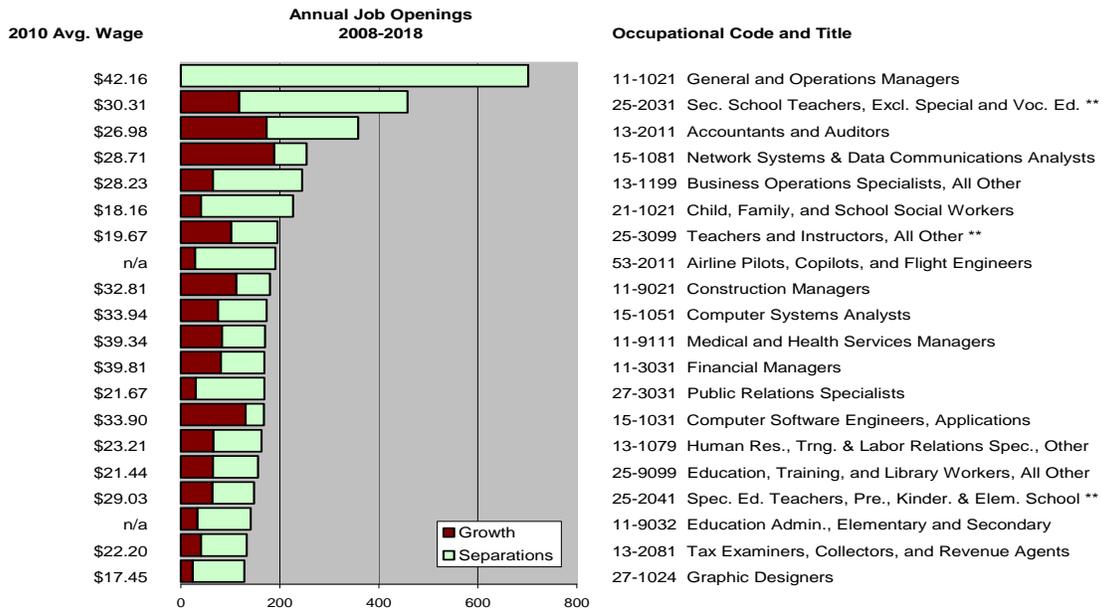


\*Ranked according to the total number of job openings each year, this chart illustrates the top 20 occupations in Kentucky for which a person usually needs a professional degree, master's degree, or doctoral degree to perform the duties. The dark bar represents the number of job openings due to employment growth. The light bar represents job openings due to workers separating from the occupation.

\*\*Average hourly wages for teacher occupations were calculated by assuming 9.5 working months per year at 40 hours per week.

Source: Office of Employment and Training, *Kentucky Occupational Outlook to 2018*

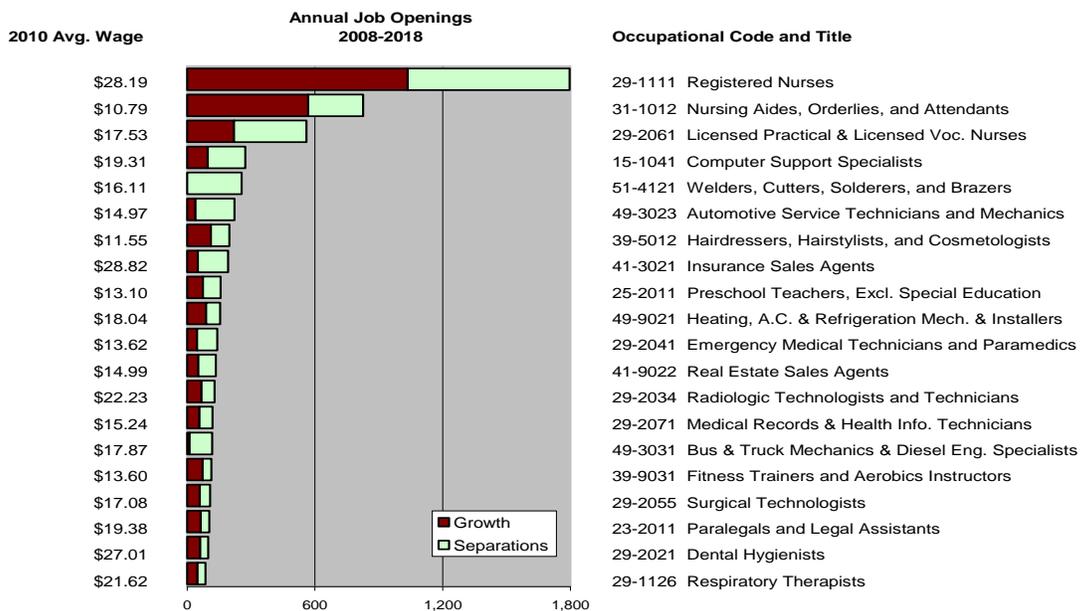
**Twenty Kentucky Occupations with the Most Annual Job Openings Generally Requiring a Bachelor's Degree or Bachelor's Degree and Work Experience\***



\*Ranked according to the total number of job openings each year, this chart illustrates the top 20 occupations in Kentucky for which a person usually needs a bachelor's degree or bachelor's degree and work experience to perform the duties. The dark bar represents the number of job openings due to employment growth. The light bar represents job openings due to workers separating from the occupation.

\*\*Average hourly wages for teacher occupations were calculated by assuming 9.5 working months per year at 40 hours per week.

**Twenty Kentucky Occupations with the Most Annual Job Openings Generally Requiring an Associate's Degree or Postsecondary Vocational Training\***



\*Ranked according to the total number of job openings each year, this chart illustrates the top 20 occupations in Kentucky for which a person usually needs an associate's degree or postsecondary vocational training to perform the duties. The dark bar represents the number of job openings due to employment growth. The light bar represents job openings due to workers separating from the occupation.

Source: Office of Employment and Training, *Kentucky Occupational Outlook to 2018*

f. What is the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?

All current demographics are courtesy of the 2006-2010 American Community Survey (ACS), which is conducted by the United States Census Bureau. Projected demographics are from the Kentucky State Data Center (KSDC) and forecast out to the year 2020.

<b>Current and Projected Demographics by Age Group</b>						
Age	Current - 2010		Projected - 2020		Change, 2010-2020	
	Number	Percent of Total	Number	Percent of Total	Number	Percent
Under 15 Years	843,186	19.7%	875,096	18.7%	31,910	3.8%
15-19 Years	298,415	7.0%	300,406	6.4%	1,991	0.7%
20-24 Years	288,226	6.7%	300,128	6.4%	11,902	4.1%
25-34 Years	558,362	13.0%	595,630	12.7%	37,268	6.7%
35-44 Years	593,950	13.9%	582,976	12.5%	-10,974	-1.8%
45-54 Years	634,200	14.8%	597,785	12.8%	-36,415	-5.7%
55-64 Years	509,455	11.9%	633,666	13.6%	124,211	24.4%
65-74 Years	310,316	7.2%	475,532	10.2%	165,216	53.2%
75-84 Years	181,376	4.2%	225,582	4.8%	44,206	24.4%
85+ Years	68,342	1.6%	85,953	1.8%	17,611	25.8%
<b>Total</b>	<b>4,285,828</b>	<b>100.0%</b>	<b>4,672,754</b>	<b>100.0%</b>	<b>386,926</b>	<b>9.0%</b>
Male	2,105,483	49.1%	2,296,133	49.1%	190,650	9.1%
Female	2,180,345	50.9%	2,376,621	50.9%	196,276	9.0%
White Alone	3,792,514	88.5%	No official projections have been made by the KSDC concerning race/minority status.			
Minority	493,314	11.5%				

Sources: United States Census Bureau, American Community Survey (ACS) 2006-2010; Kentucky State Data Center (KSDC) Population Projections

During the next decade, the Commonwealth's population will age substantially. In 2010, those age 55 and over made up 25 percent of the overall population. That number is projected to increase to 30.4 percent by 2020. Conversely, those ages 20-54 will see a decrease in their share of the population from 48.4 percent in 2010 to 44.4 percent in 2020. The gender makeup of the Commonwealth's population is projected to remain constant through 2020, at 49.1 percent male and 50.9 percent female. There have been no official projections made concerning race/minority status.

The following data summarizes educational attainment levels for the Commonwealth's population over the age of 25 in 2010:

- Less than 9th grade: 234,819 (8.2 percent)
- 9th-12th grade, no diploma: 308,968 (10.8 percent)
- High school, including equivalency: 982,494 (34.4 percent)
- Some college, no degree: 560,162 (19.6 percent)
- Associate's degree: 188,587 (6.6 percent)
- Bachelor's degree: 345,689 (12.1 percent)

- Graduate/professional degree: 235,282 (8.2 percent)
- High school and above: 81.0 percent (Kentucky ranked number 47 of 50 states)
- Bachelor's degree and above: 20.3 percent (Kentucky ranked number 47 of 50 states)
- Graduate/professional degree: 8.2 percent (Kentucky ranked number 36 of 50 states)

While there have not been any official projections concerning educational attainment, the Commonwealth has made significant progress during the last decade. Although the state still ranks 47<sup>th</sup> in percentage of the population 25+ with at least a high school diploma, this number has skyrocketed from 74.1 percent in 2000 to 81.0 percent in 2010. The Commonwealth also made a huge jump in the percentage of those with an associate's degree, from 4.9 percent in 2000 to 6.6 percent in 2010. The percentage of those with at least a bachelor's degree has also increased dramatically, from 17.1 percent in 2000 to 20.3 percent in 2010.

- g. Is the state experiencing any “in migration” or “out migration” of workers that impact the labor pool?

From 2010 to 2011, the Commonwealth's population was augmented by a net “in migration” of more than 12,000 people. Nearly 48 percent of this migration was domestic migration, meaning that it came from other states. The other 52 percent can be attributed to international migration, or that which came directly from another country. When this net “in migration” is combined with the Commonwealth's natural population increase of slightly more than 18,000, the state's resident population grew by almost 30,000 people between 2010 and 2011, with approximately 40 percent of that growth due to net migration. Of the seven states surrounding Kentucky, only Tennessee and Virginia had higher levels of net “in migration.” These trends are likely to continue as the South had higher net migration levels than any other region of the country between 2010 and 2011.

Resident Population Change, 2010-2011							
Area	Total Population Change	Natural Increase	Vital Events		Net Migration		
			Births	Deaths	Total	International	Domestic
United States	2,846,379	1,952,088	4,998,000	3,045,912	894,291	894,291	(X)
Northeast	204,354	234,524	805,096	570,572	-27,559	180,910	-208,469
Midwest	231,848	347,823	1,056,678	708,855	-115,267	109,887	-225,154
South	1,490,979	737,247	1,910,087	1,172,840	750,606	336,591	414,015
West	919,198	632,494	1,226,139	593,645	286,511	266,903	19,608
Illinois	38,625	83,925	209,060	125,135	-45,403	34,055	-79,458
Indiana	33,122	35,397	106,018	70,621	-2,226	9,186	-11,412
Kentucky	29,994	18,007	70,438	52,431	12,064	6,303	5,761
Missouri	21,761	26,799	94,510	67,711	-4,874	6,957	-11,831
Ohio	8,449	41,869	176,295	134,426	-33,149	11,719	-44,868
Tennessee	57,243	27,105	100,612	73,507	30,203	9,875	20,328
Virginia	95,574	54,234	127,114	72,880	41,156	25,618	15,538
West Virginia	2,368	-1,251	25,769	27,020	3,728	914	2,814

Sources: United States Census Bureau, Population Division

- h. Based on an analysis of both the projected demand for skills and the available and projected labor pool, what skill gaps is the state experiencing today and what skill gaps are projected over the next decade?

Kentucky is currently facing a skill gap from the shortage of postsecondary and work-ready high school graduates. The Kentucky Occupational Outlook to 2020 Report projects between 2010 and 2020 employment in Kentucky will increase by 235,430 persons or 12.4 percent. Occupations requiring more education are increasing in share of total employment with occupations requiring at least some college increasing from 27.5 percent in 2008 to 27.8 percent in 2010 and projected to increase to 28.9 percent by 2020.

Occupations requiring a Doctoral or Professional degree are projected to increase by 20.9 percent; requiring a Master's Degree by 19.7 percent; requiring a Bachelor's Degree by 14.8 percent; requiring an Associate Degree by 17.9 percent; and requiring a Postsecondary Non-Degree award by 16.8 percent compared to occupations requiring a High School Degree only by 11.0 percent and requiring less than High School by 10.4 percent. Not only are jobs requiring more education but education pays with median wages for a Bachelor's Degree being \$42,150 and for an Associate Degree, Postsecondary Non-Degree award being \$30,207 compared to median wages for High School only being \$24,355 and for less than High School being \$17,635.

The 2010 American Community Survey, ACS, found Kentucky ranked 47<sup>th</sup> in the number of adults, ages 25+, with a High School Degree, 81.9 percent, and ranked 48<sup>th</sup> in the number of

adults, ages 25+, with a Bachelor's Degree, 20.5 percent. For Kentucky to be a competitive state regarding employment we need to increase both our high school and college graduation rates as well as insure our workforce has the needed soft skills such as communication, team work and good work attendance. Kentucky high schools are stressing college and career readiness for all students, and postsecondary institutions are working with them to reach higher student proficiency levels to insure students are ready for the workplace and/or continuing their education.

One-third of new jobs created between 2010 and 2020 will be in one of three occupational groups; (1) Healthcare Practitioners and Technical Occupations, 24.9 percent growth, (2) Office and Administrative Support Occupations, 10.1 percent growth, and (3) Transportation and Materials Moving Occupations, 15.0 percent growth.

- i. Based on an analysis of the economy and the labor market, what workforce development issues has the state identified?

The state has identified four workforce development issues that will successfully bridge the gap between the skills required for the jobs of the future and the skills developed by the labor force. These include the following.

1. Align the state's workforce development system with Kentucky's education objectives.

This is a critical first step in providing marketable skills to the workforce. It requires increased collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development agencies.

The state has also focused on increasing the number of postsecondary and work-ready high school graduates. This requires promoting educational options like career and technical education, two-year and four-year college, apprenticeships and specialty training.

2. Align the state's workforce development system with economic development strategies.

This requires collaboration between workforce boards and economic development agencies. It also calls for the development of a "rapid response" framework for new jobs based on the types of layoffs and the creation of an entrepreneurial culture.

3. Simplify the workforce development service delivery system.

This calls for the simplification of online services and focus on innovation and user-friendly applications. Steps needed to make simplification a success include: increase awareness of online job matching and training services; increase use of job portals by employers and job seekers; and improve communication among all service delivery systems.

4. Improve service to achieve a customer-centered delivery system.

The requirements for an improved delivery system include the increased use of resources for employers to identify, screen, match, interview and prepare candidates for work. It also requires increased contacts with employers and economic development agencies regarding future workforce needs.

j. What workforce development issues has the state prioritized as being most critical to its economic health and growth?

The state has identified the following priorities as critical factors to its economic health and growth:

- recruitment and attraction of new business,
- retention of existing business, and
- commitment to educational and professional development.

Recruitment of new businesses is critical for the growth of the state economy. To be successful in this effort, KEWDC will collaborate with the Governor's office and the KCED to make the case for businesses to locate here.

Businesses already located in the Commonwealth need continued support to ensure they have the workforce they need and a climate to succeed in a changing economy. This requires a partnership between government and business to best meet the needs of our citizens regarding their education, training and employment and the benefits those investments bring to our economy by supplying the workforce we need for today and tomorrow.

To address issues on how the workforce system can play a vital role in changing the Commonwealth's economic outlook, the KWIB defined four strategic goals:

1. align the Commonwealth's workforce development system with Kentucky's education objectives,
2. align the Commonwealth's workforce development system with economic development strategies,
3. simplify the workforce development service delivery system, and
4. improve service to achieve a customer-centered delivery system.

In addition to the strategies described on pages five and six of this document. The KEWDC, KWIB and several workforce partners have teamed with the KCED to develop a strategy to unify our approach to existing and prospective employers called the Kentucky Solution.

The Kentucky Solution focuses on the following five primary goals.

**Goal 1 –Vertical and horizontal policy alignment between workforce and economic development**

Expected Outcomes – a statewide vision, measurable goals and business service framework addressing: partnership and confidentiality agreements, business service resource guides, business turnaround assistance, a proactive business services process and business protocols for supporting existing business.

Activities and Interim Outputs - At the cabinet level, we will engage key state and regional business, education, economic and workforce development leaders in a series of discussions to set a statewide vision with measurable goals.

Building on this process, key stakeholders will collaboratively develop and adopt a business service framework addressing: partnership and confidentiality agreements; business service resource guides; business turnaround assistance; and business protocols to support and

encourage consistency in business retention and expansion efforts at the regional level. These will become foundational elements of unified business service/economic development teams across the Commonwealth.

Team members' roles and responsibilities will be clearly established to support The Kentucky Solution. Teams will include economic and workforce professionals along with education partners such as KCTCS and KYAE.

These activities will provide tools to help local leaders form meaningful regional alliances, leverage resources and embrace new economic development strategies like sector initiatives. Regional efforts will provide distinct career pathways for the long-term unemployed and the emerging workforce.

### **Goal 2 – Employer-led state and regional sector strategies**

Expected Outcomes – viable industry partnerships in the targeted sectors, decrease the number of employers leaving the state due to workforce quality, increase number of new employers, increase leveraged resources for training in identified sectors, increase quality of workforce with skills required by target industry sectors and increase incumbent worker retention rates within targeted sectors.

Activities and Interim Outputs - The Kentucky Solution will support and promote the use of industry-led, state and/or regionally defined sector-focused partnerships that build and shape the workforce. Previous grants have enabled several partnerships to create strategic plans. A critical activity will be to advance existing industry partnerships from strategic planning to implementation, harnessing the public/private resources to ensure a strong emerging workforce as well as a retooled incumbent workforce. We will also provide seed capital to new industry partnerships supporting the state and regional targeted sectors.

On the technical assistance front, we will assess skill needs in targeted sectors, expand and leverage sector strategies' website and toolkit, align grants to Industry Partnerships with KWIB and KCED strategic plans and targeted regional sectors, and develop target sector profiles. Supports to industry partnership may include the following: sharing applicable research; convening conference calls; arranging peer-to-peer learning exchanges; managing speakers/web cams and industry partnership blogs; conducting industry partnership forums and "Live Meeting/Meet Now" sessions; creating shared resource page/topics and events; and providing support with developing strategic plans. We are also exploring the concept of hiring three regional profilers to work across the state with industry partnerships to target jobs by sector.

### **Goal 3 - A world-class talent pipeline**

Expected Outcomes – adoption of a career pathways framework by the education partners; career pathways aligned to support targeted sectors and occupations; increase the number of low-income, disadvantaged workers and job seekers gaining industry-recognized credentials in the pathways; and alignment of education policy around career pathways supporting the emerging workforce.

Activities and Interim Outputs – The Commonwealth recognizes that it has to improve efficiency and responsiveness to job seekers and employers. The focus of activities tied to this goal must be on building the educational infrastructure needed to train the emerging workforce, retool the current workforce and re-engage the structurally unemployed for high-demand industries while stressing academic and career education. This includes:

- adopting a career pathways framework,

- aligning educational policy and practice to support it,
- implementing a Career Pathways Integrated Education and Training (IET) model/approach, developing tools that aid job seekers in making informed decisions about their career paths, and
- increasing the number of adult students earning a National Career Readiness Certificate (NCRC) and/or high school equivalency credential, stackable credentials and successfully transitioning to the workforce and/or postsecondary education.

The education partners along with key employers, and economic and workforce development representatives will form a steering committee to research models and approaches. They will then choose a career pathways framework for all pathways work via industry partnerships and other collaboratives. Documents on the roles and responsibilities of partners in building the career pathways frameworks will be developed. Then the work of aligning existing and new career pathways supporting targeted sectors/occupations identified by Industry Partnerships must begin in the educational system. The steering committee will then start evaluating and aligning policy and practice in the education system to support learning through career pathways. These activities/outcomes will be leveraged with Kentucky's Accelerating Opportunity (AO) grant. A collaborative partnership with a compelling statement: Kentucky's vision for the AO initiative is to implement a collaborative career pathways model that prepares students to be college and career ready. Specifics can be found at: <http://www.acceleratingopportunity.org/>.

#### **Goal 4 – An interagency customer relations approach**

Expected Outcomes – a solutions-based business services approach, increase employer market penetration, increase information sharing among partners, more sophisticated business intelligence, and streamlined communications throughout the Kentucky Solutions Team.

Activities and Interim Outputs - Kentucky's proactive approach means that The Kentucky Solution team must make a significant shift in its approach to business services at every level of the enterprise to be truly solutions based. The activities tied to this goal are focused on developing strategic tools required to make that shift.

We will explore off-the-shelf tools versus in-house technology solutions supporting customer relationship management systems such as Executive Pulse and Sales Force. The team will use cost/benefit analysis to select the best option. If an off-the-shelf tool is selected, we will follow state procurement processes.

The Commonwealth will engage stakeholders at every level to develop a tool that delivers an assortment of services. This engagement will assure user-friendly, intuitive interfaces and multi-dimensional input from partners such as the Department of Workforce Investment, KCTCS, KYAE, economic development organizations/chambers of commerce and local Workforce Investment Areas.

This collaborative platform will support the established business visitation/contact information needs, track solutions-based service work and facilitate communications among team members.

The Kentucky Solution team will be trained to effectively use real-time data, facilitate sector selection, ensure employer assessed talent needs are clear, provide organizational support to targeted sectors, align education and training needs with sectors, align business services with sectors and plan for continuous improvement and sustainability.

## Goal 5 –Return on investment

Expected Outcomes – consensus around a set of key employer and workforce performance indicators, data-driven policy and investment decision-making, and a publicly accessible dashboard featuring levels of investment and results in terms of employer and workforce factors.

Activities and Interim Outputs - ROI is a critical decision-making tool that maximizes the Commonwealth’s workforce, economic development and education investments. Given the wide range of stakeholders, it is critical that the ROI tools are developed with the input of these groups and with easy access to the latest available data presented in an understandable way, especially for industry partnerships, economic development partners and local and state workforce officials. To accomplish this, we will work closely with a former executive of Toyota Motor Manufacturing to adapt their private-sector model for performance measurement to analyze the impacts and outcomes of our investment in talent development, and responsiveness to the needs of existing and sector-based targets.

### TOYOTA Model for Measuring Performance



This model looks at the overall vision of the organization and breaks it down into management areas, such as supply, demand and service delivery. We will also consider such areas as training and education, employer and economic development, and system simplification. These correspond to the state board’s goals of alignment, simplification and a customer-centric system.

As a result of preliminary discussions with our KWIB private-sector members, we have identified specific management areas to target that may include sector-based training investment, understanding employer needs, workforce quality and system usage. We will work with stakeholders to determine key performance indicators that will be meaningful to all partners. Using information gathered through focus groups, surveys and other methods, we will develop a relevant, user-friendly dashboard created by a well-respected professional consultant. The hiring will be in accordance with state procurement procedures.

The KEWDC and the KCED recognize that our systems are fragmented and ineffective in developing talent pipelines to meet the changing workforce demands of existing and prospective employers. There is duplication fueled by a lack of communication and coordination. To overcome these challenges, the cabinets must align policies, sector-driven strategies and resources. We are committed to changing the culture of our system by rewriting the “DNA” of

how we do business in the state.

Our determination to provide best-in-class service will challenge the beliefs, values, attitudes and behaviors that currently define our system. This shift coupled with a culture of excellence will forge a sense of purpose and value for the unified system. Our value will manifest itself through strategic planning and data-driven decision making; development of strong professional relationships; clearly defined roles and responsibilities; leveraging resources; and a seamless, solutions-based service delivery system. Simply put, we must listen to our business customers and do what they want and need.

The Commonwealth also has created a new brand with a promise to guide, empower and inspire our customers. In order to accomplish this, we must not only find purpose and value in the work that we do, we must elevate the knowledge of our system and change its behavior. Training our employees is essential to fulfilling the brand promise and cultivating a more empowered and agile workforce professional. For example, our Business Service Teams are inconsistent throughout the state and do not have a full comprehension of the varying needs of business. Our goal is to develop these teams to be solutions driven, and provide each team member with the tools to be successful.

One of the greatest challenges we face in our state is creating a commitment to lifelong learning. The Commonwealth recognizes the need for an increase in skills and industry-recognized credentials within our current and emerging workforce. By combining resources to identify and engage our job seeking customers, we can assess the skills needed to enter career pathways. This effort will result in an increase in skills coupled with industry-recognized credentials and lead to more career opportunities and sustainable wages, and ultimately help the state attract business through consistent development and understanding of our talent pipeline.

Trusting relationships must be forged with internal and external stakeholders so that system partners at all levels are included in decision making. In this new reality, stakeholders become stockholders and we evolve from multiple workforce, economic development and education systems to The Kentucky Solution, singularly focused on meeting our individual and employer customers' needs.

In addition to the training required to re-orient our business service teams around the state in order to fulfill this vision, the Commonwealth has also undertaken a number of training initiatives designed to change the culture of the workforce system in accordance with our vision of a simplified, customer-centric system. While these initiatives are described elsewhere in this plan, they are worth mentioning here and they include:

- Workforce Academy Phases I & II, which trains all front line staff and managers of workforce and partner agencies in the new approach to meeting customer expectations and our responsibilities as workforce professionals.
- Eligible Training List Provider Training – these will be focused on the new requirements to be put in place once the KWIB adopts new standards (anticipated November 2012).
- Partner for Success – while this is not a training program in the traditional sense, this innovative approach to building better partnerships, sharing visions and best practices is immersed in a process of collaboration, team problem solving, development of ownership and empowerment.

## E. State and Local Governance

1. What are the organization, structure, and role/function of each state and local entity that will govern the activities of the Unified Plan?

In answering this question, if the Unified Plan includes:

a. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs:*

i. Organization of state agencies:

- a. Provide an organizational chart that delineates the relationship to the governor of the agencies involved in the workforce investment system, including education and economic development and the required and optional one-stop partner programs managed by each agency.

The organizational chart that details the relationship of the Governor to those agencies engaged in the public workforce investment system can be found in Attachment D.

- b. In a narrative describe how the agencies involved in the public workforce investment system interrelate on workforce and economic development issues and the respective lines of authority.

The organizational chart (Attachment D) provides a visual depiction of the relationship between agencies engaged in the public workforce investment system. Gov. Beshear is ensuring cross-agency collaboration via Executive Order 2009-438 dated May 12, 2009. The executive order provides for a coordinating council composed of the Governor and senior policy and administrative officers who will serve as the steering committee for the Workforce Investment Board as follows:

- Governor or designee
- Secretary of the Cabinet or designee
- Chief of Staff to the Governor or designee
- Secretary of Economic Development
- Secretary of Education and Workforce Development
- Secretary of Labor
- Secretary of Tourism, Arts and Heritage Cabinet
- Commissioner of Education
- Commissioner of Workforce Investment
- President of Kentucky Community and Technical College System
- President of Council on Postsecondary Education

An example of the cross-agency collaboration is the development process of the *WORKSmart Kentucky* plan. The executive director of the KWIB met with every member of the steering committee to generate ideas, the steering committee then coalesced around potential action steps to support the four goals identified earlier in this document set forth by the Governor. Those potential action steps were then brought forth through the committee process where priority action steps were identified and recommended to the full board. It is now the responsibility of the various state government partners identified in each of the approved action steps and stakeholders to

implement each action step.

ii. State Workforce Investment Board:

- a Describe the organization and structure of the state board. (§111.)

The Executive Order establishing the board, states:

*I. The Membership of the Board shall be as follows:*

*A. A Coordinating Council comprised of the Governor and senior policy and administrative officers who will serve as the steering committee for the Workforce Investment Board as follows:*

- *Governor or designee*
- *Secretary of the Cabinet or designee*
- *Chief of Staff to the Governor or designee*
- *Secretary of Economic Development*
- *Secretary of Education and Workforce Development*
- *Secretary of Labor*
- *Secretary of Tourism and Heritage Cabinet*
- *Commissioner of Education*
- *Commissioner of Workforce Development*
- *President of Kentucky Community and Technical College System*
- *President of Council on Postsecondary Education*

*B. Twenty one (21) additional members shall be appointed by the Governor. Such members must (1) represent a business as a high-level executive such as an owner, CEO, or COO, of a company that represents the employment opportunities in the state, and (2) be appointed from among individuals nominated by a state business organization or trade association*

*C. Two (2) chief elected officials representing municipalities and counties*

*D. Two (2) representatives of labor organizations*

*E. One (1) representative of individuals and organizations who has experience with respect to youth activities*

*F. One (1) representative of individuals and organizations who has experience in the delivery of workforce investment activities*

*G. The lead state agency official with responsibility for the programs and activities of the state one-stop delivery system*

*H. Two (2) members of each chamber of the General Assembly*

*II. Members of the Board shall be initially appointed to serve staggered terms and thereafter for terms of four years*

*III. The Board shall be attached to the Cabinet for Education and Workforce Development for administrative and staff purposes*

**b** Include a description of the process by which state and local boards were created.

The state board was created in 1998 by appointment of Gov. Paul Patton. After nine years, with declining attendance, Gov. Steve Beshear dissolved the existing board in 2009 and replaced it with 42 members with majority of private-sector representatives and secretaries of four cabinets and his Secretary of the Executive Cabinet. Meetings have since been held quarterly without fail and attendance has been consistently high.

Local areas were designated by Gov. Patton and based, primarily on the boundaries of Area Development Districts which were established between 1966 and 1972 based on economic regions at the time. There are a few exceptions, for example in west Kentucky, two area development districts joined to form the West Kentucky Workforce Investment Area. In the east, an existing Concentrated Employment Program was assigned the same region as its workforce investment area. There are other examples of minor difference, but for the most part, boundaries are based on economic data of the 1960s and 1970s.

Local boards are appointed by the designated local elected official, which in most cases is the board of the area development district(s), which in turn comprises the county judge executive in each county.

**c** Identify the organizations or entities represented on the state board. If you are using an alternative entity which does not contain all the members required under section 111(b)(1), describe how each of the entities required under this section will be involved in planning and implementing the state's workforce investment system as envisioned in WIA. How is the alternative entity achieving the state's WIA goals? (§§111(a-c), 111(e), and 112(b)(1).)

**Adair, Benny**

Directing Business Representative  
Machinist Union District 154

**Allen, Kenneth**

VP of Operations  
Armstrong Coal Company

**Beshear, Governor Steven L.**

Governor  
Commonwealth of Kentucky

**Brinly, Beth**

Commissioner  
Dept. of Workforce Investment

**Brown, Mark**

Secretary  
Kentucky Labor Cabinet

**Christman, Rick**

CEO  
Employment Solutions

**Clark, Larry**

Representative  
Kentucky General Assembly

**Cole, James**

Senior Advisor  
The Cole Group

**Combs, Leslie**

Representative  
Kentucky General Assembly

**Flynn, Betsy**

President  
Community Financial Services

**Gannon, Oliver (Keith)**  
CEO  
BONEAL, Inc.

**Grieshop, Joe**  
Judge Executive  
Harlan County

**Haydon, Hugh**  
CEO  
Kentucky BioProcessing, LLC

**Hayes, Larry**  
Secretary  
Cabinet for Economic Development

**Higgins-Stinson, Sandra**  
Health Care Executive  
The Thomas Group

**Holmes, Edward**  
President  
EHI Consultants

**Bischoff, Jeff**  
Vice President  
Gray Construction

**Krase, Herbert**  
Senior VP of Administration  
Toyotetsu America, Inc.

**Volta, Tom**  
VP Human Resources  
UPS Worldport

**Margulis, Heidi**  
Senior Vice President  
Humana, Inc.

**McGaha, Vernie**  
Senator  
Kentucky General Assembly

**Needham, Mark**  
Base Realignment & Closure Advisor  
Office of the Governor

**Gibson, Crystal**  
VP of Public Affairs  
Citi

**Hampton, Debra**  
Chief Nursing Officer  
University of Cincinnati Health

**Haydon, Mike**  
Chief of Staff  
Office of the Governor

**Higdon, Jimmy**  
Senator  
Kentucky General Assembly

**Holliday, Terry**  
Commissioner  
Ky. Department of Education

**Huston, Kimberly**  
President  
Nelson Co. Economic Development Agency

**King, Robert**  
President  
Council on Postsecondary Education

**Lassiter, Mary**  
Secretary of the Executive Cabinet  
Office of the Governor

**Marcum, Roger**  
Executive Vice President  
St. Catharine College

**McCall, Michael**  
President  
Ky. Comm. & Technical College System

**Meyer, Joseph U.**  
Secretary  
Education & Workforce Dev. Cabinet

**Needham, Lara H.**  
Associate Director, School of Communication  
Bellarmine University

**Nuckols, Kelly**  
CEO/General Manager  
Jackson Purchase Energy Corp.

**Rhoads, Judith**  
President  
Madisonville Comm. & Technical College

**Pierce, Scott**  
Superintendent  
Russell County Board of Education

**Shurn, Kevin**  
CEO  
Superior Maintenance Co.

**Smith, Daryl W.**  
Project Manager Economic Development  
LG&E and Kentucky Utilities

**Sparrow, Marcheta**  
Secretary  
Tourism, Arts & Heritage Cabinet

**Whalen, Diane**  
Mayor  
City of Florence

**Zawacki, Tom**  
General Manager-General Affairs  
Toyota Engineering & Manufacturing

- d Describe the process the state used to identify the state board members. How did you select board members, including business representatives, who have optimum policy-making authority and who represent diverse regions of the state as required under WIA? Describe how the board's membership enables you to achieve the vision described above. (20 CFR 661.200)

Section 3 B of the Executive Order establishing the Board states:

*Twenty one (21) additional members shall be appointed by the Governor. Such members must (1) represent a business as a high-level executive such as an owner, CEO, or COO, of a company that represents the employment opportunities in the state, and (2) be appointed from among individuals nominated by a state business organization or trade association.*

Due to resignations, retirements and job changes, it became necessary for the Governor to appoint new members to the board. The procedure included correspondence with the president of the Kentucky Chamber of Commerce for a nominee to replace a business at large member, the executive director of the of the Kentucky Association of Counties for a nominee to replace a county judge-executive representative, and the executive director of the Kentucky Association of Manufacturers for a replacement of a manufacturing sector representative.

The diverse representation of the board's membership enriched the strategic planning process and yielded a more robust and workable document because there was a variety of perspectives, ideas and solutions at meetings and planning activities.

Their dialogue generated out-of-the-box solutions because they represented a wide variety of disciplines and expertise, and they actively discussed issues and concepts.

An example of how the KWIB takes advantage of this diversity can be found in the makeup of steering committees who oversee the implementation of projects identified by the strategic plan. Members of the board understand the importance of bringing the right expertise to the table and have used their influence to encourage stakeholders and subject matter experts not on the board to serve on these steering committees.

The committee overseeing the rebranding of the workforce system includes economic development, corporate, local workforce board, partner agencies, marketing and cabinet leadership, in addition to the members of the KWIB.

- e Describe how the board carries out its functions as required in section 111(d) and 20 CFR 661.205. Include functions the board has assumed that are in addition to those required. Identify any functions required in section 111(d) the board does not perform and explain why.

Section 2 of the Executive Order establishing the new board states:

*The duties of the Board shall include assisting the Governor in complying with the provisions and requirements of the Workforce Investment Act of 1998 pursuant to 29 U.S.C. 2822 and any and all other duties and functions pursuant to 29 U.S.C. 2821 and 29 U.S.C. 2822 and to assist the Governor in developing and implementing the state Perkins Plan set forth in 20 U.S.C. 2341 and 20 U.S.C. 2342.*

The responsibilities described in section 111 (d) and 20 CFR 661.205 and the manners in which they carry them out include:

*The State Board must assist the Governor in the:*

- *Development of the State Plan*

The KWIB spent nearly one year developing a strategic plan that engaged the business community, partner agencies, customers and other stakeholders to identify ways to transform the state's workforce system. That plan is the foundation for this DOL-required document. According to KEWDC Secretary Joseph U. Meyer, implementation of the strategic plan is the work plan for the cabinet.

- *Development and continuous improvement of a statewide system of activities that are funded under subtitle B of title I of Workforce Investment Act, or carried out through the one-stop delivery system, including*
- *Development of linkages in order to assure coordination and non-duplication among the programs and activities carried out by one-stop partners, including, as necessary, addressing any impasse situations in the development of the local Memorandum of Understanding; and*
- *Review of local plans*

All of the projects proposed and being championed and monitored by the KWIB are designed to continuously improve the system. The board has specifically established and is currently overseeing the development of a one-stop Certification Policy Framework to assure coordination of resources and seamless customer service. Board staff members who have expertise in planning have been directed to review and recommend improvements to the instructions to develop local plans so that they will be meaningful to private sector members of local boards and not serve as compliance documents for state agencies.

- *Commenting at least once annually on the measures taken under section 113(b)(14) of the Carl D. Perkins Vocational and Technical Education Act*

The KWIB requests an annual presentation about the Perkins Act implementation in the state and

serves as the responsible party for approving the plan at the state level. A presentation by John Marks of OCTE at the November 2010 meeting generated a dialogue regarding how funds are distributed. That continues to engage board members.

- *Designation of LWIAs*

Designation of the LWIAs was made in 1998 and no changes to those designations were proposed in the new strategic plan. The board did support the continued federal designation of the Eastern Kentucky Concentrated Employment Program at its Aug. 2010 meeting.

- *Development of allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas, as permitted under WIA sections 128(b)(3)(B) and 133(b)(3)(B)*

Allocation formulas were established by the previous board. No changes to these formulas were requested or proposed in the new plan.

- *Development and continuous improvement of comprehensive state performance measures, including state adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the state, as required under Workforce Investment Act section 136(b)*

As stated in the executive order, the KWIB is attached to the KEWDC for administrative and staffing purposes. OET, within the cabinet, is the designated agency charged with negotiations for local performance and state performance measures and reports regularly to the board as to the achievement or lack of achievement of those standards.

- *Preparation of the annual report to the Secretary described in Workforce Investment Act section 136(d)*

At one of its regular meetings, the KWIB reviews and approves the annual report prepared by OET. Members are encouraged to comment and offer recommendations for useful content in addition to that required for compliance with federal agency regulations.

- *Development of the statewide employment statistics system described in section 15(e) of the Wagner-Peyser Act*

The board annually reviews the work of the OET Research and Statistics Branch as well as its annual request for federal funding.

- *Development of an application for an incentive grant under Workforce Investment Act section 503. (WIA sec. 111(d).)*

This application is developed within the cabinet. In the past the board has reviewed and approved this application before it is submitted.

- f How will the state board ensure that the public (including people with disabilities) has access to Board meetings and information regarding State Board activities, including membership and meeting minutes? (20 CFR 661.207.)

All KWIB and its committees' meeting locations are held in either state owned or operated Americans with Disabilities Act compliant facilities or facilities which meet the same standards belonging to partner agencies, private sector members or others. The KWIB is represented on both the Kentucky Assistive Technology Services Network and the Statewide Council on Vocational Rehabilitation.

Applications for membership on the KWIB are available through the Governor's Office of Boards and Commissions. KWIB staff also maintains current copies of the required forms and provides them upon request. The cabinet is home to the OVR, OFB and the Kentucky Commission on the Deaf and Hard of Hearing which serve as advisors in the event special arrangements are required to meet the needs of members and their guests at meetings or other functions.

Minutes of board meetings are posted on the board's website after they are approved. Committee notes are available upon request.

- g Identify the circumstances which constitute a conflict of interest for any state or LWIB member or the entity that s/he represents, and any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112(b)(13), and 117(g).)

On May 27, 2008, Gov. Beshear issued Executive Order 2008-454, amended by Executive Order 2009-882, establishing certain ethical standards for members of policy making and regulatory boards and commissions. These standards were issued to ensure that board and commission members who serve in the public sector are accountable to the people of the Commonwealth. The ethical guidelines in the executive order do not subject board and commission members to all provisions of the Executive Branch Code of Ethics contained in KRS Chapter 11A. The ethical standards that do apply to board and commission members specifically relate to the prohibition against self dealing, the obligation to disclose in writing or in the minutes of a meeting a direct or indirect interest, and gift acceptance provisions.

Section VI of the board's adopted Statement of Executive Authority and Rules of Procedure states:

*A member of the KWIB may not vote on a matter under consideration by the Board: regarding the provision of services by such member (or by an entity that such member represents) or that would provide direct financial benefit to such member or the immediate family of such member. A member of the Board may not engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State Plan.*

- h What resources does the state provide the board to carry out its functions, e.g., staff, funding, etc.?

As stated in the executive order establishing the new KWIB, the board is attached to the KEWDC for administrative and staffing purposes. In keeping with this directive, the cabinet provides the board with an executive director and administrative assistant. Office space, equipment, supplies and resources necessary to carry out the administrative functions of the board (including memberships, travel, professional development, etc.) are provided.

- iii. What is the structure/process for the state agencies and state board to collaborate and communicate with each other and with the local workforce investment system (§112(b)(8)(A).):
  - a Describe the steps the state will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A), at both the state and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the state board and agencies eliminate any existing state-level barriers to coordination? (§§111(d)(2) and 112(b)(8)(A).)

As identified in the organizational chart referenced in E.1.a.i.a, the KEWDC includes the DWI composed of the OVR, OFB, OCTE and OET. OET administers the following activities authorized under Section 112(b)(8)(A). Integrating components of the Trade Act program with the WIA dislocated worker program further enhances operational collaboration of workforce investment activities. By housing education and other training initiatives, duplication of services is reduced. A focus on re-employment services is facilitated by Unemployment Insurance, Wagner-Peyser and WIA services in OET.

The configuration of the KWIB also encourages collaboration among state and local public and private entities through state board membership and through the state board's committee structure by ensuring, in addition to WIA requirements, broad geographic representation. Board members also are encouraged to be engaged in their community workforce investment activities. Attendance at and participation in state board committee meeting discussions by LWIB members, local business leaders, local and state partner representatives, and other workforce stakeholders are encouraged. Information about meeting dates and locations is made available to local board staff and members, as well as to the general public and business community through state meeting notification procedures and the state board's website. Further, the KWIB chair meets with local board chairs to discuss local board concerns and how the state board can support and enhance their activities.

The *WORKSmart Kentucky* plan laid out the foundation to improve operational collaboration at both the state and local levels. The Partner for Success action step provided the policy framework for operational efficiencies and effectiveness. Institutes were held for all partners to reflect best practices that support the collaborative system vision. Individual one-stops developed a strategic plan for implementing the new vision. The new vision is supported by state-level joint policy, and local technical support through the Workforce Development Academy, one-stop Certification process and High Performing WIBs initiatives.

Other initiatives that support collaborative policy and operations include Sector Strategies, Branding and Identity, Apprenticeships, Business Services Redesign, Economic Development Academy, Case Management and Unemployment Insurance Customer Service Plan.

- b Describe the lines of communication established by the governor to ensure open and effective sharing of information among the state agencies responsible for implementing the vision for the workforce system and between the state agencies and the state workforce investment board.

Open lines of communication are maintained through the Governor's Executive Cabinet. The Executive Cabinet is composed of secretaries from the following cabinets: Economic Development; Energy and Environment; Public Protection; Finance and Administration; Health and Family Services; Justice and Public Safety; Labor; Personnel; Transportation; Tourism, Arts and Heritage; and Education and Workforce Development. Top level input into the policy discussions impacting workforce investment activities is guaranteed by having top state political leaders who are responsible for implementation of the Workforce Investment Act serving on the Governor's Executive Cabinet. Here leaders from different cabinets discuss policies and issues impacting multiple cabinets. This is in addition to the steering committee established under the KWIB that ensures ongoing policy and operational discussions. The outcome of these discussions is shared by each cabinet secretary with departmental commissioners within that cabinet.

At this second level of state government administration, multiple workforce investment-related agencies are grouped in the KEWDC, adding another opportunity for administrative review and interaction. Within this cabinet, the commissioner for DWI meets with the executive directors of the various offices within the department, specifically OET, OFB, OVR and OCTE to discuss workforce investment-related issues and concerns.

Within OET, the executive director meets with the directors of the Division of Workforce and Employment Services and the Division of Unemployment Insurance regarding workforce investment. In addition, KWIB membership as restructured by Gov. Beshear is represented by individuals having knowledge and expertise in the area of workforce investment. The cabinet's appointees and the Governor's representative on the KWIB ensure open and effective sharing of information regarding workforce activities. These appointments provide another opportunity for policy input and communication about WIA-related issues and concerns. The KWIB continues to partner with the KCED, KYAE, Council on Postsecondary Education (CPE), KCTCS, Kentucky Chamber of Commerce and many other state and local agencies. These partners have played a vital role in the development and implementation of the KWIB's strategic plan.

The KWIB also will continue to assist and collaborate with LWIBs through staff attendance at local board and directors meetings, enabling quality and continuous improvement at the local level. The KWIB continues to encourage a systemic approach through a coordinated and interactive process involving the LWIBs, as well as the structure developed to support the implementation of the *WORKSmart Kentucky* plan. Each strategic action item has a KWIB member champion, an interagency steering committee including LWIB representation and other stakeholder groups, a project leader and an accountability mechanism.

- c Describe the lines of communication and mechanisms established by the governor to ensure timely and effective sharing of information between the state agencies/state board and LWIAs and local boards. Include types of regularly issued guidance and how Federal guidance is disseminated to local boards and one-stop career centers. (§112(b)(1).)

OET administers Title I of the Workforce Investment Act and the Trade Act; thereby providing information, guidance, and action memoranda. These memoranda are issued in written and

electronic formats. Federal guidance issuances are disseminated in written and electronic formats as well. OET is in the midst of reviewing policy guidance, and revising and updating them as necessary.

The KWIB instituted LWIB presentations at state board meetings to highlight local innovative practices like the Eastern Kentucky Employer Network. The secretary of the KEWDC and the commissioner of the DWI have developed a strong working relationship with the Area Development Districts (ADD) Council. One institutional communication mechanism is regular meetings with the Workforce Development Subcommittee of the ADD Council to ensure clear communication about workforce priorities at both the regional and state levels. The KWIB website has also become a viable means of communication as exemplified by the monthly posting of *WORKSmart Kentucky* strategic plan Implementation Status Report.

KWIB staff, DWI leadership and OET staff regularly attend and present at the LWIB monthly meetings. This facilitates healthy two-way communication from the local to the state level and vice versa. This is an opportunity to share state policies and initiatives and regional strategies and challenges. Finally, the LWIB chairs are invited to attend KWIB executive committee meetings.

All the aforementioned meetings are open to the public. Information is disseminated by electronic format.

- iv. Describe any cross-cutting organizations or bodies at the state level designed to guide and inform an integrated vision for serving youth in the state within the context of workforce investment, social services, juvenile justice, and education. Describe the membership of such bodies and the functions and responsibilities in establishing priorities and services for youth? How is the state promoting a collaborative cross-agency approach for both policy development and service delivery at the local level for youth? (§112(b)(18)(A).)

There are a number of ongoing collaborative and cross-agency efforts to support an integrated vision for serving the Commonwealth's youth as outlined below.

The Governor's Re-entry Task Force was established to research best practices in innovative drug treatment, causes of recidivism, and methods to improve education and vocational training while incarcerated. The Governor's goal is to reduce the recidivism rate by 50 percent over a five-year period.

The TEK Task Force studied efforts already underway in the Commonwealth to improve student achievement. Meetings have focused on improving college and career readiness, providing every student with the opportunity to earn college credit during high school, assessments that measure what employers value and making high school more relevant, expanding the use of technology for learning, improving teacher recruitment and retention, boosting academics in career and technical education and improving transitions between preschool and K-12. In February 2011, the group released its recommendations to channel all of these efforts into an integrated and comprehensive system of education in the Commonwealth. Recommendations are being reviewed and implemented.

The Kentucky P-20 Data Collaborative is a joint effort of the Kentucky Department of Education (KDE), the Council on Postsecondary Education (CPE), the Education Professional Standards Board (EPSB), and the KEWDC to create a system that securely links data together from early childhood, K-12, postsecondary, teacher licensure and preparation and other sources that allows

the state to develop a broader understanding about the educational process as a seamless system.

Graduate Kentucky is focused on increasing the Commonwealth's high school graduation rate. First Lady Jane Beshear initiated this effort to raise awareness and consolidate efforts to improve education opportunities in the Commonwealth. Since 2009, a statewide summit and regional summits were held to focus on the issues surrounding graduation rates and develop community-centered action plans to tackle the dropout crisis.

Kentucky Core Academic Standards are designed to improve college and career readiness by creating a system of assessments that measure what employers value. Specifically, Senate Bill 1 (2009) requires new statewide academic standards, student assessments and accountability for schools and districts. The Commonwealth participated with 47 other states and territories to create new, higher and clearer standards for math and English/language arts that were shared with teachers and parents in 2010-2011 and assessed in the classrooms in 2011-2012. Science and social studies standards are under development, as are program reviews to assess non-tested subjects.

The Unified Strategy for College and Career Readiness has been developed to improve college and career readiness and ramp up academics in secondary career and technical schools. CPE and KDE developed a joint plan to increase the number of high school graduates who meet college and career readiness standards, and to increase the number of college students who receive a bachelor's degree. Key strategies include advanced learning opportunities for high school students ready for college work, transition courses for high school students not ready for postsecondary classes, college and career readiness advising as well as student support and interventions for at-risk college students.

Partnership for Next Generation Learning is delving into using technology to improve teaching and learning. The Commonwealth has joined five other states and the Council of Chief State School Officers in a network to find new ways of learning, including world-class knowledge and skills, personalized learning, authentic student voice, performance-based learning, comprehensive systems of supports and anytime/everywhere opportunities. Universities are partnering to create Innovation Labs focused on specific issues such as motivation and learning, digital game-based learning, civic engagement and global issues.

Early college/dual credit is about providing every student with the opportunity to earn college credit during high school. The OCTE and KCTCS conducted Close the Deal sessions educating students and parents about how dual credit can assist in the completion of an industry certificate or degree in the community college system. In addition, three community colleges in the Commonwealth have partnered with their local school districts to offer a "middle college" program where students may take their final two years of high school courses on a participating college campus and simultaneously take college courses. In other districts, students spend part of their day on a participating college campus and part of the day in their home high school. Policies and funding are needed to make this opportunity available to all Commonwealth students.

Additionally, the KWIB has established and is promoting the following initiatives.

GED Express will provide a compact service delivery opportunity for youth, adults and dislocated workers. This will create opportunity for dislocated workers or other unemployed or under-employed individuals without a high school diploma to complete their GED in a compressed four-week regimen. A "boot-camp" setting will leverage resources such as state parks and universities

to provide overnight accommodations. Career exploration opportunities will be incorporated. System partners will also engage students in of an orientation that will highlight and outline the benefits of being active in the workforce system.

High School Outreach will encourage LWIBs to develop strong working relationships with middle and high schools in their regions. These relationships will be based on the one-stop career centers' capability to deliver assessment and career exploration services, and the direct linkages to the local business community these boards can provide. Based on strengthened relationships, LWIBs should position themselves as expert problem solvers by targeting services to youth identified by the schools as at-risk of dropping out.

Tech-High: Much like many of our one-stop career centers that suffer from an outdated identity of "unemployment offices," the Commonwealth's secondary technology centers also suffer from an outdated identity as the place to send the "undesirable" or "not-college-material" students. In order to shift the image, meaningful relationships with Kentucky high schools and area technology centers around career development must be established and nurtured. Providing career counselors in all area technology centers, as well as those technical education facilities operated by local school boards, should be an area of focus for promoting relevant career pathways. It is being proposed that full-time counselors be hired for 54 area technology centers.

The forthcoming recommendations and strategies from these various initiatives and task forces will continue to focus youth service strategies and Statewide Reserve investments on serving youth in the Commonwealth.

v. Describe major state policies and requirements that have been established to direct and support the development of a statewide workforce investment system not described elsewhere in this plan as outlined below. (§112(b)(2).)

a What state policies and systems are in place or planned to support common data collection and reporting processes, information management, integrated service delivery, and performance management? (§§111(d)(2) and 112(b)(8)(B).)

The Commonwealth utilizes the Employ Kentucky Operating System (EKOS) as the primary workforce case management information system for common measures performance management and reporting. EKOS is part of the America's one-stop Operating System (AOSOS) consortium. All 10 LWIBs use EKOS as their WIA, Wagner-Peyser, Veterans Employment and Training Services (VETS) and Trade common data collection and case management system. The system is also the primary tool used by OET to perform job matching services.

Policies and guidelines are issued through OET regarding data entry, reporting and timelines. Basic and advanced data entry and program-specific training is provided to all OET, WIA, VET and Trade staff. The system provides a single common data collection and reporting process that facilitates seamless integrated service delivery and performance management.

In addition, we are collaborating with the Kentucky P-20 Data Collaborative to provide unemployment data that will allow for the production of longitudinal reports and incorporating the Council on Postsecondary Education (CPE), and the Kentucky

Department of Education (KDE).

The KWIB initiative, User-Friendly OnLine Services, overhauled the Commonwealth's workforce development online service delivery by improving and expanding web-based tools and services. Focus/Career technology replaces the EKOS self-registration system and was deployed in 2011. It offers a multi-formatted resume builder, provides e-mail job alerts, automatically matches resumes to jobs and ranks matches using an artificial intelligence program. Statewide training was provided and will be ongoing for new staff.

The Focus/Talent technology for employers replaced the e3 employer module. It creates a more employer-friendly job posting mechanism, provides e-mail resume alerts, matches jobs to resumes automatically and ranks matches using an artificial intelligence program.

OET staff generates quarterly performance reports for WIA, Wagner-Peyser, VETS and Trade programs. Performance outcomes are reviewed quarterly for all programs and technical assistance is offered to local areas as needed.

State and local WIA staff received training and is producing ad hoc reports using Business Objects which allow real-time reporting and results. Quarterly performance reports and program outcomes will be monitored and technical assistance will be provided as needed.

Case Management, one of the KWIB's action steps is detailed in its strategic plan, *WORKSmart Kentucky*. This element will be part of the branding architecture for the Commonwealth's workforce system. It is envisioned that case management staff will be trained and, possibly credentialed. This will provide a level of service across the system.

Kentucky's Eligible Training Provider List will receive enhancement per a KWIB directed initiative. This overhaul of processes and eligibility criteria will reinforce priorities around high demand occupations, sustainable wages and career ladder goals.

The Commonwealth's workforce system is currently undergoing a comprehensive rebranding initiative to address the architecture of the entire system, including one-stops, online services, and other public interfaces. The current identity of the Commonwealth's workforce system consists of an alphabet soup of acronyms for agencies and programs which have little or no meaning to the customers it serves. This effort will help unify and identify statewide one-stop career centers.

**b** What state policies are in place that promote efficient use of administrative resources such as requiring more co-location and fewer affiliate sites in local one-stop systems to eliminate duplicative facility and operational costs or to require a single administrative structure at the local level to support local boards and to be the fiscal agent for WIA funds to avoid duplicative administrative costs that could otherwise be used for service delivery and training? Include any specific administrative cost controls, plans, reductions, and targets for reductions, if the state has established them. (§§111(d)(2) and 112(b)(8)(A).)

The Commonwealth's LWIAs are geographically and demographically diverse. Through technical assistance and guidance, state staff works with local boards and staff on the development and use of memoranda of understanding as well as on the cost allocation/resource sharing agreement that promotes efficient use of administrative

resources and the elimination of duplicative facility and operational costs.

To promote the most efficient use of administrative resources in the local one-stop systems across the 10 regional workforce areas, the OET hired 10 regional managers to coordinate job seeker and employer services in their respective regions. Regular meetings are conducted with the WIA directors and other partner leadership to discuss functional alignment. This strategy aligns staff and services with employment and training functions rather than providing services through silo funding streams. Each OET regional manager serves on and provides input to the LWIB. Through partner collaboration, decisions are made in each region that will best meet the needs of the workforce customer. Decisions such as hours of operation and design of facilities are determined through partnership agreements.

Another important cost effective measure is the EKOS integrated data system that allows the Commonwealth to coordinate services tracking more efficiently and workforce programs to share accountability for performance reporting.

As the Commonwealth moves forward with its one-stop renovation plan as well as assessing and evaluating career centers in state-owned or state-leased facilities, the Commonwealth is focusing on accommodating integrated services and placing co-location and shared common facilities at the forefront of all construction and retrofit decisions. By capitalizing on the strengths of staff, location and technologies, duplication and costs across programs will be reduced.

In order to ensure the highest possible return on investment, job seekers and employers utilizing the one-stop system must be provided with consistent professional services and exceptional benefits. Through the one-stop Certification initiative, the board will establish a policy framework to serve as the baseline standard of a one-stop career center in the Commonwealth workforce system. Local areas will benefit by having a clear policy framework to guide its improvements as well as those of partner agencies. These new standards will provide local operators with opportunities for collaboration and a basis for helping achieve equity in the distribution of responsibility for the success of the one-stop system.

Through the KWIB Workforce Academy initiative, the Commonwealth expects to achieve system-wide consistency in the approach to customer service through a training program provided to all service delivery staff. As part of the workforce academy model, a collaborative case management approach with an emphasis on providing timely and accurate workforce intelligence to our employer and education partners, as well as job seekers is seen as critical. Upon completion of the cross-training and workforce system training, the Commonwealth projects resources will be saved through workforce system service integration and provide the ability to offer expanded customer service.

A key KWIB initiative, Partner for Success, established an Achieving Success Together team to identify areas of common and complementary services. Composed of workforce system partners, the team explored ways to increase efficiency and effectiveness by simplifying service delivery driven by the employer customer's and the individual consumer's view. Results of this initiative are moving the Commonwealth from a confederated set of agencies to a unified system focused on investment in workforce. It is streamlining service delivery to employer and individual customers, leveraging resources

and sharing credit for outcomes. It also provides opportunities for workforce system staff to take ownership in the vision, direction and return on investment.

As previously referenced, the User-Friendly Services KWIB initiative will promote efficient use of administrative resources and eliminate duplicative operational costs by providing local workforce staff with better tools and services to offer employers and job seekers. Time spent completing manual tasks can be freed up to focus on customers and their actual needs. More automation in the system should result in shorter lines and wait times in one-stop career centers by making many applications available to customers online.

Kentucky's Business Services Teams, composed of multi-agency representatives from workforce and economic development are developing strategic and sustainability plans to implement an aggressive statewide effort. Meetings are regular and ongoing and rollout is expected in late 2012.

c What state policies are in place to promote universal access and consistency of service statewide? (§112(b)(2).)

Each area has a unique set of economic and workforce needs that often requires customized programs. Efforts to provide consistent services while retaining local flexibility are ongoing. However, the Commonwealth is pursuing initiatives that promote universal access and consistency in services provided through the one-stop career centers.

The Branding and Identity KWIB initiative is key to promoting universal access and the one-stop Certification implementation is critical to consistency of services statewide. The Commonwealth issued a request for proposal in 2010 to initiate both of these essential initiatives. Nationally recognized and respected consultants were hired to implement both endeavors. Milestones have been reached and progress continues.

The comprehensive rebranding initiative will address the architecture of the entire workforce system including one-stops, online services, and other public interfaces to maximize the Commonwealth's investments in the workforce. Currently, the Commonwealth's workforce system has a variety of names for the one-stop career centers across the state. Although LWIAs have a local brand, there is not an umbrella designation for the Commonwealth's workforce system. This has been very confusing to potential customers, both employers and job seekers.

Through the Branding and Identity Initiative, the Commonwealth will establish a foundation for improving:

- quality of customer service,
- user-friendly tools,
- standard menu of services, and
- consistent case management.

The Commonwealth plans to upgrade one-stop facilities to ensure businesses and job seekers feel comfortable conducting business in the centers and realize the value of the services they provide.

One-stop customers will benefit from a user-friendly system that provides excellent

services, is easy to identify and dependable. Attracting new or return business customers will benefit those seeking jobs and new opportunities. Local boards will benefit by becoming part of a larger effort to unify the system, increase awareness and expand the customer base through statewide promotional activities.

The one-stop Certification Policy has been implemented to ensure the highest possible return on investment for a common branding identity and provide customers with a baseline level of consistent services across the state. While each local area will address its regional trade and industry needs, customers should be able to rely on certain standards in terms of graphic identity, menu of services, convenience of location, customer service and quality facilities. The one-stop Certification Policy develops benchmarks and baseline standards for consistency within the system which includes physical, program and customer service.

Consistency of service is also achieved by providing a consistent message to the local workforce system staff regarding expected levels of performance, service delivery and service quality. Through the Workforce Academy KWIB initiative, the Commonwealth developed a training program and provided guidance and instruction to all service delivery staff to achieve system-wide consistency in the approach to customer service. In addition to customer service training, opportunities for training in the following areas are also recommended:

- workforce system orientation,
- workforce programs,
- management,
- media relations,
- case management,
- career counseling, and
- partner cross-training as appropriate.

d What policies support a demand-driven approach to workforce development, such as training on the economy and labor market data for local board and one-stop career center staff? (§§112(b)(4) and 112)(b)(17)(A)(iv).)

OET's Research and Statistics Branch is the source for the Commonwealth's Labor Market Information ([www.workforcekentucky.ky.gov](http://www.workforcekentucky.ky.gov)). The online Workforce Kentucky site is designed to serve employers, job seekers, students, counselors, educators and training providers. It is the largest source of labor market data in the Commonwealth. LWIBs utilize the website for strategic planning and operations. In addition to providing presentations and information to LWIBs, Research and Statistics staff addresses workforce, education and economic personnel, providing them with tools of reference in areas of occupational skills, projected and occupational growth, training providers and training programs.

The Research and Statistics Branch provides a newsletter to more than 700 users each month, including OET and WIA staff. The newsletter contains economic highlights such as total employment and unemployment, industry payroll employment, hours and earnings data for selected industries, Metropolitan Statistical Area (MSA) employment, consumer price index (CPI), unemployment insurance data, and WIA unemployment rates.

In today's economic times, businesses are looking closely at the supply of skilled workers and the educational institutions that can provide the industry-relevant skills they need to grow. The KWIB Sector Strategies initiative helped develop state and regional, employer-driven partnerships of industry, education and training, and other stakeholders focusing on the workforce needs of key industries. The partnerships coordinate information and resources to develop and implement effective, coordinated responses to workforce challenges that are common across industries.

A statewide institute was conducted in spring 2011 to, among other objectives, educate leaders and managers about sectors and how to implement sector-based strategies regionally and locally.

In line with the Sector Strategies initiative, the Commonwealth is in the process of overhauling the Eligible Trainer Provider List (ETPL) process and eligibility criteria to reinforce priorities around high-demand occupations (as identified in the Sector Strategies initiative), sustainable wages and career ladder goals. The enhancements to the ETPL process will ensure the training dollars provided meet the needs of business and industry, provide a livable wage for workers and support the regional and state economy.

Interest and focus on sector strategies continues with the Industry Partnerships grant opportunities. Grants range from \$5,000-\$65,000. First year grants were awarded in the amount of almost \$200,000 to three industry-led, sector-focused partnerships. The second round of awards totaling more than \$300,000 went to an additional five industries across the Commonwealth as announced by Gov. Beshear on July 3, 2012.

"These grants continue our commitment to strengthen industry partnerships, build job skills and grow the state's economy," said Gov. Beshear. "These projects are a win for workers, employers, the region and the state."

The long-term goal of industry partnerships is to create an infrastructure that will provide employer-led training and education that enhances the skills of incumbent workers and develops career pathways for the emerging workforce. The state is currently preparing for a third round of Industry Partnership grants.

Labor market information will be one of the key components in the KWIB Business Services Redesign initiative. The Commonwealth is moving from a fundamental level to an enhanced level of performance at both the state and local levels. The intent is to broaden the portfolio of services offered to the business community as well as foster a deeper relationship between business development and workforce development professionals. The objective is to maximize the Commonwealth's Business Services resources aligning them with economic development goals resulting in a more proactive systemic approach compared to the current reactive response to business closings and layoffs.

The Economic Development Academy KWIB initiative is currently being revisited/retooled based on the KCED strategic plan.

The Career Pathways Technical Assistance project the Commonwealth received, funded by the US Department of Labor, provided valuable insights on Pathways within specific sectors of employment. This project was implemented in Green River LWIA and Barren

River LWIA and focused on the healthcare industry. This project promoted coordination and collaboration of services as well as, vitally engaging the business community to share in resources and the development of a talent pipeline to continually feed this targeted industry. The opportunity to create the avenue for individuals to earn a sustainable wage, while at the same time meeting employer demand in a solution based approach has energized these two regions.

Another valuable tool that supports the Commonwealth's demand-driven approach is the extensive use of the NCRC by increasing awareness of educational and skills requirements for high-demand jobs. The NCRC is an assessment and credential tool used to document a job seeker's aptitude in three major areas of understanding: Applied Mathematics, Locating Information, and Reading for Information. The NCRC directly addresses the needs of today's workforce as well as that of the employer and trade and labor organizations. Today's businesses need a well-educated, skilled workforce to meet the challenges industries are facing in the enormous global economy. Individuals possessing an NCRC can provide potential employers with an assessment of their basic skills in math, English and locating information.

Additionally, the Commonwealth received a State Energy Sector Partnership and Training Grant, funded by the Recovery Act. Funds were awarded to the West Kentucky Workforce Investment Board (chemical engineering and journeyman plumbers, pipefitters and teamfitters) and the Cumberland Workforce Investment Board (Smart Grid AMI Hardware and Software certifications and BPI Energy Auditor certification). This grant is designed to teach workers the skills required in emerging industries, including energy efficiency and renewable energy. These grants are designed to achieve the following goals:

- create an integrated system of education, training and supportive services that promotes skill attainment and career pathway development for low-income, low-skilled workers leading to employment in green industries,
- support states in implementing a statewide energy sector strategy including governors' overall workforce visions, state energy policies and training activities that lead to employment in targeted industry sectors,
- build and strengthen partnerships dedicated to creating a skilled clean-energy workforce, and
- develop new partnerships with other agencies receiving Recovery Act funds to support strategic planning and implementation efforts.

e What policies are in place to ensure that the resources available through the Federal and/or state Registered Apprenticeship programs, the Job Corps and SCSEP are fully integrated with the state's one-stop delivery system? (§§112)(b)(17)(A)(iv) and (b)(18)(C).)

The state does not have policies regarding the integration of apprenticeship programs and Job Corps within the state's one-stop delivery system. However, to ensure that every customer has access to the full array of services, these programs are incorporated through LWIA policies. Materials regarding registered apprenticeships and Job Corps are available in the one-stop career center resource areas. Job Corps is a member of the LWIB and/or serves on the youth council in several LWIAs.

The Commonwealth updated the veterans Transition Assistance Program (TAP)

classes provided by the OET to include the Job Corps project information for Transitioning Service Members (TSMs) during briefings at Ft. Knox. The classes are conducted by the state's Jobs for Veterans State Grants (JVSG) staff. OET has assisted in providing information about the program by making referrals and distributing brochures about the project.

The Apprenticeship Sales Force initiative establishes a partnership to market the benefits of registered apprenticeships to Kentucky businesses. This initiative can be a tool for building a highly skilled workforce, helping business and industry increase their competitiveness, and providing sustainable wages for Kentuckians. The marketing opportunity must be understood and promoted by the business service representatives of each local board and become an integral part of the solutions-based business services model.

Strong relationships at the local level provide a solid referral system among the community service providers for formal and informal services and supports.

- vi. Local Area Designations – Identify the state's designated LWIAs and the date of the most recent area designation, including whether the state is currently re-designating local areas. (§§112(b)(5).) Include a description of the process used to designate such areas. Describe how the state considered the extent to which such local areas are consistent with labor market areas: geographic areas served by local and intermediate education agencies, postsecondary education institutions and area vocational schools; and all other criteria identified in section 116(a)(1) in establishing area boundaries, to assure coordinated planning. Describe the state board's role, including all recommendations made on local designation requests pursuant to (§116(a)(4). (§§112(b)(5) and 116(a)(1).) Describe the appeals process used by the state to hear appeals of local area designations referred to in (§116(a)(5) and 112(b)(15).

The Commonwealth's 10 LWIAs are:

- Barren River,
- Bluegrass,
- Cumberlands,
- Eastern Kentucky Concentrated Employment Program Inc. (EKCEP),
- Green River,
- Kentuckiana Works
- Lincoln Trail,
- Northern Kentucky,
- Purchase/Pennyrile and
- TENCO.

The most recent area designation was Kentuckiana Works in 2002. The original designation of the City of Louisville/Jefferson County and the North Central Kentucky Workforce Investment Area as two areas was changed in early 2001, forming a single area. The state currently has no plans to change the designation of the existing 10 LWIAs.

To determine local areas, the KWIB, pursuant to Section 116(a)(4), reviewed recommendations and requests for designation as workforce investment areas from a

number of entities including the 11 service delivery area designees under the Job Training Partnership Act, area development district boundaries, legislative/congressional district boundaries, community college districts and 15 areas known as labor market information areas designated under a one-stop implementation grant. After discussions with appropriate local elected officials and completion of the public comment process, the state board recommended to the Governor that the current service delivery areas be designated as the original 11 (now 10) workforce investment areas. The board acknowledged the automatic designation of one rural concentrated employment program as a workforce investment area. The boundaries were drawn based on common geographic and economic factors and duplicate the state's labor market areas.

The appeals process is as follows: A unit of general local government or grant recipient that requests, but is not granted designation as a local area under paragraph (2) or (3) of Section 116 (a), may appeal to the KWIB. The board may prescribe forms and applicable time frames. Appeals shall be conducted pursuant to the administrative hearing requirements in Chapter 13B of the Kentucky Revised Statutes. A unit of general local government or grant recipient that is dissatisfied with the decision of the KWIB may request a review by the USDOL secretary pursuant to Section 116 (a) of the act.

- vii. Local Workforce Investment Boards -- Identify the criteria the state has established to be used by the Chief Elected Official(s) in the local areas for the appointment of local board members based on the requirements of section 117. (§§112(b)(6), 117(b).)

The KWIB adopted guidelines on June 9, 1999, pursuant to Section 117 of the Workforce Investment Act. The guidelines stated that the chief elected official of each designated workforce investment area is charged with appointing the membership of the local board.

The guidelines, per WIA Guidance Memo #03B, issued June 23, 1999, to chief elected officials and LWIA administrators, provided the following direction to the LWIBs:

- multiple units of local government in an area,
- composition of the LWIB (i.e., representatives of business, representatives of local educational entities),
- special provisions (i.e., quorum requirements, business must comprise 51 percent of the LWIB membership),
- nomination procedures (i.e., the chief elected official is authorized to appoint the members of the LWIB after the formal nomination procedures),
- certification requirements (i.e., the Governor shall, once every two years, certify one local board from each LWIA), and
- board chair election (i.e., the local board shall elect a chairperson from among the representatives of business).

From time to time, the state has been called upon to respond to special inquiries made on behalf of LWIBs. For example, the state was asked to define and clarify the local board quorum requirement (WIA Guidance Memo #33, issued October 9, 2000). Similarly, the state was asked to consider circumstances of a potential conflict of interest. As a result, the state issued WIA Guidance Memo #61 (July 25, 2002) stating that a LWIB may not allow a

member to simultaneously represent more than one category. The state maintained that prohibiting this practice would ensure "...the required mix of representation from various partners that was intended in the statute." WIA Guidance Memo #02 (May 28, 1999) clarified that the Office for the Blind and the Office of Vocational Rehabilitation were each "sole state agencies," and as such, local boards may have either or both as members. WIA Guidance Memo #98 (July 11, 2005) answered two questions about business and labor representation on local boards.

- viii. Identify the circumstances which constitute a conflict of interest for any state or LWIB member or the entity that s/he represents, and any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112(b)(13), and 117(g).)

On May 27, 2008, Gov. Beshear issued Executive Order 2008-454, amended by Executive Order 2009-882, establishing certain ethical standards for members of policy-making and regulatory boards and commissions. These standards were issued to ensure that board and commission members who serve in the public sector are accountable to the people of the Commonwealth. The ethical guidelines in the executive order do not subject board and commission members to all provisions of the Executive Branch Code of Ethics contained in KRS Chapter 11A. The ethical standards that do apply to board and commission members specifically relate to the prohibition against self dealing, the obligation to disclose in writing or in the minutes of a meeting a direct or indirect interest and gift acceptance provisions.

Section VI of the board's adopted Statement of Executive Authority and Rules of Procedure states:

*A member of the KWIB may not vote on a matter under consideration by the Board: regarding the provision of services by such member (or by an entity that such member represents) or that would provide direct financial benefit to such member or the immediate family of such member. A member of the Board may not engage in any other activity determined by the Governor to constitute a conflict of interest as specified in the State Plan.*

- ix. Identify the policies and procedures to be applied by local areas for determining eligibility of local level training providers, how performance information will be used to determine continuing eligibility and the agency responsible for carrying out these activities. Describe how the state solicited recommendations from local boards and training providers and interested members of the public, including representatives of business and labor organizations, in the development of these policies and procedures.

In line with the Kentucky Sector Strategies initiative, the Commonwealth is in the process of overhauling the Eligible Trainer Provider List (ETPL) process and eligibility criteria to reinforce priorities around high-demand occupations (as identified in the Sector Strategies initiative), sustainable wages and career ladder goals. The enhancements to the ETPL process will ensure the training dollars provided meet the needs of business and industry, provide a livable wage for workers, support the regional and state economy and provide for improved customer choice.

OET, under the current process, communicated with local boards, eligible training providers (ETP) coordinators, or ETP leads and training providers through e-mail

correspondence, phone conversations and quarterly meetings.

Information was solicited from representatives of LWIBs, composed of business and labor organizations. Designated lead staff worked with providers to establish and maintain WIA eligibility. Lead staff members were able to take into consideration the recommendations from boards, providers and public stakeholders as the initial procedures were developed.

Currently, applications are submitted to the local board and must include the following:

- demonstrated ability to provide training,
- faculty or instructional staff qualifications,
- course, service or curriculum description,
- credentials awarded,
- tuition and fee requirements,
- licensure by appropriate state agency, if applicable,
- accreditation by recognized agencies, if appropriate,
- an appropriate portion of the performance information, and
- assurances and certifications required by federal law or the state.

Applications will be evaluated according to the following criteria:

- match between skills needed by employers and the education or training provided by the applicant,
- ability to provide educational and training programs needed in local areas,
- proven ability to provide the specified training, for example a community-based organization (CBO) or other agency,
- licensure pass rate, if appropriate,
- licensure by the appropriate state agency to operate, if applicable,
- accreditation by recognized agencies, if appropriate,
- performance and cost information, if applicable, and
- strong ties to economically disadvantaged community.

The local board must approve or deny each application and notify all applicants. When the LWIB denies an application, the notification to the applicant must include the reasons for denial. The local board will submit to the cabinet a listing for each program placed on the local eligible training provider list, including the performance and program cost information.

Although no single entity has full responsibility for the entire process, the Kentucky OET assumes the leadership role in ensuring the success of the eligible program/provider system. The eligible program/provider process requires a collaborative effort between state and LWIBs, as well as all other partners.

As workforce development resources have become scarce and demand has skyrocketed it is imperative that the public's investment in training and skill enhancement be monitored carefully for effectiveness and benefits. A survey of current providers was conducted and feedback was presented to the steering

committee. The steering committee with local board representation, local partners, employers, training providers, the KWIB and the OET, developed policy guiding the operation of the statewide ETPL in the Commonwealth. The policy provides eligibility requirements for training providers that take into account the performance of providers and whether the training programs relate to occupations that are in demand. The policy will require training providers to submit student level data as a condition of eligibility.

The policy developed was recommended and presented to the KWIB and reflects input from many stakeholders and providers. It will be implemented upon final passage by the KWIB. Procedures are being developed based on this policy.

The criteria for approval as an eligible training provider will be structured to support high-demand occupations, sustainable wages and career ladder goals. Training providers will be selected to meet the needs of business and industry, provide training to earn a livable wage to workers and support the regional and state economy.

To meet the needs of both the individual and employer customers, providers must be selected based on state, regional and local needs. Local boards will be encouraged to increase emphasis on the evaluation of training providers and to select those that offer training that leads to credentials that are more valuable to both the individual and the employer and that offer pathways for career advancement. The credential attainment rate of participants for each provider will be tracked, as well as the occupation of the participant following training completion. Local boards will use this information to evaluate provider performance.

The local board shall submit to the cabinet a listing for each provider placed on the local ETPL, including the performance and program cost information. The cabinet may remove the provider from the list if it does not meet the minimum acceptable level of performance.

The Commonwealth of Kentucky has a waiver (and has requested continuation) in regard to subsequent eligible training provider requirements, 18-month subsequent eligibility requirement.

x. Individual Training Accounts (ITAs):

a What policy direction has the state provided for ITAs?

Each local area establishes policies and procedures to allow flexibility in development of ITAs; however, with increased demand for workforce development services, stewardship of public resources demands a sustained commitment to strategic resource allocation to most effectively direct services. The state encourages local boards to prioritize their policies and implementation at various levels with statewide, regional or locally targeted industries. The most critical prioritization relates to the targeting of training resources so they are optimally aligned with industries and jobs important to regional and local economies.

Local workforce boards make tough decisions by setting funding caps on limited training dollars and types of training in their local areas. Some have established

waiting lists for customers seeking training services when funds have become exhausted.

To support the WIA principle of customer choice, the Commonwealth developed an enhanced policy related to the Eligible Training Provider List (ETPL). The process overhaul will reinforce priorities around high demand occupations, sustainable wages and career ladder goals. The central objective is to create and maintain a comprehensive ETPL that offers ITA training voucher holders a broad variety of quality training choices that provide a livable wage for workers and support the regional and state economy.

- b** Describe innovative training strategies used by the state to fill skills gaps. Include in the discussion the state's effort to broaden the scope and reach of ITAs through partnerships with business, education, economic development, and industry associations and how business and industry involvement is used to drive this strategy.

The Commonwealth has increased efforts to develop and maintain mutually beneficial partnerships with business, education, economic development and industry associations. The partnerships are instrumental in the decision-making process to assure that the state invests in training that will fill skill gaps to meet the needs of targeted industry sectors.

There are a number of approaches being taken to align and integrate the education and training supply pipeline across workforce development, technical colleges, and employers to ensure workers are prepared to fill high-wage, high-demand jobs with career pathways.

Examples include incumbent worker initiatives involving private sector and post secondary partners. In addition partnerships between secondary technical education and LWIA increase training opportunities. Partnerships among Bluegrass State Skills Corporation, KYAE, KCTCS and local economic development agencies assist new and expanding industries.

Momentum from the Commonwealth's Sector Strategy Initiative continues as Kentucky Industry Partnerships form and compete for grants that will foster development or continuation of these multi-employer collaborative efforts. Current grant funded partnerships focus on advanced manufacturing, energy and healthcare. The long-term goal of industry partnerships is to create an infrastructure that will provide employer-led training and education that enhances the skills of incumbent workers and develop career pathways for the emerging workforce.

The Commonwealth envisions hiring regional industry profilers who will work with the Kentucky business services teams to develop target sector profiles.

The NCRC increases awareness of educational and skills requirements for high-demand jobs. The NCRC is an assessment and credential used to document a job seeker's aptitude in three major areas of understanding: Applied Mathematics, Locating Information, and Reading for Information. It directly addresses the needs of today's workforce as well as that of the employer and trade and labor organizations.

Today's businesses need a well-educated, skilled workforce to meet the challenges industries are facing in this enormous global economy. Individuals possessing an NCRC can provide potential employers with an assessment of their basic skills in math, English and locating information.

Since the NCRC launch in fall 2010, Kentuckians have earned more than 18,000 NCRCs as of June 2012. When added to the approximate 35,000 NCRCs issued before the statewide initiative, there are almost 53,000 persons with NCRCs in the Commonwealth. Commonwealth employers told the KWIB that only certificates for silver and above are of significant value for employability; when all of the bronze certificates are removed, about 15,000 new certificate holders have been added.

The KWIB strategic plan encourages local boards to work with education, business and finance partners as well as small business development centers and the state's Innovation and Commercialization Centers to develop a comprehensive entrepreneurship training program that is responsive to local needs while meeting certain minimum standards to be established by the Governor. In addition to providing opportunities for entrepreneurship training, local alliances are encouraged to link successful participants with venture capital, micro-finance and other financing resources.

- c Discuss the state's plan for committing all or part of WIA title I funds to training opportunities in high-growth, high-demand, and economically vital occupations.

The Commonwealth is committed to preparing higher-skilled workers and a flexible labor force to meet the needs of high-growth, high-demand economically vital occupations. Action Step #1 of KWIB's strategic plan, *WORKSmart Kentucky* is "Make Investment Decisions Based on Sector Strategies" and is a primary focus for allocations of WIA Title I funds to training.

This step has seen the completion of the KWIB Kentucky Sector Strategy Institute which resulted in five statewide identified target industry sectors. All local workforce areas have identified regional sectors and the KCED has identified sectors. Industry Partnership grants RFPs opportunities have been created with a focus on industry sectors.

The KWIB Action Step #2 is being implemented by the Governor's Office, the State Board, the DWI and KCED to provide business and industry with the assurance that certified communities and regions have an available skilled workforce. One of the benefits of the Work Ready Community Initiative is to increase awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries. Communities must apply for this certification and meet established high standards for education attainment and credentialing in order to receive the status which will be announced by the Governor. Several communities have received credentialing, and interest across the state is growing.

- d Describe the state's policy for limiting ITAs (e.g., dollar amount or duration).

There is no state policy that limits the duration or dollar amount of ITAs. Through

the local plan approval process, OET assists local boards in setting policies limiting the amount and durations of ITAs based on the availability of funds and projected need of target populations.

- e Describe the state's current or planned use of WIA title I funds for the provision of training through Registered Apprenticeship.

The apprenticeship program is an integral part of the state board's strategic plan. Through the Apprenticeship Sales Force KWIB initiative, the Commonwealth plans to establish a partnership to market the benefits of registered apprenticeships, both union and non-union, to Commonwealth businesses. An outreach promotion through the local business services team will be an integral part to reach the Commonwealth's potential with registered apprenticeships.

As an alternative to traditional postsecondary education, registered apprenticeships will appeal to a segment of the population concerned about earning a wage immediately while developing skills through a combination of hands-on experience and classroom work.

Apprenticeship is a proven solution for a demand-driven, flexible approach to skills development and lifelong learning. The state encourages local areas to pursue linkage and coordination with apprenticeship programs and use of WIA Title I funds for the provision of training for workers that choose this alternative to improve their skills and wages.

- f Identify state policies that permit the use of WIA title I financial assistance to employ or train participants in religious activities when the assistance is provided indirectly, such as through an ITA.

LWIAs are required to follow WIA laws and regulations. No other state restrictions apply.

- xi. Identify the criteria to be used by local boards in awarding grants for Youth activities, including criteria that the governor and local boards will use to identify effective and ineffective youth activities and providers of such activities. (§112(b)(18)(B).)

LWIBs determine types of youth services needed based on youth population demographics and skill gap analysis. When service needs are identified, local procurement guidelines are followed to award grants and contracts. Contracts are written within criterion built to ascertain the effectiveness of programs. Programs also are monitored on a continuous basis for performance.

LWIAs ensure the availability of the required 10 WIA youth program elements and the provision services on an as-needed basis. Other avenues of youth service are being explored in several LWIAs.

One LWIA determined the most efficient way to provide youth service was through the one-stop system instead of awarding contracts to program providers. A youth case manager will assist in connecting youth to needed services provided by the one-stop system, as well as through a referral network of local service providers. Another LWIA, through skill gap

analysis, determined the most effective use of WIA youth funds is to provide specific work readiness and occupational skills services only. There were sufficient services already available to provide basic skills related services.

Data analysis and program reports from EKOS indicate that required and additional performance measures are useful evaluation tools for determining effective and ineffective program providers and services.

- xii. Describe the competitive and non-competitive processes that will be used at the state level to award grants and contracts for activities under title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).)

The Commonwealth prescribed and implemented procurement standards in accordance with Section 184(a)(3) of the Workforce Investment Act. Section 184(a)(3) requires states, local areas and providers receiving funds under this act to comply with the Uniform Administrative Requirements as promulgated in circulars or rules by the Office of Management and Budget. The Uniform Administrative Requirements, codified by the US DOL in 29 CFR Part 97, provides the standards and procedures for procurement of goods and services in Section 97.36, *Procurement*.

Realizing the critical need for information technology resources, the Commonwealth established the Strategic Alliance Services (SAS) Contracts Request for Proposal. This is the Commonwealth's initiative to expedite, simplify and facilitate solution building and to provide negotiation flexibility in how the executive branch cabinets procure services for information technology. The SAS contract will permit access to 15 state price contracts for information technology project services from private sector companies through a just-in-time delivery system.

The administrative regulation 29 CFR 97.36(a), reads as follows: "When procuring property and services under a grant, a state will follow the same policies and procedures it uses for procurements from its non-federal funds." The Commonwealth uses the provisions of the *Kentucky Model Procurement Code* [Kentucky Revised Statutes (KRS), Chapter 45A] for the procurement of all goods and services by state agencies. The methods for awarding contracts are contained within the Model Procurement Code and include:

- competitive sealed bidding (KRS 45A.080),
- competitive negotiation (KRS 45A.085 and 45A.090),
- noncompetitive negotiation (KRS 45A.095),
- small purchase procedures (KRS 45A.100), and
- responsibilities of bidders and offerors (KRS 45A.110).

When the state workforce agencies issue requests for proposals (RFP), prior approval must be granted by the Commonwealth's Finance and Administration Cabinet. The RFPs are posted on the Commonwealth's e-procurement website for at least 10 days. Any eligible vendor licensed to do business in the Commonwealth may submit proposals. Proposal scoring criteria is stated in the RFP and is scored by a preselected review committee.

## **F. Funding**

What criteria will the state use, subject to each program's authorizing law, to allocate funds for each of the programs included in the Unified Plan? Describe how the state will use funds the state receives to leverage other Federal, state, local, and private resources, in order to maximize the

effectiveness of such resources, and to expand the participation of business, employees, and individuals in the statewide workforce investment system. (WIA §112(b)(10).)  
In answering this question, if the Unified Plan includes:

1. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs (§112(b)(12):*

- a. If applicable, describe the methods and factors (including weights assigned to each factor) the state will use to distribute funds to local areas for the 30 percent discretionary formula Adult employment and training funds and Youth funds pursuant to sections 128(b)(3)(B) and 133(b)(3)(B).

WIA Title I funds are allocated to the LWIAs using the formulas and methodologies prescribed in Sections 128 and 133 of the Workforce Investment Act. The funds allocated to the local areas for youth activities and adult training and employment activities will be based on the formulas specified in Section 128 (b) (2)(A) (i) and 133 (b) (2) (A) (i) respectively. The two additional discretionary factors specified in 128 (b) (3) and 133 (b) (3) will not be used.

The Governor will allocate 95 percent of the total Section 127 youth funds received to the LWIAs and 5 percent of the total will be set aside for statewide administration. (If Congress reinstates the 15 percent for statewide activities, the LWIA will receive an 85 percent allocation, 5 percent will be set aside for statewide administration and 10 percent will be set aside for Governor’s Statewide Reserve activities.) The formula used to allocate the youth funds to the local areas is:

- one-third based on the basis of the relative number of unemployed individuals in the Commonwealth,
- one-third on the basis of the relative excess number of unemployed individuals in the Commonwealth, and
- one-third on the basis of the relative number of disadvantaged youths in the local area compared to the total number of disadvantaged youths in the Commonwealth.

The Governor will allocate 95 percent of the total Section 133 Adult funds received to the LWIAs and 5 percent of the total will be set aside for statewide administration. (If Congress reinstates the 15 percent for statewide activities, the LWIA will receive an 85 percent allocation, 5 percent will be set aside for statewide administration and 10 percent will be set aside for Governor’s Statewide Reserve activities.) The formula used to allocate the Adult funds to the local areas is:

- one-third based on the relative number of unemployed individuals in the Commonwealth,
- one-third on the basis of the relative excess number of unemployed individuals in the Commonwealth, and
- one-third on the basis of the relative number of disadvantaged adults in the local area compared to the total number of disadvantaged adults in the Commonwealth.

The Governor may elect to adjust the allocation percentages stated for either funding stream.

- b. Describe how the allocation methods and factors help ensure that funds are distributed equitably throughout the state and that there will be no significant shifts in funding levels to a

local area on a year-to-year basis.

As the local areas have not changed, the state enacts a “hold harmless” provision in which each area receives at least 90 percent of the allocation percentage of the local area for the preceding fiscal years. This ensures that each LWIA will not experience a significant shift in funding levels on a year-to-year basis.

- c. Describe the state’s allocation formula for dislocated worker funds under 133(b)(2)(B).

The Governor will allocate 70 percent of the total Section 133 Dislocated Worker funds received to the LWIAs, up to 25 percent of the total will be set aside for State Rapid Response activities and 5 percent of the total will be set aside for statewide administration. (If Congress reinstates the 15 percent for statewide activities, the LWIA will receive a 60 percent allocation, up to 25 percent will be set aside for State Rapid Response activities, 5 percent will be set aside for statewide administration and 10 percent will be set aside for Governor’s Statewide Reserve activities.) The method used to allocate the Dislocated Worker funds to the local areas divides the total Dislocated Worker funds received by the state into two pools. One pool equals 55 percent (50 percent if Congress reinstates the 15 percent for statewide activities) of the total received and allocated to the local areas as follows:

- 30 percent based on unemployment insurance data,
- 40 percent based on unemployment concentrations,
- 2 percent based on plant mass layoffs,
- 13.5 percent based on declining industries,
- .5 percent based on farmer-rancher economic hardship data, and
- 14 percent based on long-term unemployment.

The other pool equals 15 percent (10 percent if Congress reinstates the 15 percent for statewide activities) of the total received and allocated to the local areas as follows:

- 60 percent based on unemployment concentrations
- 40 percent based on declining industries.

The Governor may elect to adjust the percentage of the pool amounts or the allocation percentages used to distribute the pools.

- d. Describe how the individuals and entities on the state board were involved in the development of the methods and factors, and how the state consulted with chief elected officials in local areas throughout the state in determining such distribution.

The current formula allocation method for distribution of WIA funds was established by the previous board. No changes to these formulas were requested or proposed under the current plan. Since the implementation of WIA, both the state board and local boards have had opportunities to comment on the formula distributions, and in the future may make recommendations to the Governor to adjust how the allocations are distributed to the local areas.

- e. Describe the procedures and criteria that are in place under 20 CFR 663.600 for the governor

and appropriate local boards to direct one-stop operators to give priority of service to public assistance recipients and other low-income individuals for intensive and training services if funds allocated to a local area for adult employment and training activities are determined to be limited. (§§112(b)(17)(A)(iv) and 134(d)(4)(E).)

In the event that Title I funds allocated to local areas for adult employment and training activities are limited, priority shall be given to recipients of public assistance and other low-income individuals for intensive and training services. Local workforce boards establish policies, with specified criteria, to ensure this priority. Policies and procedures are monitored and reviewed annually.

Planning guidance issued to local areas specifically requires a description of the local strategies that will ensure emphasis on serving public assistance recipients, low-income and under-skilled adults.

- f. Specify how the state will use the 10 percent Wagner-Peyser Act funds allotted to it under section 7(b) in accordance with the three provisions of allowable activities: performance incentives; services for groups with special needs; and extra costs of exemplary service delivery models. (§112(b)(7) and 20 CFR 652.204.)

Funding will be used for program and system enhancement.

### **G. Activities To Be Funded**

For each of the programs in the Unified Plan, provide a general description of the activities the state will pursue using the relevant funding.

In answering the above question, if the Unified Plan includes:

1. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs:*

Describe the approaches the state will use to provide direction and support to local boards and the one-stop career center delivery system on the strategic priorities to guide investments, structure business engagement, and inform service delivery approaches for all customers. (§112(b)(17)(A).)

- a. One-Stop Service Delivery Strategies: (§111(d)(2) and 112(b)(2).)
  - i. How will the services provided by each of the required and optional one-stop partners be coordinated and made available through the one-stop system? (§112(b)(8)(A).)

The Commonwealth consistently emphasizes the importance of partnership building and integration, both at the state and local levels. Policies, guidance and directives issued to LWIBs encourage the collaboration and expansion of partnering for one-stop system success. The primary methods of coordinated services are the local area consortium agreements and Memorandums of Understanding (MOU) between partner agencies. The state monitors these agreements and MOUs annually.

Several KWIB initiatives are underway that will ensure that services provided by each of the required and optional one-stop partners are coordinated and made available through the one-stop system.

Through the Branding and Identity Initiative, the board has established a standard for the

new brand that will be layered in phases throughout the state to promote the new brand and brand promise at a regional level and encourages staff support and excitement for the new brand and promise and what it represents. It will represent renewed commitment and improved services to help ensure and support a vibrant and qualified workforce in the Commonwealth.

The Brand: *Kentucky Career Center.*

The Brand Promise:

*As a team of experts, we are dedicated to providing Kentucky employers with a qualified, skilled workforce and the people of Kentucky with career, job training and educational opportunities.*

*With the unique ability to connect employees and employers through the combined efforts of state and local partners, we will become a valuable, competitive and best-in-class asset in the growth of our regional and national economy.*

*By guiding, empowering and inspiring our customers, we will continue our mission to create success stories across the Commonwealth.*

The state hired a Branding and Identity coordinator who will manage the internal and external launch across the Commonwealth to ensure consistency and quality control. Through implementation of this initiative, we are striving to be compassionate advisors, empowering solutions, and inspiring people.

Through the one-stop Certification KWIB initiative, the board has established a policy framework to serve as the baseline standard of a one-stop career center in the Kentucky workforce system. The initiative will include a common intake, orientation, partner referral process and assessment. Local areas will benefit by having a clear policy framework to guide their improvements as well as those of partner agencies. These new standards will provide local operators with leverage for collaboration and a basis for helping achieve equity in the distribution of responsibility for the success of the one-stop system. Designed to hold LWIBs accountable in their role as overseers of the one-stop system, certification provides LWIBs with the opportunity to formally assess operator performance and take corrective action when necessary.

The Partner for Success initiative established an Achieving Success Together team to identify areas and develop policies and procedures to support common services and complementary services.

Most one-stop partners utilize EKOS as the primary workforce case management information system for common measures performance management and reporting. All 10 LWIBs use EKOS as their WIA, Wagner-Peyser, VETS and Trade common data collection and case management system. Basic and advanced data entry and program-specific training is provided to all OET, WIA, VETS, Trade and, if applicable, other one-stop partner staff. Services provided to individuals by one-stop partners can be viewed and coordinated through EKOS. Federal incentive funds were utilized to make significant enhancements to the EKOS system to provide better coordinated services through the one-stop system. Additionally, the NCRC initiative will increase communication and collaboration between one-stop partners.

***Other coordinated services may be achieved through:***

- having available a list of co-located partners and their services including contact information,
- operational funding from mandated partners-a true cost allocation plan,
- focus/Career and Focus/Talent,
- implementation of automated referrals to partner agencies, and
- implementation of automated online ERPs.

- ii. How are Youth formula programs funded under §128(b)(2)(A) integrated in the one-stop system?

Local WIA plans describe how each of the local areas is serving youth through the one-stop system. Each of the 10 local areas approach youth services in a slightly different manner, but all have made significant progress in incorporating the youth population into the one-stop system. Youth services are available through the one-stop via referral between physical centers and other agencies. For instance, youth coming into the one-stop career centers who are eligible for adult education services are referred to the KYAE program to obtain their GED or other relevant services. Stand-alone youth one-stop career centers are located in various areas.

In all local areas, youth formula funds are disseminated by the local areas through contractual agreements. The local area, in partnership with their local youth councils, develop relationships with local agencies and service providers to ensure that necessary services are available to eligible youth.

The Commonwealth has a waiver to provide training opportunities to youth 18 years of age or older through an individual training account (ITA). Many of the local areas are utilizing on-the-job training to serve this population. Other integrated services include the summer youth programs, local high school presentations and community workshops, Kentucky Scholars program and the National Career Readiness Certificate.

The KWIB initiative National Career Readiness Certificate (NCRC) can provide a certificate that will help youth compete in the job market. The certificate, which can be presented to potential employers, is a measurement of basic math skills, English and locating information.

In 2005, the Cumberland Workforce Investment Area, in partnership with KYAE, conducted a pilot program to work with businesses and individuals to raise awareness and use of the Kentucky Employability Certificate, the NCRC predecessor. As a follow up to the pilot, the Cumberland area now provides the assessment to high school seniors within the area. This core service assessment can lead to a certificate that will benefit the youth as they seek employment in the future. The local board and youth council consider this a great benefit to both the youth and the business community.

Currently, all of the one-stop career centers across the Commonwealth offer the NCRC for any youth that comes to the centers. We are addressing the issue with youth to “skill up” and become ready with the skills necessary for today’s job market because several employers now prefer that applicants have the NCRC before hiring considerations are made.

- iii. What minimum service delivery requirements does the state mandate in a comprehensive one-stop career centers or an affiliate site?

Through the one-stop Certification KWIB initiative, the board has established a policy framework to serve as the baseline standard of a one-stop career center in the Kentucky workforce system. Local areas will benefit by having a clear policy framework to guide their improvements as well as those of partner agencies.

The framework addresses the need for one-stop career centers to:

- have a menu of services,
- have the presence of partner agencies,
- maintain quality facilities that serve both employer and job seeker customers,
- have trained staff,
- maintain compliance with data entry and reporting requirements, and
- have common referral, intake and assessment procedures.

The one-stop Certification team is made up of all partners representing one-stop services. Team members include representation from Adult Education, WIA, OET, OVR, OFB, KCED, KCTCS, OCTE, Area Development Districts, Cabinet for Health and Family Services and employers. The Core Team completed Standards for Employer Services, Jobseeker Services, Management Standards and Affiliate Center Standards that were approved by the KWIB and are being implemented.

- iv. What tools and products has the state developed to support service delivery in all one-stop career centers statewide?

The Commonwealth is continually researching and developing tools for the LWIAs to assist staff in providing seamless service delivery and tracking individuals who receive their services.

The Focus Suite technology has replaced the EKOS self-registration system and assists job seekers, program planners and employers in the exploration of services and information related to career paths, statistical assessments and business questions about the Commonwealth's labor and educational capacity. Focus/Career software offers a multi-format resume builder, provides e-mail job alerts, matches resumes to jobs automatically and ranks matches using artificial intelligence.

EKOS is a shared partner common measures database. The Commonwealth utilizes EKOS as the primary workforce case management and reporting system. All 10 LWIBs use EKOS as their WIA, Wagner-Peyser, VETS and Trade common data collection and case management system.

Driven by a geographically dynamic search engine, **e3.ky.gov**, the Commonwealth's multi-audience web portal, offers snapshots of the Commonwealth's data, resources and human capital in a convenient, self-service format. The system allows the Commonwealth to track the attainment of GEDs, postsecondary degrees and state-issued certifications, and display this information to users in a wide variety of geographic

formats. The system interfaces with EKOS and the Focus Suite for a seamless flow of information.

Virtual billboards displaying looping announcements of one-stop services have been placed in all comprehensive one-stop career centers. OET provides updated state-level information and local areas can insert information about one-stop and community activities such as job fairs or employer hiring announcements.

OET also has developed Kentucky Employment Network (KEN) workshops to assist UI claimants who have the highest probability of exhausting their benefits. Workshops include self-marketing and networking, job application preparation, resume writing and interviewing skills and techniques.

The Commonwealth has implemented Reemployment Eligibility Assessment (REA) orientations to assist identified individuals with the greatest barriers to employment. Intensive case management services are provided to assist these individuals in finding employment more rapidly so that they may return to the workforce.

Emergency Unemployment Compensation Reemployment Services and Reemployment Eligibility Assessments (EUC REA/RES) orientations are being provided in one-stop career centers across the Commonwealth and include the provision of labor market and career information, an assessment of the skills of the individual, orientations to the services available through the one-stop career centers and a review of the eligibility of individuals relating to job search activities. These services are provided to all individuals entering into Tier 1 or Tier 2 of Emergency Unemployment Compensation benefits to accelerate their entrance into the workforce.

The following KWIB initiatives also support service delivery in all one-stop career centers statewide:

- Workforce Academy – provide customer service training to all service delivery staff,
  - Branding and Identity – process to develop and implement a common name and common tools among all workforce development partners,
  - User-Friendly Online Services – web-based employer and job-seeker tools via the implementation of Focus Suite. Website redesign will be implemented with branding roll out,
  - Get Back to Work – create a partnership between the OET and KYAE to develop an education-based re-employment strategy for individuals deemed education deficient and
  - National Career Readiness Certificate (NCRC) – nationally recognized credential composed of three WorkKeys assessments that measure real world skills crucial to job success.
- v. What models/templates/approaches does the state recommend and/or mandate for service delivery in the one-stop career centers? For example, do all one-stop career centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every one-stop career center? Are all one-stop career centers required to have a resource center that is open to anyone?

Several of the KWIB initiatives include models, templates, and approaches for consistent service delivery in one-stop career centers. A major assessment initiative is the one-stop Certification. Through this endeavor, the Commonwealth will develop benchmarks and baseline standards for consistency within the system. The certification structure may include such details as a baseline menu of services, co-location and integration of partners or partner services in the one-stop career center, facility configuration, training and cross-training of staff, reporting requirements and compliance, and dedicated business services areas.

Additional KWIB initiatives addressing uniform delivery of one-stop services include:

- Business Service Teams – development of a Business Services framework to address employers’ needs and develop a customized approach to finding a skilled workforce that is based on Labor Market Information that the employer has access to for hiring purposes.
- NCRC – common assessment process that many employers prefer applicants have prior to hire.
- Eligible Training Provider List Enhancements – reinforce priorities around high demand occupations, sustainable wages and career ladder goals.
- Partner for Success – establishment of the Achieving Success Together team to identify areas of common and complementary services.
- Case Management – achieve elevated level of service and unify the approach across the system through case management professional development on a continuing basis.
- High Performing Workforce Investment Boards – local strategic plans to ensure one-stop career centers provide excellent and fully accessible services to both employers and job seekers.
- Workforce Academy – provide customer service training to all service delivery staff.
- Get Back to Work – provide UI claimants most likely to exhaust their benefits with special services to increase their education level and workforce skills.
- Unemployment Insurance Customer Service Plan – provide customer service and other training to service delivery staff. Increase use of online tools and resources by automating several functions which currently require in-person contact with clients.

Each of our one-stop career centers across the Commonwealth has a resource room that is open to the public. Individuals may come in and search for job listings, create resumes, talk with a career specialist, research labor market information, receive referrals to other partner agencies and services and attend trainings and orientations to find out all the opportunities that the one-stop career centers offer.

- b. Workforce Information – A fundamental component of a demand-driven workforce investment system is the integration and application of the best available state and local workforce information including, but not limited to, economic data, labor market information, Census data, private sources of workforce information produced by trade associations and others, educational data, job vacancy surveys, transactional data from job boards, and information obtained directly from businesses. (§§111(d)(8), 112(b)(1), and 134(d)(2)(E).)

- i. Describe how the state will integrate workforce information into its planning and decision-making at the state and local level, including state and local boards, one-stop operations, and case manager guidance.

Strategic planning consultants provided technical assistance to the state and each of the ten LWIAs regarding state and local strategic planning. Each plan reflects the unique components of that area's demand driven workforce. The OET Research and Statistics Branch provides labor market information and economic data in the development of local strategic plans. A website is maintained by this branch and is frequently updated. This data will be used to provide more appropriate case management, local and state government entities specific economic outlook information, job seekers and employers wage information and to establish a collaborative drive to integrate the education, employment and economic development services within the Commonwealth.

- ii. Describe the approach the state will use to disseminate accurate and timely workforce information to businesses, job seekers, and employment counselors, in easy to use formats that are readily accessible within one-stop career centers and at remote locations such as libraries, schools, worksites, and at home.

The Commonwealth's Workforce Kentucky site ([www.workforcekentucky.ky.gov](http://www.workforcekentucky.ky.gov)) provides detailed workforce information to employers, economic and market analysts, job seekers, school counselors, students and one-stop career center staff. The website is currently under construction and is on schedule to be completed and operational in August 2012. The website URL will change to [www.kylmi.ky.gov](http://www.kylmi.ky.gov). LWIBs have also prepared brochures and pamphlets that are readily available through the one-stop career centers for dissemination to businesses, job seekers and employment counselors. Each LWIB has similar information posted on its website. Regardless of a customer's location or information need, workforce information is readily available.

In addition, a new Focus Suite system has been introduced to both job seekers and employers. Focus/Career enhances all services for our current job seeker customer base through increased job matching abilities, job alerts and resume creation. Focus/Talent continues to enhance job posting services for the Commonwealth's employers as well as limiting the approval time from state staff. These services are provided at no charge for the job seeker or the employer. This information will be automatically processed into the EKOS database and viewable to job seekers in the EKOS Self Service Module, on America's Job Exchange (AJE) and Job Central (JC). Also, the Commonwealth will implement a process to automatically validate records through an administrative module, and perform many other tasks as needed to facilitate the job posting and matching processes.

Through the new KWIB User-Friendly Online services initiative, more workforce information will be readily accessible and available. The Branding Outreach Initiative will provide a more recognizable and economical venue for dissemination of workforce information by providing continuity and recognition among all partners. Labor market information is also provided to schools, community organizations, etc. via staff presentations.

- iii. Describe how the activities funded through the Workforce Information grants are aligned

with other workforce investment activities to ensure that the investments in core products and services support the state's overall strategic direction for workforce investment.

Many of the activities align with the KWIB initiatives such as Branding and Identity, Sector Strategies, one-stop Certification, User-Friendly Online Services, Work Ready Communities and Business Services Redesign. This ensures a collaborative process with the Kentucky Workforce Investment Board.

- iv. Describe how state workforce information products and tools are coordinated with the national electronic workforce information tools.

America's Career Information Network is a prominent link on the OET website and will maintain that prominence on the newly designed Kentucky Career Center site.

c. Adults and Dislocated Workers

- i. Core Services. (§112(b)(17)(a)(i).)

- a. Describe state strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).

The Commonwealth's service strategy ensures that adults and dislocated workers have universal access to required core services by offering a variety of resources to respond to their diverse needs and by training career center staff in the skills needed to enhance benefits of these resources.

The KWIB Workforce Academy initiative promotes system-wide consistency in the approach to customer service by providing a training program to all service delivery staff. The Workforce Academy uses a collaborative case management approach with an emphasis on providing timely and accurate workforce intelligence to employer and education partners, as well as to job seekers.

Core services are offered in an integrated manner and not by program funding. Information is provided on all programs by all one-stop staff regardless of the funding source for their position. A team charter was adopted in January 2011 to present a value-added, customer-centric one-stop career center system that promotes sector-based talent development and supports the economic development goals of the local area, region and state. It provides fully accessible holistic services by employing a unified approach among well-coordinated and aligned partners.

The User-Friendly Online Services initiative is designed around the new Kentucky Career Center branding strategy and will improve and expand web-based tools and services to create an online user-friendly environment for all customers. The approach uses a single point of entry for to create a virtual one-stop.

- b. Describe how the state will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act includes (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service, and is accessible and available to all customers at the local level.

Employers and job seekers are encouraged to use the self-service functions offered in

the Focus/Career and Focus/Talent systems for labor exchange activities, however staff also assist with services for customers desiring or in need of facilitated or staff-assisted service.

Career center staff, specifically those funded by Wagner-Peyser and WIA, service job orders that enter the state's job bank from any portal. The Burning Glass suite, Focus/ Talent and Focus/Career, utilizes artificial intelligence to provide accurate descriptions of job duties and job skills using industry recognized terms and also helps to ensure compliance with EEO and non-discrimination laws. Trained staff is available to provide individual service to customers upon request or in unique situations that require specialized assistance.

A full array of employment services are provided to help dislocated workers choose new vocations and unemployment insurance claims can be made via the internet or through a dedicated call center. Staff-assisted re-employment services are provided to UI claimants through case management activities such as assessment, individual employment plans, provision of labor market information and reemployment workshops.

Staff assisted services to employers include hosting, sponsoring and collaborating to provide job fairs, screening and referrals of qualified job applicants and job order writing, and assistance with EEO compliance. Offices are strategically located throughout the Commonwealth within a couple of hours or less from any location in the state while customers have access to online services twenty-four and seven.

- c. Describe how the state will integrate resources provided under the Wagner-Peyser Act and WIA title I for adults and dislocated workers as well as resources provided by required one-stop partner programs, to deliver core services.

Since 2006, OET has worked with the LWIAs to enhance at least one comprehensive one-stop within each local workforce area. OET managers and other partner agency heads participate on local boards to work with private industry leaders to address integration issues to better serve the public through the workforce system.

In 2010, OET re-organized the local employment service offices into 10 regions which coincide with the 10 LWIAs. The local employment services are managed by OET regional administrators. OET staff and partner agency staff collaborate to address issues related to system integration, collaborative marketing, capacity building, services, staffing, accountability, universal access and administrative decisions.

Within each local area, services are integrated through a memorandum of understanding (MOU) between Wagner-Peyser and WIA Title I staff and other partners to provide unduplicated services for adults and dislocated workers. Each local board is required to develop a regional plan and strategy that outlines how partners will use resources to meet job seeker, employer and economic growth needs of the area through a system-based approach.

Resource Sharing Agreements (RSAs) are developed by one-stop partners to efficiently allocate costs for shared resources necessary to deliver core services.

Wagner-Peyser and WIA re-employment services are integrated and coordinated with the Commonwealth's UI program for seamless service. OET administers the Trade program through an integrated service delivery system with the WIA Dislocated Worker program. Each of the 10 regions develops a plan to provide consistent services in an efficient manner. Participants in Trade approved training are enrolled in the WIA Dislocated Worker program and receive assessment, career counseling and case management services. Trade training funds are passed to local boards for payment of TAA approved training.

- ii. **Intensive Services.** Describe state strategies and policies to ensure adults and dislocated workers who meet the criteria in §134(d)(3)(A) receive intensive services as defined.

Intensive services consisting of, at minimum, the services identified in WIA Section 134(d)(3)(c) are available to eligible unemployed adults and dislocated workers who are unable to obtain employment through core services. To receive intensive services, an individual must first receive a core service.

The following is a list of intensive services that may be provided in the Commonwealth's one-stop career centers:

- comprehensive and specialized assessments of the skill levels and service needs including diagnostic testing and use of other assessments tools and in-depth interviewing and evaluation to identify employment barriers and appropriate employment goals,
- group or individual counseling and career planning,
- development of an individual employment plan,
- short-term prevocational services,
- out-of-area job search assistance,
- literacy activities related to basic workforce readiness,
- relocation assistance,
- internships, and
- work experience.

Emphasis is placed on comprehensive (comp)-assessment, career counseling and the use of skill assessment tools such as WorkKeys and National Career Readiness Certification (NCRC) to determine which services (core, intensive or training) are appropriate. Barriers to employment in connection with disabilities will be considered in the initial assessment. The number of times a customer is referred to a job may also indicate a need for intensive (or additional) services.

One-Stop partners coordinate and offer workshops at least weekly to provide group training and assistance with resume writing, interview skills, job search, networking, etc. The offerings are based on local customer needs and the schedules are posted on the OET website for each location, in each center and promoted through free local media spots. Customers may be referred by any partner and other "walk-in" job seekers may participate as seating is available.

- iii. **Training Services.** Describe the governor's vision for increasing training access and

opportunities for individuals including the investment of WIA title I funds and the leveraging of other funds and resources.

The Governor's strategy is to align the investment of workforce development resources, including WIA title I, to support sector strategies and demand occupations. Training funds targeted to specific groups such as veterans and ex-offenders are promoted through outreach efforts and identification of potentially eligible individuals to maximize training opportunities by leveraging other funds.

Programs such as the Veterans Retraining Assistance Program (VRAP) and the Rapid Response Additional Assistance funds are promoted to encourage maximum utilization of all available training funds to provide opportunities for more individuals.

The overhaul of the ETPL policy and procedures is vital to investing WIA title I funds wisely in programs with proven performance that prepare individuals to meet the needs of employers in target industry sectors. The priority is to increase access and opportunities for individuals in training programs that will prepare them for high demand occupations, sustainable wages and career ladder goals.

Prior to referral or placement in training opportunities, effective assessment and testing are performed to ensure participants' successful completion of the training program leading to obtainable employment goals. Through partnerships with Adult Education, KCTCS and local boards, OET administers the National Career Readiness Certification to verify the skills and employability of its workforce to employers anywhere in the United States. NCRC is a workforce development tool to assist in up skilling residents and bringing new companies and opportunities to the Commonwealth.

The Commonwealth will continue to maximize training opportunities by encouraging non-credentialed training related to Adult Basic Education, GED (General Equivalency Degree) Preparation, Literacy Training and/or ESL (English as a Second Language) Training. These include:

- *Accelerating Opportunity Kentucky*
- *On-the-Job Training*
- *Incumbent and Customized Training*

- iv. Eligible Training Provider List. Describe the state's process for providing broad customer access to the statewide list of eligible training providers and their performance information including at every one-stop career center. (§112(b)(17)(A)(iii).)

An overhauled process to collect and maintain current, accurate, verifiable and complete provider/program data will be implemented in PY 2013. The process will empower individuals by giving them current, accurate and relevant information to make sound choices for their individual training, education and career plans. The proposed policy emphasizes informed customer choice, performance accountability, and continuous improvement.

OET will accept nominations and updates for the state ETPL from local boards throughout the year. The state ETPL, including performance information, will be accessible to the public, online customers, one-stop career center customers and to all LWIBs. Local boards may display additional information to their customers that the

local board considers appropriate. The Kentucky P-20 Data Collaborative online system will be utilized for this purpose and will draw data from multiple sources.

OET will update the state ETPL to include initial listings, de-listings and changes in data elements. The ETPL is available to all interested partners and customers at <http://dws.ky.gov/provider.asp>.

- v. On-the-Job (OJT) and Customized Training (§ 112(b)(17)(A)(i) and 134(b).) Based on the outline below, describe the state's major directions, policies and requirements related to OJT and customized training.

- a. Describe the governor's vision for increasing training opportunities to individuals through the specific delivery vehicles of OJT and customized training.

The Commonwealth encourages local boards to increase training opportunities for individuals through greater utilization of on-the-job training (OJT). By giving the participant an opportunity to receive training while starting a full-time career, not only does the participant benefit, but the participating business benefits as well by receiving a reimbursement. Employers with 50 or fewer employees are reimbursed up to 90 percent, up to 75 percent of the costs for employers with 51-250 employees and businesses with more than 250 employees would be reimbursed at the 50 percent rate. The reimbursement is to compensate for the extraordinary costs associated with training participants and the costs associated with the lower productivity of the participants.

In order to increase these training opportunities, the state assists local areas in the development of business services that are delivered through the local one-stop system. Interaction at the local level with existing business and industry representatives increase the communication of available training services designed to meet local labor demands.

The Commonwealth requested and received a waiver of the required 50 percent employer match. The waiver eliminates the current 50 percent employer contribution requirement for customized training and substitutes a sliding-scale contribution based on the size of employer. The waiver has afforded more customized training opportunities for smaller businesses or businesses with smaller training budgets.

- b. Describe how the state:
      - 1. Identifies OJT and customized training opportunities;

The Commonwealth uses a pro-active system that matches needed skill sets with employer's needs. Each local board will identify and prioritize on-the-job (OJT) and customized training (CT) opportunities for companies paying higher wages and those in high-demand business sectors. At-risk companies are also prioritized for customized training as part of strategies for layoff aversion. Career centers have trained and tenured business liaison staff who are familiar with local business needs. Staff is trained in job development techniques and applies knowledge and best practices from past OJT National Emergency Grant experiences.

2. Markets OJT and customized training as incentives to untapped employer pools including new business to the state and employer groups;

The Commonwealth is exploring the use of informational videos posted online to reach untapped employer pools and new businesses. The videos would include testimonials from employers and affected workers who have benefitted from OJTs and customized training. Joint ventures with local employer associations, chambers of commerce, economic development, and other local and state groups may provide innovative opportunities. An ongoing partnership with state and local economic development officials is a proven strategy in communicating and marketing these services to new and expanding business and industry.

3. Partners with high-growth, high-demand industries and economically vital industries to develop potential OJT and customized training strategies;

Businesses targeted through the Sector Strategies initiative and the Economic Development Unbridled Future Strategic Plan are offered customized training options for their employees. Partnerships and collaboration with local employer associations, chambers of commerce, economic development, and other local and state groups, as part of the training process, ensures identification of skills gaps in competency and curriculum development. An ongoing partnership with state and local economic development officials and relationships cultivated by the business services teams are proven means for communicating and marketing these services to new and expanding business and industry.

4. Taps business partners to help drive the strategy through joint planning, competency and curriculum development; and determining appropriate lengths of training, and

Through new and existing industry partnerships, the Commonwealth has developed a network that provides placement and assessment of jobs and individuals to meet the employment needs of a community. Business partners are part of the planning process to ensure identification of skills gaps in competency and curriculum development.

Input from KCTCS, USDOL, Economic Development, Trade and other business partners has proven useful in developing curriculum. Resources such as O\*Net are being used in the development of curricula and training.

5. Leverages other resources through education, economic development and industry associations to support OJT and CT ventures.

The *WORKSmart Kentucky* plan includes cross agency and business sector statewide initiatives that support OJT and CT ventures.

- vi. Veterans' Priority of Service. What policies and strategies does the state have in place for the state workforce agency or agencies, LWIBs, and one-stop career centers to ensure that priority of service is provided to veterans and eligible spouses for all employment and training programs funded by DOL, pursuant to the Jobs for Veterans Act (P.L.107-288) (38 USC 4215) and the requirements of the Jobs for Veterans Act regulations 20

CFR 1010.230? The description must include:

- a. How the state policies ensure that covered persons are identified at the point of entry and given an opportunity to take full advantage of priority of service.

Local office and one-stop staff funded by DOL programs provide appropriate services to veterans. Priority is given to covered persons by giving preference over non-veterans for workforce development services, which include registration, job referral, guidance, counseling, dislocated worker services, referral to supportive services, job development, job search workshops, and resume preparation. Local veterans employment representatives (LVERs) train workforce staff on veterans' priority of service. The Commonwealth's Focus/Talent provides priority by listing veterans first in lists of eligible job seekers for employers conducting a resume search.

All recipients of DOL funds for employment and training programs are required to identify covered persons at the point of entry to programs and/or services so the covered person can take full advantage of the priority of service. Point of entry includes physical locations, such as one-stop career centers, as well as websites and other virtual service delivery resources. After identification, the client is given a questionnaire that provides a screening process to identify people who are eligible to receive priority of service. A review the Veterans Priority of Service Eligibility form determines the applicant's status and qualification for quality service.

- b. How the state policies ensure that covered persons are aware of:
- a. Their entitlement to priority of service;
  - b. The full array of employment, training, and placement services available under priority of service; and
  - c. Any applicable eligibility requirements for those programs and/ or services.

At the initial contact point, staff informs covered persons of their entitlement to priority of service and the full array of employment, training and placement services, and any applicable eligibility requirements for those programs or services.

Covered persons using online services are automatically provided an informational screen advising them of their entitlement to the full array of employment, training and placement services, and any applicable eligibility requirements for priority of service.

OET monitoring teams and veterans' program staff monitor for priority of service compliance in multiple ways. Each quarter, the number of job referrals, staff assisted services provided and placement rates for covered persons is compared to the same services provided to non-covered persons. All offices are monitored through monthly reports and twenty percent of the offices receive a comprehensive compliance evaluation each year. An annual self-assessment is completed by each local office manager and the JVSG staff.

Any deficiencies are reported to local, regional and state managers and a corrective action plan is prepared in collaboration with the state Director of Veterans' Employment and Training. Technical assistance is provided by the state coordinator for underperforming offices.

- c. A description or copy of the state's policy requiring LWIBs to develop and include policies in their local plan to implement priority of service for the local one-stop career centers and for service delivery by local workforce preparation and training providers.

State JVSG staff offer technical assistance to ensure that all one-stop career center staff, funded directly, in whole or in part, by the Department of Labor, give veterans and eligible spouses priority of service for all federal workforce services. The state monitors service delivery points DOL funded workforce programs to ensure that local staff carries out priority of service to veterans as specified in the Jobs for Veterans Act and related regulations.

OET monitoring teams monitor LWIBs for priority of service compliance in multiple ways. Each quarter, the number of job referrals, staff assisted services provided and placement rates for covered persons is compared to the same services provided to non-covered persons using the assessment model developed for the JVSG program. All offices are monitored through monthly reports which include customer services provided by all career center staff and twenty percent of the offices receive a comprehensive compliance evaluation each year.

Any deficiencies are reported to local, regional and state managers and a corrective action plan is prepared in collaboration with the state Director of Veterans' Employment and Training. Technical assistance is provided by the state WIA programs specialist, with assistance provided by the state veterans' program coordinator for underperforming LWIBs.

All staff in the Commonwealth's career centers assists veterans. This is especially important now with many armed services personnel and reservists returning from active duty.

The Commonwealth expanded the annual JVSG conference to include labor exchange and LWIB staff in order to better integrate career center services for veterans. This provides an opportunity for DOL funded staff to learn the latest initiatives and issues of importance in the veterans' community.

Each LWIB must establish written policies ensuring priority of service for eligible veterans. The annual review process allows state staff to ensure that service priority is carried out locally in accordance with federal laws and policy guidance. Covered persons (veterans and eligible spouses) are identified at the initial point of contact so that priority of service can be provided. In addition, special initiatives emphasize connecting veterans to career pathway opportunities aligned to high-demand jobs.

- vii. Rapid Response. Describe how the state provides Rapid Response services with the funds reserved under section 133(a)(2).
  - a. Identify the entity responsible for providing Rapid Response services. Describe how Rapid Response activities involve local boards and Chief Elected Officials. If Rapid Response activities are shared between the state and local areas, describe the functions of each and how funds are allocated to the local areas.

The state Rapid Response unit, within OET, is directly responsible for ensuring that Rapid Response is provided by the local workforce delivery system and serves as the primary contact for all Rapid Response activities. The Rapid Response activity in the Commonwealth is designed to connect the displaced worker to services that will assist transition to new employment following either a permanent closure or mass layoff, approved Trade-impacted events, or a natural or other disaster resulting in a mass job dislocation.

Each local workforce area has a Rapid Response team that is responsible for the coordination of Rapid Response activities with the LWIB and appropriate locally-elected officials. The team has a local area coordinator who is responsible for the ensuring the team's Rapid Response delivery is prompt and meets the needs of the community, employers and workers. The local area coordinator notifies/reports Rapid Response activities through EKOS and other avenues of communication with the state. OET allocates funding to the local areas for Rapid Response activities.

b. Describe the process involved in carrying out Rapid Response activities.

1. What methods are involved in receiving notice of impending layoffs (include WARN Act notice as well as other sources)?

OET receives notices of impending layoffs via WARN Act notices, media releases, the Governor's office and referral for services from supporting partners, i.e. KCED, Labor Market Information programs, local boards, and chief elected officials. OET informs local team coordinators of the impending layoff and they contact the company to develop a plan appropriate for the employer, communities and workers.

In addition to alerting the local Rapid Response team coordinator, impending layoff notices are communicated to cabinet leadership, KCED, WIA directors, OET regional managers and others specifically requesting to be included on the notification list. Relevant local community agencies are notified.

Not every impending layoff is communicated to the Rapid Response team or state agencies through the channels described above. Before lay-off aversion strategies can be developed, the at-risk employer must first be identified. Useful information can be gleaned from a variety of sources including labor market information to identify sectors in decline.

Becoming proactive in identifying at-risk businesses and to truly be effective in averting layoffs, the Business Services strategy must include services and resources to assist at-risk businesses. In addition to incumbent worker training, services should include tools for debt restructuring and increasing cash flow (low interest loans, revolving loans and angel investors), marketing assistance to develop new markets (diversification, exporting assistance, etc.) and operational review (LEAN Process, etc.), succession planning (including Employee Stock Ownership Plans). These services are critical for meaningful and effective layoff aversion. KEWDC plans to incorporate these services in the statewide unified business services teams.

Foundational elements of unified business service/economic development teams include clearly established team members' roles. Teams will include economic and workforce professionals along with education partners such as the KCTCS and KYAE.

2. What efforts does the Rapid Response team make to ensure that rapid response services are provided, whenever possible, prior to layoff date, onsite at the company, and on company time?

Currently, the Commonwealth has a decentralized Rapid Response process that allows for a quicker response at the local level. The local Rapid Response team coordinator (or designee) ensures that Rapid Response services are provided as quickly as possible. The local coordinator immediately contacts the company upon learning of an actual or possible dislocation. Whenever possible, all contact occurs prior to a layoff date, is onsite at the company and is on company time. The team is trained to react quickly and offer a customizable service that fits the needs of the employees and the company.

The team's first step is an on-site employer meeting with the company to explain the Rapid Response process and services and how the services can be most successful. The team discusses resources and services available to help the employer manage the layoff and identify the specific needs of the affected employees. Using information gained from the onsite meeting, the Rapid Response team develops a plan of action for delivering necessary services to the workers through an employee Rapid Response meeting.

The KWIB has initiated a Business Services Redesign initiative to improve the delivery of Rapid Response services in the Commonwealth. The strategic benefit will be to maximize the Commonwealth's rapid response resources aligning them with economic development goals around business development resulting in a more proactive systemic approach.

The Business Services Redesign was launched in summer 2011 to improve alignment with economic development. The intent of the initiative was give Kentucky companies have access to services throughout the business lifecycle. It was quickly recognized that in order to meet its intent, however, the initiative must be recast to examine all business services. Rapid Response activities are a necessary component to business services but they often occur too late in a company's decision making. Developing proactive relationships with employers will help position the workforce system as a trusted, reliable partner to employers.

Many of the Commonwealth's regions have formed or are in the process of developing proactive ways to serve employers. Some have developed successful and on-going relationships with economic developers to jointly respond to business. Others have created formal networks to discuss and address the needs of the employers. These processes differ from region to region due to local dynamics, unique assets and existing relationships. Business Services Redesign is an opportunity to offer consistency to partners and most importantly, the Commonwealth's businesses while maintaining flexibility to serve businesses in

ways tailored to each region's environment.

No one agency, organization or individual can successfully serve all of an employer's needs. Utilizing the collective resources and knowledge of partners, effective Business Services Teams (BSTs) can help sustain the Commonwealth's economic growth and improve the lives of its citizens.

3. What services are included in Rapid Response activities? Does the Rapid Response team provide workshops or other activities in addition to general informational services to affected workers? How do you determine what services will be provided for a particular layoff (including layoffs that may be trade-affected)?

Rapid Response activities include services from the following agencies: state and local economic development, the state and local UI Benefit Program and Labor Market Information programs of OET, KYAE, CPE, OVR, local health departments, Trade Adjustment Assistance Program; the USDOL Employee Benefit Security Administration and LWIA one-stop system Dislocated Worker Program services.

The local Rapid Response unit determines what services will best meet the needs of the community, employer and affected workers of a particular layoff (including layoffs that may be trade affected). This is accomplished by an assessment using information gained from the initial employer on-site meeting. Appropriate specialized services for a Rapid Response may be developed including specialized workshops, job fairs or other enhanced services at the request of the company or local officials.

During the initial on-site meeting, the local coordinator assesses whether the employer meets the criteria of a Trade impacted employer in accordance with the standards established by the Trade Adjustment Assistance Act as amended. The local coordinator assists the employer as needed with the completion and submission of a Trade petition to the Office of Trade Adjustment Assistance.

The Business Services Redesign initiative, launched in summer 2011, will better utilize the collective resources of the Commonwealth's workforce development system partners. The goal is to provide support to companies not only as they are downsizing or restructuring during the whole business life cycle.

4. How does the state ensure a seamless transition between Rapid Response services and one-stop activities for affected workers?

The Commonwealth makes certain that there is a seamless transition between Rapid Response services and the one-stop activities for affected workers by immediately directing the affected workers at the Rapid Response meetings to the local one-stop system for supportive services. The description of one-stop services is provided to both employees and employers during their respective informational meetings. Information regarding how to file for unemployment benefits and assessment of needs are provided at the employee meeting if applicable. Employees are registered with Focus/Career at a Rapid Response

meeting prior to layoff, when possible. Having all Rapid Response meetings conducted at the local level allows one-stop staff to make a personal connection and build relationships with employees and employers.

5. Describe how Rapid Response functions as a business service. Include whether Rapid Response partners with economic development agencies to connect employees from companies undergoing layoffs to similar companies that are growing and need skilled workers. How does Rapid Response promote the full range of services available to help companies in all stages of the economic cycle, not just those available during layoffs? How does the state promote Rapid Response as a positive, proactive, business-friendly service, rather than only as a reactive service?

The Commonwealth's state Rapid Response unit functions as a service for business within the OET and partner agencies. KCED refers to Rapid Response as a last resort after layoff aversion strategies have been exhausted for employers. Rapid Response's positive, proactive business-friendly service is promoted when Rapid Response can provide labor pool data to KCED. The data is used to verify an existing skilled workforce in a particular area for employers wishing to relocate to the area or to expand and/or upgrade operations. KCED plays a vital role at both the local and state levels.

The Commonwealth is currently working with the local economic development entity to utilize WorkKeys job profiling system and the NCRC to assist in finding the most qualified employees for a new employer considering a move to the community.

WIA Statewide Reserve funds of \$100,000 have been earmarked for local areas for planning strategies to support the local Business Services Redesign structure. The intent of these funds is to create unified BSTs to develop strategies to support Kentucky companies throughout the business lifecycle as opposed to predominantly at times of dislocation.

Regional stakeholders understand the power of approaching businesses as a united front and the need to eliminate the duplication of services. Many regions are currently working collaboratively as a BST. Some teams have been informally but successfully working together for many years. Others are developing formal infrastructures for teamwork. In the regions that are not currently doing so, workforce development professionals are eager to work more closely with partners.

Because of unique environments and existing relationships, the frameworks for collaboration and the partners involved currently vary across the Commonwealth. Business Services Redesign provides options which can bring consistency to partners and the customer.

The Commonwealth intends to create an internal Business Services Resource Guide template to catalogue all known business services resources. The guide will have information about statewide services, including workforce development, economic development and education. LWIBs should then add

local services and resources to the guide. To assist the BSTs, the guide will be organized by phases in the business lifecycle, then by subtopic for easy reference. The guide will include any eligibility criteria to assist BST members. The guide will also contain standardized descriptions, which can be used when preparing business proposals.

**6. What other partnerships does Rapid Response engage in to expand the range and quality of services available to companies and affected workers and to develop an effective early layoff warning network?**

Rapid Response engages in several partnerships to expand the range and quality of the services available to companies and affected workers and to develop an effective early layoff-warning network. Partnerships have been established with KCED, the Labor Market Information programs of the OET, local boards and chief elected officials to meet the needs of the employer and employee.

The Business Services Redesign initiative intends to move the Rapid Response system from a fundamental to an enhanced level of performance at both the state and local levels. The Commonwealth intends to evaluate and enhance delivery structure based on best practices across the country focusing on the following elements: the infrastructure; relationships with stakeholders; policies and procedures; gathering intelligence; promoting the services; assessing potential dislocations; and analyzing worker survey data. The intent of this redesign is to maximize the Commonwealth's rapid response resources by aligning them with business development goals resulting in a more proactive systemic approach.

The one-stop Certification Standards call for workforce investment areas to establish an organized BST. The teams are composed of four core partners representing OET, WIA, KCTCS and representatives from either economic development organizations or chambers of commerce. In addition to the core partners, the one-stop Certification Standards outline "extended" BST partners included representation from a wide range of agencies such as Adult Education, OVR, veterans, or OFB.

When targeting local businesses, the BST will identify companies in the region that are either at-risk or have the potential for growth. BSTs should prioritize businesses that fall within their targeted sectors. In addition to targeted sectors, information sources and data triggers can help BSTs recognize companies that are poised for growth or under stress. The indicators below are suggested in the U.S. Department of Labor's Layoff Aversion Guide.

- Labor market information available from both the state-level and the LWIB can be used to determine employment growth or decline within a sector, occupational demand, etc.
- In addition to indicating the need to offer Rapid Response services, WARN notices can be analyzed to identify trends within industry sectors, region or occupations.
- Trade Act Petitions can be accessed online at [www.doleta.gov/tradeact](http://www.doleta.gov/tradeact).
- Unemployment insurance claims can also be analyzed for trends in a sector or even particular company, using Standard Industry Classification codes or other occupational codes.

- Public loan defaults can be accessed to identify companies that are experiencing financial stress. This information is typically available from a state's development department, but may require or sharing agreements.
- Financial stress indicators from Dun and Bradstreet (D&B) reports are particularly useful showing indicators of stress or growth based on a number of factors. While D&B is a propriety data source and involves associated costs, the data are used by several national best practices as the foundation for targeting businesses.
- Utility companies can identify usage drops which may indicate fewer shifts or equipment usage. They can also identify uptick in usage which sometimes suggests new or expanded production lines, hours, etc.
- A company's customers, supplies or employees may learn if it's in trouble. Comments about reduced hours, products, services or payments may be indicators that the company is at-risk.
- The U.S. Industrial Outlook can be used to analyze current and forecasted trends for U.S. industries by four-digit SIC code.
- Local media outlets (newspapers, business journals, etc.) often report on significant changes in local companies such as a new management team/structure, new product lines, ads for job openings, compliance issues or legal troubles.
- A company's annual and quarterly reports provide financial information.
- Local bankers, accountants or attorneys can be a good source of information for companies that may be considering expansion projects, mergers or acquisitions or may be in financial trouble. These sources can be especially helpful in identifying smaller businesses that can benefit from BST's services.
- Systems such as Synchronist build in predictive indicators based on evidence-based set of questions, which can be used by BST teams..
- Job boards can provide useful early indicators based on employee resume postings from particular companies.

7. What systems does the Rapid Response team use to track its activities? Does the state have a comprehensive, integrated management information system that includes Rapid Response, Trade Act programs, National Emergency Grants, and one-stop activities?

Rapid Response activities conducted by the local area and OET staff are recorded in the EKOS for tracking. The system is a comprehensive integrated management and reporting system that allows one-stop partners to share information on one-stop activities. However, all Business Services representatives from various agencies do not have access to EKOS.

The Commonwealth will explore off-the-shelf tools versus in-house technology solutions supporting customer relationship management systems such as Executive Pulse and Sales Force. The state will use cost/benefit analysis to select the best option. If an off-the-shelf tool is selected, we will follow state procurement processes will be followed.

The Commonwealth will engage stakeholders at every level to develop a tool that delivers an assortment of services. This engagement will assure user-friendly, intuitive interfaces and multi-dimensional input from partners such as the DWI, KCTCS, KYAE, economic development organizations, chambers of commerce

and LWIAs.

This platform will support the established business visitation\contact information needs, track solutions-based service work and facilitate communications among team members. The Business Services teams will be trained to effectively use real-time data, facilitate sector selection, ensure employer assessed talent needs are clear, provide organizational support to targeted sectors, align education and training needs with sectors, align business services with sectors and plan for continuous improvement and sustainability.

8. Are Rapid Response funds used for other activities not described above; e.g., the provision of additional assistance to local areas that experience increased workers or unemployed individuals due to dislocation events?

Rapid Response Additional Assistance funds are provided to LWIAs that experience increased numbers of unemployed individuals due to dislocation. These funds provide direct services to participants, if there are not adequate local funds to assist the dislocated workers. National Emergency Grants are developed and written for communities or situations that require funding where other funding sources have been exhausted.

Through a waiver, up to 20 percent of Rapid Response funds may be used for incumbent worker training connected to layoff aversion.

- d. Veterans Programs. For the grant period FY 2005 - FY 2009, states submitted five year strategic plans to operate Disabled Veterans' Outreach Programs (DVOP) and Local Veterans' Employment Representative (LVER) programs under the Jobs for Veterans Act. These plans may be incorporated by reference as part of a state's Unified Plan. Modifications to these five year Jobs for Veterans Act plans will be managed in accordance with policy guidance from the Veterans' Employment and Training Service.

DVOPs and LVERs are integral to the state and local workforce systems. Service strategies and staff activities comply with federal veterans' laws, regulations and the federal veterans grant. The updated FY 2010-2014 Jobs for Veterans Service Grant (JVSG) plan will be submitted to the National VETS office and incorporated by reference as part of the Commonwealth's Unified Plan. Additional modifications to the five year Jobs for Veterans Act plans will be managed in accordance with policy guidance from the Veterans' Employment and Training Service. The OET and local boards have established policies and procedures to ensure that eligible veterans receive priority for all workforce programs or services funded, in whole or in part, by DOL.

DVOPS provide services at locations in accordance with the federal grant provisions. Out-stationing at the Department of Veterans Affairs, Vocational Rehabilitation and one-stop career center sites remains a priority. These sites provide the opportunity to reach sectors of the veteran population that might not come into local workforce offices. OET provides two statewide program coordinators dedicated to a specific role to provide guidance for either the DVOP or LVER services.

Many individuals in the veteran population are members of other target group categories as well, such as dislocated workers, persons with disabilities or older workers. Veterans

receive services using the three-tiered labor exchange strategy that includes self-service, facilitated self-service and staff-assisted service. All available resources are used to provide high-quality services to this important customer group.

Like other states, Kentucky is challenged to address the needs of returning soldiers from deployment in Afghanistan and Iraq. A Veterans Interagency Workgroup composed of representatives from organizations including OET, Kentucky Department of Veterans Affairs, KCED, Small Business Development Center, Employer Support of the Guard and Reserve, the Governor's Office, Department of Defense Yellow Ribbon Program and KCTCS meet to share information about services, activities and initiatives to assist these individuals in their transition to civilian life. The group collaborates to provide an array of services not only for veterans, but for spouses as well, believing that support to stabilize the family is crucial to a successful transition. Special job fairs and events have been and will continue to be scheduled that include one-stop, community, state and federal partners to address many issues including job counseling and referral, training opportunities, information on financial assistance for training, health services and community resources.

- e. Youth. ETA's strategic vision identifies youth most in need, such as youth who are: out-of-school, at risk, in foster care or aging out of foster care, offenders, children of incarcerated parents, homeless, and migrant and seasonal farm worker youth as those most in need of service. State programs and services should take a comprehensive approach to serving these youth, including basic skills remediation; helping youth stay in or return to school, employment, or internships; and helping youth attain a high school diploma or GED, postsecondary vocational training, Registered Apprenticeship, or enrollment in community and four-year colleges. (§112(b)(18).)
- i. Describe the state's strategy for providing comprehensive, integrated services to eligible youth, including those most in need as described above. Include any state requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. Include how the state will coordinate across state agencies responsible for workforce investment, foster care, education, human services, juvenile justice, and other relevant resources as part of the strategy. (§112(b)(18).)

The state delegates responsibility to each local area to develop youth programs and services to assist the most-in-need youth in their community. This includes accessing services that will enhance and/or expand the education, employment skills and opportunities that help prepare youth to meet the demands and needs of local employers. OET continues to provide guidance, technical assistance and support to the local workforce areas as determined or requested.

In 2009 KWIB approved four strategic goals. These were approved by the Governor and implementation is ongoing.

Strategies to improve services, collaboration, delivery and access to those most-in-need youth have been integrated into all four strategic goals, either directly or indirectly. In order to provide determining factors for the goals of the strategic plan, a series of objectives were developed. Each set of objectives supports a specific goal and provides the framework for the development of the action steps and a basis for

monitoring and evaluating the implementation of the plan by the KWIB on behalf of the Governor.

Below is a list of the four goals and the specific strategic objectives that relate to youth and the Commonwealth's dedication to implementing a comprehensive approach to the ETA strategic vision. This wide-ranging strategic plan process included stakeholder meetings to gather ideas for ways to make the system more responsive to customer needs and engaging for partner organizations. The five stakeholder groups included: economic development professionals, KCTCS, LWIBs and directors, partner agencies, and members of the former KWIB.

Goal 1: Align the Commonwealth's workforce development system with Kentucky's education objectives. The specific youth-impacting objectives associated with this goal are: increase communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development; increase the number of postsecondary and work-ready high school graduates; promote educational options, including technical education, two-year and four-year college apprenticeships; increase awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries; and establish the concept of life-long learning as a norm in the 21<sup>st</sup> century.

Goal 2: Align the Commonwealth's workforce development system with economic development strategies. The specific youth-impacting objectives of this goal are: refine and promote evolving methods of projecting jobs and training needs of the future; and increase opportunities for entrepreneurship in a culture of innovation.

Goal 3: Simplify the workforce development service delivery system. The specific youth- impacting objectives of this goal are: simplify online services and focus on innovative user-friendly applications; transform the identity of the "unemployment office"; increase the awareness and use of online job matching and training services; reduce confusion and information overload for those unfamiliar with the system; and increase communications among all service delivery points.

Goal 4: Improve service to achieve a customer centered delivery system. Specific youth-impacting objectives of this goal are: increase use of online tools and resources; and provide up-to-date resources for all clients and develop benchmarks and base-line standards for consistency within the system (physical, program and customer services) while allowing for local and regional adaptation.

Objectives were established to bring focus to the essential components of each goal. These strategic youth-focused objectives and the subsequent, related action steps uniquely fit the needs of many youth. Those that are projected to or are currently meeting the needs of youth at both the state and local levels are listed below.

- sector strategies were developed, with specific initiatives, to meet the skill, recruitment and retention needs of employers and the training, employment and career advancement needs of workers:
  - Northwest Kentucky Training Consortium (NKTC) Industry Partnership Grant – advanced manufacturing sector. NKTC was formed to create training opportunities that will meet employer needs and strengthen the skill level of the current and future workforce. This one year grant runs

from February 1, 2012 through January 31, 2013. One of the goals of this initiative is to partner with high schools and postsecondary institutions to enhance the available workforce and communicate needs of local industry. The partnership will work with high schools to increase knowledge of local industries and skills needed for employment through career fairs, internships, speakers at the schools and other opportunities. The local WIB is an active member and serves as the fiscal agent for this grant.

- Northern Kentucky Industrial Park Association (NKIPA) Industry Partnership Grant - manufacturing sector. NKIPA will conduct a quantitative pipeline survey to determine how to fill the skilled job openings. This survey will focus on secondary high schools including the area technology center to determine the perception of manufacturing as a career. Those surveyed will be the various Northern Kentucky school systems that would include superintendents, principals, guidance counselors, teachers, students and parents. There will also be qualitative surveys in a series of focus groups that will allow for group discussions on the reason why manufacturing is not pursued as a career choice as compared to health care and other professions. The focus group will consist of students, parents and teachers. Analysis of survey results will be compiled and utilized. The local WIB is an active member and serves as the fiscal agent for this grant.
- Medical Career and Science Institute (MCSI) was created by the Bluegrass Healthcare Consortium to provide students an opportunity to “jump start” their career in the health field. MCSI is a one-week non-residential health careers camp designed for middle school students who are seriously interested in pursuing a career in health care. It provides an opportunity for students to explore the variety of careers in health professions and to learn some of the educational requirements leading to those careers. Sessions will occur in a clinical, classroom and lab setting. The focus of clinical activities will be to provide the student with hands-on experience, as well as to observe health professionals in a clinical setting. The MCSI camp was an idea developed by the Bluegrass Healthcare Consortium. Area employers and community partners have assisted in the planning, funding and logistics of the camp. Spencerian College has agreed to host the camp while Sullivan College and the University of Kentucky have agreed to serve as sites for field trips for the participants. The initiative commenced in June 2012.
- the Commonwealth has completely overhauled its workforce development online service delivery by improving and expanding web-based tools and services:
  - LWIA staff have reported attending SETA, Workforce3One webinars and workforce conference sessions that focus on social networking tools and participating in professional development opportunities that keep them current and connected with youth.
  - Eastern Kentucky Concentrated Employment Program (EKCEP) Job Clubs model and emphasize the importance of connectivity.
  - Kentucky Teleworks – EKCEP’s initiative is an innovative economic development strategy that brings telework (work-from-home) jobs with

major national and international companies to Kentuckians who live in the commonwealth's most rural and economically challenged counties. Because of its previous extensive investment in digital infrastructure, Kentucky is uniquely positioned to capitalize on this employment trend. In less than a year, Kentucky Teleworks has created more than 80 jobs in Kentucky. Kentucky Teleworks began taking shape in July 2010 and began operating in earnest in July 2011. The initiative is growing rapidly and EKCEP plans to continue to operate it as an important element in their service strategy.

- An Access database was developed to take the place of the traditional paper triage method of customer sign in and is in use in several Kentucky Career Centers. The system provides a method of sign in and notification of service requested that is viewable on all Career Center desktops.
  
- the Commonwealth pioneered the work-ready certificate with the implementation of the Kentucky Employability Certificate. That program became a model for other states. ACT, Inc., the organization that administers the WorkKeys assessments has expanded upon the Commonwealth's idea and created the NCRC, a nationally recognized credential. The Commonwealth currently has dedicated staff to this single initiative which is administered statewide. This system transformation initiative has been well-received by LWIAs. Below is a snapshot of some of the current youth-focused NCRC goals and activities:
  - A LWIB stated a strategic goal is to provide older youth with the opportunity to be career ready if they choose not to enter post-secondary after high school. A local WIA intake specialist has been certified to give the NCRC test and has also taken the NCRC test and obtained the Gold Level. The LWIB is partnering with Junior Achievement to conduct the JA Success Skills and the Economics for Success in several of the alternative schools through the LWIA's ten counties and the Warren County Regional Juvenile Detention Center. The JA staff will also emphasize the value of the NCRC to participants. Mobile laptops are used for testing large groups.
  - Stated LWIA activities will include promotion of NCRC through the One Stop and school contacts. The Management Team of the Career Center will have chief responsibility for overseeing and carrying out the tasks involved.
  
- Tech-High. Much like many of our one-stop career centers suffer from an outdated identity of "unemployment offices," the Commonwealth's secondary technology centers also suffer from an outdated identity as the place to send the "undesirable" or "not-college-material" students. In order to shift the image, meaningful relationships with Kentucky high schools and area technology centers around career development must be established and nurtured. Providing career counselors in all area technology centers, as well as those technical education facilities operated by local school boards, should be an area of focus for promoting relevant career pathways. It is being proposed that full-time counselors be hired for 54 area technology centers.
  - Fix the Pipeline: Improving High School Transitions/Tech High – LWIA stated it shifted its focus on smoothing transition points within the P-20

education system, make learning relevant to growth industries and make the connection between education, income and prospects for the future. Three components were implemented to increase the number of students who graduated from high school, submit college applications and enroll in college. The components included a Close the Deal campaign to create a strong college-going culture by involving local elected officials, holding regional workshops to increase college familiarity and implementing a KnowHow2Go marketing campaign to promote the tools needed to enhance education transitions.

- Apprenticeship Sales Force seeks to establish a partnership to market the benefits of registered apprenticeships to Kentucky businesses. The partnership would also look at marketing this educational/work alternative to secondary students through the promotion and development of pre-apprenticeship programs. Strategic benefits may also include specialty training to younger students. As an alternative to traditional postsecondary education, registered apprenticeships will appeal to a segment of the population concerned about earning a wage immediately while developing skills through a combination of hands on experience and classroom work. Apprenticeships also offer local workforce agencies an opportunity to discuss career pathways and training alternatives with customers.
  - In addition to Kentucky's identified targeted sectors, all LWIAs have identified their local/regional targeted sectors. This identification along with industry partnership grant opportunities and local-focused efforts, planning for apprenticeship and pre-apprenticeship activities should increase.
  - Strategic goals include increasing communication and collaboration between workforce boards and boards of education, technical education, postsecondary education, labor organizations and business; promoting educational options, including technical education, two-year and four-year colleges, apprenticeships and specialty training to younger students.
  
- High School Outreach. Encourage LWIBs to develop strong working relationships with middle and high schools in their regions. These relationships are based on the one-stop career centers' capability to deliver assessment and career exploration services, and the direct linkages to the local business community these boards can provide. Based on strengthened relationships, LWIBs position themselves as expert problem solvers by targeting services to youth identified by the schools as at-risk of dropping out.
  - One LWIA goal is to seek to educate students and educators from local high schools, middle schools, area technology centers, postsecondary institutions and other community members who work with youth about the many services and options available to the students/drop outs through the LWIA Youth Program and Career Centers upon graduation from high school. High School Outreach was implemented area wide approximately three years ago and expands each year to reach more youth in the eight county area. LWIA staff visit locations, provide brochures and present to students and staff on varied topics from job search information to choosing the correct career path. LWIA staff has visited in excess of 25 local educational institutions in the past year and will continue to visit

- schools in the future, distributing information to libraries, Community Action offices, social services offices and Department of Juvenile Justice offices.
- Health Career Exploration Day & Youth Summit – Held at two area hospitals, this event consisted of booths displaying information and hands-on activities with hospital staff available to discuss a variety of career opportunities. The popular Health Career Exploration Day gives high school students a chance to learn about a variety of job opportunities in the healthcare field. The Youth Summit is an annual event involving area middle and high school students co-hosted with the Owensboro Parks & Recreation Department, Youth Council and Kentucky Wesleyan College. This is a youth leadership forum featuring speakers, workshops and team building events. The role of the LWIB is to plan and implement the events.
  - One LWIA provides Workkeys Assessment for High School Seniors – Workkeys assessments are given to all area high school seniors with the goal of starting the process of building in each community a substantial workforce with a recognized certificate that is recognized by businesses across the country. This also promotes the board’s goal of being an active participant in the College/Career Ready initiative.
  - Student Employability Training (SET) – The program provides 55-minute training on the importance of soft skills and making the right impression in order to secure a job and achieves success in the workplace. It addresses items such as dressing for success, social media, networking, job applications and much more. This program will be delivered to a selected county to seniors during the first and second quarters of 2012. The program will be altered based on the feedback obtained from the test county before being rolled out to the other counties.
  - Steps to Success Youth Competition is a one-day completion of individual and teamwork skills that will enhance the youth’s ability to compete for employment in today’s job market. It allows participants the opportunity to exhibit the skills they have learned throughout the programs in which they were enrolled. This annual event is now in its seventh year. Competition includes public speaking, decision making, employment techniques, scrapbook, service learning, logo design, and essay and carpet maze. The LWIA staff, youth council, board members and community partners serve as judges. An awards dinner and banquet is held directly following the competition to celebrate the achievements of the youth.
  - In some counties, local areas also sponsor education summits.
- GED Express: Lodge and Learn. This initiative is proposed to create an opportunity for unemployed individuals without a high school diploma to complete their GED in a compressed, four-week timeframe. Three pilot projects have been proposed.
  - Work Ready Communities. KWIB provides oversight of the certification of communities as “work-ready.” Communities must apply for this certification and meet certain high standards for education attainment and credentialing in order to receive the status. This initiative provides opportunities for

recognition of educational options, including technical education, two-year and four-year colleges, apprenticeships and specialty training to younger students. Several counties have been approved at various levels and interest continues at a high level.

- LWIAs are extremely supportive of this initiative. Youth programs, statewide, have been strengthened as a result of the NCRC link to the initiative and the level of recognition and value of technical education, two-year and four-year colleges, apprenticeships and specialty training to younger students that is part of the certification process.
- Case Management. This focus will require buy-in at the local and individual levels in order to produce a team of case workers who provide consistent approaches to service across the system. As a result youth and all customers will receive case management services delivered with consistency by trained professionals.
  - Career Advisor Training and Professional Development – LWIA efforts are focused on elevating the expertise and level of service provided by the LWIA Career Advisors. Curriculum development and many of the other preparations for this initiative began early the previous program year and has been engaged in providing Global Career Development Facilitator (GCDF) credential training for five years. The peer-group aspects of this initiative are expected to provide useful input and be a part of improving the area’s service delivery for the foreseeable future.
  - Career Track is designed to help youth who wish to improve their quality of life. Youth earn career readiness skills through six workshops. Participants completing all six workshops will have the opportunity to be placed at a worksite through a work experience.
  - Business Services Teams (BST) are dedicated to delivering case management services that assist clients with necessary training to enter into self- sufficient careers in a new way. Clients are matched to a BST team member who specializes in the client’s field of interest. The expertise of the staff provides the client with knowledge of the job market and training needed for employment that is not available with a generalized case management.
  - Right Choice is a local innovation intended to support work opportunity for non-custodial parents through a partnership with the career center and the court system. The Right Choice program guides, counsels and educates the non-custodial parents in an attempt to keep them from being incarcerated for non-payment of child support. Right Choice attempts to assist the individual with obtaining the skills and suitable employment to remain employed and continue paying their child support timely. This is a year round project. LWIA staff goes to court in partnering counties and works with the judge and the participants who are court directed and interested in turning their lives around. Career center partner agencies provide wrap-around services to allow the individuals to gain the work readiness skills to maintain employment. Through multiple partnerships and community support, this local innovation has allowed many families to get back on their feet.

- The Accelerating Opportunity initiative is a strategic collaboration between Adult Education, KCTCS and the workforce system. The mission is to strengthen adult learning through teaching within the context of occupational training. The strategic goals of the initiative are to provide stackable credentials to adult learners in combination with adult education to increase job opportunities and sustainable wages. LWIAs are reporting that this concept is especially useful and appealing for the older youth population and success rates are high for this age group.

OET seeks opportunities for cross-agency collaborations that promote youth program services. This is best illustrated by the highly successful 2010 Subsidized Employment Program, funded by the Temporary Assistance for Needy Families (TANF) emergency fund through the American Recovery and Reinvestment Act (ARRA). The *WorkNow Kentucky* program was a collaborative effort of the state's workforce and human services agencies. Kentucky's KEWDC and the Cabinet for Health and Families Services worked together to administer the initiative through the state's 10 LWIBs. Of the 9000 plus, low-income Kentuckians placed in jobs, almost 6900 were in the 16-24 age group.

LWIAAs continue to explore leveraged funding and to seek out grant opportunities for programs and services that encourage local businesses in the private sector to help youth with summer and year-round employment and services.

- Encouraged by the success of the above efforts, KentuckianaWorks continued to champion expanded summer employment opportunities for youth to add significant horsepower to WIA youth programs. In 2011, the mayor spearheaded a fundraising effort that raised over \$500,000 in private and local government dollars for summer jobs. This effort helped to put over 200 at-risk young people – many of them participants in the WIA-youth funded year-round program – to work in the summer at government or non-profit locations. 2012 plans envisioned the mayor and a team of business leaders shifting focus to identify more companies (both for profit and non-profit) who will be willing to hire and pay youth during a seven-week summer jobs effort. The program would provide the youth participants with an eight-week segment curriculum developed by the Kauffman Foundation that teaches young people to think like entrepreneurs. \$435,000 had been committed by late spring 2012.
- Career Center Outreach GOALS Program and Owensboro Regional Recovery Program (ORR). The GOALS Program is a partnership with the LWIB, Daviess County Detention Center, the Kentucky Judicial System, RiverValley Behavioral Health, Family Anonymous, Narcotics Anonymous, SPARKY Program, Owensboro Community & Technical College, and the Hagar Foundation. The role of the GRWIB is to provide on-site employability skills workshop at the Daviess County Detention Center. The workshop is 16 hours of hands-on intensive employability skills training. The workshop is offered bi-monthly to a class of 9 to 14 inmates (youth and adults). The Owensboro Regional Program (ORR) is a partnership with the ORR Board, RiverValley Behavioral Health and the Homeless Council. GRWIB presents a monthly orientation and employability skills workshop as part of the Lifeskills Program for the ORR Program clients at the Kentucky Career Center in Owensboro. This

initiative is on-going.

- ii. Describe how coordination with Job Corps and other youth programs will occur. (§112(b)(18)(C).)

Job Corps is a visible partner in several one-stop career centers and is represented on a number of LWIBs and youth councils. Job Corps programs are utilized in the referral process for youth who may benefit from their programs and services. The Commonwealth will continue to assist local areas make the connection with Job Corps. Job Corps and the Eastern Kentucky Concentrated Employment Program, Inc. (EKCEP) LWIA have an exemplary relationship to help at-risk youth who are in transition.

The Commonwealth has seven Job Corps Centers. Local one-stop career center staff and Job Corps staff work together to arrange group tours and orientation sessions as student schedules allow. These sessions are tailored to familiarize local youth with services and to reiterate system services, nationwide, to those out-of-state Job Corps students.

OET encourages local OET offices and LWIAs to include the seven Job Corps Centers in planning and notification of job fairs and special local youth programs that might incorporate or benefit their students.

- iii. How does the State Plan to utilize the funds reserved for statewide activities to support the state's vision for serving youth? Examples of activities that would be appropriate investments of these funds include:
- a. utilization of the funds to promote cross agency collaboration;
  - b. demonstration of cross-cutting models of service delivery;
  - c. development of new models of alternative education leading to employment; or
  - d. development of demand-driven models with business and industry working collaboratively with the workforce investment system and education partners to develop strategies for bringing these youth successfully into the workforce pipeline with the right skills.

Although limited, funds reserved for statewide activities to support the state's vision for serving youth may be used to promote cross-agency collaboration while encouraging workforce investment system and education partners to bring youth into the workforce pipeline with appropriate skill sets. The Commonwealth provides notification and guidelines to local workforce areas on the availability of Statewide Reserve funds.

Tech-High, as previously detailed, is an initiative designed to enhance the role of technical schools and training. This is an effort to shift the image and establish more meaningful relationships with Kentucky high schools and area technology centers, by focusing on career development. This initiative proposes to provide career counselors in area technology centers, as well as those technical education facilities operated by local school boards.

- iv. Describe in general how the state will meet the Act's provisions regarding Youth program design. (§§112(b)(18) and 129(c).)

The Commonwealth supports the local workforce areas in designing youth programs tailored to the needs of in-school and out-of school youth in local communities. Monitoring and technical assistance continue to be provided to ensure that local area policies and procedures meet requirements of the WIA youth program design. Dedicated OET youth program staff disseminate updates and guidance from the U.S. Department of Labor and others. Performance information, reports and training are provided to staff. Best practices are shared at all levels, including presentations at regional DOL events.

Local areas encourage youth to utilize one-stop services as needed. Areas have designed special referral processes for youth who come into one-stops and one area has developed a one-stop career center specifically for youth.

KWIB's strategic plan has incorporated a variety of approaches for expanding and enhancing outreach to youth. An example is the High School Outreach initiative designed to increase communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development.

f. Business Services.

- i. Describe how the needs of employers will be determined in the local areas and on a statewide basis.

In a letter to the Governor, dated May 2010 from KWIB, board members stated that it is clear to the Board that there is need for transformation when considering the current financial and unemployment crisis coupled with the dynamic nature of business, industry and the world of work in a new and emerging economy. The Board's *WORKSmart Kentucky* strategic plan introduces an aggressive redesign of the workforce services to adapt to the changing needs of employers. The plan is a bold strategy to transform the Commonwealth's current system to one that is demand-driven, business-led and solutions-based.

Several KWIB initiatives will assist in determining employer needs in the local areas and on a statewide basis.

- **The Sector Strategies initiative** is one of the key KWIB initiatives to achieve the best return on investment with limited resources to train and educate the workforce by addressing the employer needs of a specific industry sector. The needs of employers will be addressed by an intensive focus on the workforce needs of a specific industry sector over a sustained period, concentrating on a specific occupation or set of critical occupations within that industry, ensuring a pipeline of skilled workers to meet the employers' future workforce demands.
- **Industry Partnerships** – Statewide Reserve funds are available through local areas for the development of Industry Partnerships to bring together multiple employers in the same sector to address common human capital needs. The Industry Partnerships are a key institutional innovation for identifying and meeting the skills needs of businesses and to advance the local economy.

- **National Career Readiness Certificate (NCRC)** is an assessment and credential used to document a job seeker's aptitude in three major areas: Applied Mathematics, Locating Information and Reading for Information. The NCRC directly addresses the needs of today's workforce as well as that of the employer, trade and labor organizations. Today's businesses need a well-educated, skilled workforce to meet the challenges industries are facing in this enormous global economy. Individuals possessing an NCRC can provide potential employers with an assessment of their basic skills in math, English and locating information.
- **Apprenticeship Sales Force** establishes a partnership to market the benefits of registered apprenticeships to Kentucky businesses. This initiative can be a tool for building a highly skilled workforce, helping business and industries increase their competitiveness, and provide sustainable wages for Kentuckians. The marketing opportunity must be understood and promoted by the business service representatives of each local board and become an integral part of the solutions-based business services model.
- **Work Ready Communities** certifies that a community has a skilled workforce for business and industry. The Work Ready Community strategy will assist the Commonwealth's communities in designing economic development strategies to attract new industries and preserve the well-being of their existing economic base. The certification is a means of demonstrating that a region's current labor force can fill existing jobs and meet the challenges of emerging industries.
- **Business Services Redesign** provides support to Kentucky companies throughout the business lifecycle as opposed to predominantly times of dislocations. The objective is to maximize the Commonwealth's Rapid Response resources by aligning them with business development goals resulting in a more proactive systemic approach compared to the current reactive response to business closings and layoffs.
- Automation of the Commonwealth's **Work Opportunity Tax Credit system** will provide a more expedited service to employers.

A primary goal of the KWIB's strategic plan is to align the Commonwealth's workforce development system with economic development strategies. The vision addresses the needs of prospective employers, as well as Kentucky firms looking to expand in the state via a comprehensive, cohesive, unified approach we call The Kentucky Solution. This collaborative approach delivers on the Commonwealth's new brand, integrating economic and workforce development solutions.

Over the past two years, the KCED and the KEWDC concentrated on efforts to cultivate and nurture a stronger relationship. This relationship will attract new, high-demand jobs and fortify the talent pipeline.

At the Cabinet level, we will engage key state and regional business, education, economic and workforce development leaders in a series of discussions to set a statewide vision with measurable goals.

Building off this process, key stakeholders will collaboratively develop and adopt a business service framework addressing: partnership and confidentiality agreements; business service resource guides; business turnaround assistance; and business protocols to support and encourage consistency in business retention and expansion efforts at the regional level. These will become foundational

elements of unified business service/economic development teams across the Commonwealth.

Team members' roles and responsibilities will be clearly established to support The Kentucky Solution. Teams will include economic and workforce professionals along with education partners such as KCTCS and KYAE.

The activities described will provide the tools to help local leaders form meaningful regional alliances, leverage resources and embrace new economic development strategies like sector initiatives. Regional efforts will provide distinct career pathways for the long-term unemployed and the emerging workforce.

The Kentucky Solution will support and promote the use of industry-led, state and/or regionally defined sector-focused partnerships that build and shape the workforce. Previous grants have enabled several partnerships to create strategic plans. A critical activity will be to advance existing industry partnerships from strategic planning to implementation, harnessing the public/private resources to ensure a strong emerging workforce as well as a retooled incumbent workforce. We will also provide seed capital to new industry partnerships supporting the state and regional targeted sectors.

On the technical assistance front, we will assess skill needs in targeted sectors; expand and leverage sector strategies' website and toolkit; align grants to Industry Partnerships with KWIB and KCED strategic plans and targeted regional sectors; and develop target sector profiles. Supports to industry partnership may include the following: sharing applicable research; convening conference calls; arranging peer-to-peer learning exchanges; managing speakers/web cams and industry partnership blogs; conducting industry partnership forums and "Live Meeting/Meet Now" sessions; creating shared resource page/topics and events; and providing support with developing strategic plans. We plan to hire five regional profilers that will work across the state with industry partnerships to target jobs by sector.

The Commonwealth recognizes that it has to improve efficiency and responsiveness to job seekers and employers. The focus of activities must be on building the educational infrastructure needed to train the emerging workforce, retooling the current workforce and re-engaging the structurally unemployed for high-demand industries while stressing academic and career education. This includes:

- adopting a career pathways framework;
- aligning educational policy and practice to support it;
- implementing a Career Pathways Integrated Education and Training (IET) model/approach;
- developing tools that aid job seekers in making more informed decisions about their career paths; and
- increasing the number of adult students earning a NCRC and/or high school equivalency credential, stackable credentials and successfully transitioning to the workforce and/or postsecondary education.

The education partners along with key employers and economic and workforce development representatives will form a steering committee to research current models and approaches. They will then choose a career pathways framework for all pathways work via industry partnerships and other collaboratives. Documents on the roles and responsibilities of partners in building the career pathways frameworks will be developed. Then the work of aligning existing and new career pathways supporting targeted sectors/occupations identified by Industry Partnerships must begin in

the educational system. The steering committee will then evaluate and align policy and practice in the education system to support learning through career pathways. These activities/outcomes will be leveraged with Kentucky's Accelerating Opportunity (AOKY) grant. A collaborative partnership with a compelling statement: *Kentucky's vision for the AOKY initiative is to implement a collaborative career pathways model that prepares students to be college and career ready.* Specifics can be found at <http://www.acceleratingopportunity.org/>.

The Commonwealth's proactive approach means that we as The Kentucky Solution team must make a significant shift in our approach to business services at every level of the enterprise to be truly solutions based. The Commonwealth will focus on developing strategic tools required to make that shift.

We will explore off-the-shelf tools versus in-house technology solutions supporting customer relationship management systems such as Executive Pulse and Sales Force. The team will use cost/benefit analysis to select the best option. If an off-the-shelf tool is selected, we will follow state procurement processes.

The Commonwealth will engage stakeholders at every level to ensure development of a tool which delivers a diverse assortment of services. This engagement will assure user-friendly, intuitive interfaces and multi-dimensional input from partners such as the DWI, KCTCS, KYAE, economic development organizations/chambers of commerce and LWIAs.

This collaborative platform will support the established business visitation/contact information needs, track solutions-based service work and facilitate communications among team members. The Kentucky Solution team will be trained to: effectively use real time data; facilitate sector selection; ensure employer assessed talent needs are clear; provide organizational support to targeted sectors; align education/training needs with sectors; align business services with sectors; and plan for continuous improvement and sustainability.

- ii. Describe how integrated business services, including Wagner-Peyser Act services, will be delivered to employers through the one-stop system.

The new Focus Suite system has been introduced to both job seekers and employers. Focus/Career enhances all services for our current job seeker customer base through increased job-matching abilities, job alerts and resume creation. Artificial intelligence matches the skill sets of the customer to the job that matches their abilities.

Focus /Talent continues to enhance job posting services for the Commonwealth's employers as well as limiting the approval time from state staff. These services are provided at no charge for the job seeker or the employer. This information is automatically processed into the EKOS database and viewable to job seekers in the EKOS Self Service Module, on America's Job Exchange (AJE) and Job Central (JC).

Also, we are implementing a process which will automatically validate the records through an Administrative Module and perform many other tasks to facilitate the job posting and matching processes. It provides an opportunity for the employer customer to fill workforce needs through a search engine that can rapidly find applicants whose qualifications match available position . Focus/ Talent was designed and implemented to facilitate a better, more user friendly connection with employers desiring to post jobs and search resumes. The matching can be performed by the individual, staff or employer and

is completed automatically by the system. In addition to the core services which are available to all job seekers, the system utilizes artificial intelligence to focus on skills transferability to make instant job referrals that match skill levels. Better integration along with the advanced technology of Focus Suite creates a system that can respond more quickly to changes in labor supply and need.

The system interfaces with EKOS, the Commonwealth's workforce case management information system. All 10 LWIBs use EKOS as their WIA, Wagner-Peyser, VETS and Trade common data collection and case management system.

As one-stop career centers are upgraded or remodeled, the Commonwealth is working to make more esthetic business areas or sections in the one-stop. The areas dedicated to businesses could include interview areas, assessment areas and display labor market and local workforce literature relevant to the employer. Where applicable, one-stops could have a dedicated business wing.

Although all LWIAs have a dedicated BST, a major initiative to further integrate business services is the KWIB Business Services Redesign project. To best meet the challenges of serving businesses, the Commonwealth employed consultants Thomas P. Miller and Associates to assist in moving Business Services and the Rapid Response system from a fundamental to an enhanced level of performance at both the state and local levels.

Under this initiative, local areas or regions will have a dedicated Business Service Unit made up of one-stop partners and have a local point of contact who will take a more proactive approach to planning for and managing economic transition. The Commonwealth intends to change the image of Rapid Response from responding to economic crises to managing economic changes through building relationships and sharing information among all stakeholder groups. In an effort to avert layoffs or closures, the Rapid Response team in concert with the Business Services Unit will develop aversion strategies with other partners and organizations.

To further assist employers, the Commonwealth has added videos to the OET website. The videos cover topics such as unemployment insurance appeals hearings, tax issues and claim filing. In addition, OET is undergoing a business process review under which recommendations have been made for automating portions of the appeals process to make it more efficient, effective and accessible to the parties. OET has also completed the first year of the re-invented "road shows." These presentations offer training to employer groups and include an explanation of UI tax issues and a mock UI hearing. The training also includes an opportunity for questions and answers. These shows will continue to late 2012.

- iii. How will the system streamline administration of Federal tax credit programs within the one-stop system to maximize employer participation (20 CFR 652.3(b), §112(b)(17)(A)(i).)

Applications for the Work Opportunity Tax Credit (WOTC) have substantially increased in response to the Great Recession of 2008-2009 and the American Recovery and Reinvestment Act of 2009, which introduced two new target groups; Disconnected Youth and Unemployed Veterans. This increase in volume, along with the need to provide incentives for hiring, prompted the Commonwealth to initiate new measures to streamline

the application and certification process. The Commonwealth developed an automated online system that provides self-service functionality and individual and batch application uploads for employers and an automated verification of eligibility for the four largest target groups--individuals and veterans receiving food stamps (SNAP), individuals receiving assistance for families with needy children (TANF) and individuals who are long term family assistance recipients. The automation will reduce turnaround time from 18 months to less than three months for issuance of most certifications in the current tax year.

The WOTC program information is available to businesses and job seekers through all Commonwealth one-stop career centers, local employment services offices and the OET website. By acting as information brokers to promote the tax credit program to customers, employer participation is maximized. Local area business services teams promote the program to employers as incentive in the form of a tax credit against federal taxes owed for creating new jobs and for hiring individuals with obstacles to employment. An additional measure to maximize employer participation is to provide conditional certifications to eligible ex-felons which they may attach to their job applications to explain the potential tax credit.

- g. **Innovative Service Delivery Strategies.** Describe innovative service delivery strategies the state has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration or meet other key state goals. Include in the description the initiative's general design, anticipated outcomes, partners involved and funds leveraged (e.g., title I formula, Statewide Reserve, employer contributions, education funds, non-WIA state funds). (§112(b)(17)(A).)

The Partner for Success initiative brought together all the partners in the DWI to develop a unified approach to delivering holistic services. The goal of these institutes was to create networking opportunities, create awareness of the services each partnering agency delivers and assemble the full array of services delivered to our customers in a manner that is efficient, effective and holistic.

DWI and its agencies have assessed where we are as it relates to integration and service delivery in a unified manner. Our priority is a fully integrated system that provides the ultimate customer service in a consistent solutions based approach. The one-stop Certification Standards now provide a foundation for truly integrated service delivery for both the business and individuals seeking to improve their lives. Partner agencies have identified duplication of services, created common forms such as (referrals, orientations, assessments, triaging) to be shared with partner agencies, while continually identifying opportunities. The Partner for Success Team is now developing departmental policies to address these issues.

One-stop career centers are completing the self-assessments based on the new standards and are currently making application for technical assistance funds to support their transformation efforts. The technical assistance funds can be used through March 2013. Further, one-stops can begin making application for one-stop certification on a rolling basis beginning October 2012 through September 2013.

The Workforce Development Academy initiative is a training opportunity for all partners in one-stops and at every level of the system from the front-line staff to central office staff on

roles and responsibilities in helping customers acquire needed skills. Engaging the entire system in this process, will promote value in our work and create buy-in. This approach will encourage employees to increase current skill sets, assist in recognizing areas of growth and garner an overall appreciation of having a voice in the direction of the system. The train-the-trainer session was held in June 2012 and training has begun across the Commonwealth and is expected to be completed by June 30, 2013. Topics include: why we need to change; the vision for the future; a customer-centric approach; and innovation action planning.

Sector strategies initiative convened a statewide institute for regional teams around consensus decision making to identify targeted sectors by region. State and regional targeted sectors have been identified. Two rounds of industry partnerships in these sector areas have been awarded. Additionally, the state will supplement the talent pipeline by continuing our joint implementation of the AOKY initiative as detailed in previous sections.

The Career Pathways Technical Assistance project the Commonwealth received which was funded by the US Department of Labor provided valuable insights on Pathways within specific sectors of employment. This project was tested in Green River LWIA and Barren River LWIA and focused on the healthcare industry. This project has promoted coordination and collaboration of services and engaged the business community to share in resources and the development of a talent pipeline to continually feed this targeted industry. The opportunity to create the avenue for individuals to earn a sustainable wage, while at the same time meeting employer demand in a solution-based approach has energized the two above mentioned regions.

In partnership with KYAE, KEWDC conducted an outreach campaign entitled Know How to Go, [www.knowhow2go.com](http://www.knowhow2go.com). This campaign engages students beginning at middle school age through seniors in high school to charter a path toward college. This step by step web-based approach helps students understand what steps to take to enroll, including which courses to take, how to secure funding, and various benefits of a postsecondary career. This website also reaches out to adults that may need to enter or re-enter postsecondary education.

The Kentucky Department for Libraries and Archives initiative creates online access and is another innovative way to provide services and universal access for our customers. This effort strategically places computers within libraries so individuals can file claims, perform work search and register for career center services.

Strategically investing Statewide Reserve funds has been key to transforming the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians. In May 2012, the KWIB adopted the following investment strategy for the remainder of Kentucky's Statewide Reserve funds based on the priorities established by KWIB in the *WORKSmart Kentucky* strategic plan.

### **Tier One Investments**

#### ***Branding/Outreach***

***\$200,000***

The outreach efforts have been initiated with state and regional brand leadership being identified. Internal launch activities have begun along with the development of critical foundational efforts. This will include an aggressive outreach initiative detailed in action step 22.

***Sector Strategies*** **\$300,000**  
Provide funding for additional Industry Partnerships addressing the state-level targeted sectors identified by the KWIB and the Economic Development Cabinet as well as regional targeted sectors. Technical assistance and expansion strategies will also be carried out.

**Tier Two Investments**

***User-Friendly Online Services*** **\$225,000**  
The steering committee has started meeting to develop the architecture to realign the Workforce Development System's online presence to the new brand and brand promise. This investment will be targeted on programming changes identified by the steering committee as well as customers. Resources will also be provided to LWIAs to align their website to the new brand for consistency.

***One-Stop Certification*** **\$50,000**  
The KWIB adopted certification standards in August 2011. LWIAs have been completing self-assessments and submitting technical assistance plans to the Commonwealth. LWIAs may begin the certification process starting Oct. 1, 2012. Resources will be directed toward the development of products, training and other roll-out activities.

***High Impact WIBs*** **\$50,000**  
The KWIB established the criteria in May 2011. LWIAs have had the opportunity to access technical assistance funds to meet the standards and criteria through June 2012. Funds will be used to develop the tools, products, training and assistance in roll-out for the standards year which began July 1, 2012.

***Business Services Redesign*** **\$100,000**  
The steering committee is finalizing a Business Service Redesign framework. The intent is to provide support to Kentucky companies throughout the business lifecycle as opposed to predominantly times of dislocation as detailed in action step 14. Locals will be able to apply for planning funds to support the redesign efforts.

***Workforce Academy Phase 2*** **\$250,000**  
The Commonwealth has developed training entitled *Foundations for the Future: Building Kentucky's 21<sup>st</sup> Century Workforce Academy*. The train-the-trainer session was held in June 2012 and roll-out began in July across the system. A curriculum plan for continued training through the academy was finalized in June. The proposed resources will be used to implement those recommendations which will result in a comprehensive training program for all staff at each level of the workforce system. It will support consistency and quality across the Commonwealth. It is action step 21 in the *WORKSmart Kentucky* plan.

***Entrepreneurship*** **\$50,000**  
Funds will be made available to establish foundational state level criteria for meaningful entrepreneurship training programs.

***National Career Readiness Certificate (NCRC)*** **\$50,000**  
The Commonwealth will offer scholarship funding for returning veterans, persons with disabilities and the chronically unemployed as well as assist with job profiles.

### **Tier Three Investments**

#### ***State/Local Innovation***

**\$150,000**

These resources will be invested in statewide and local projects that support system transformation and the four goals of the KWIB: 1) align with Kentucky’s education objectives, 2) align with economic development strategies, 3) simplify the workforce development service delivery system, and 4) improve service to achieve a customer-centered delivery system.

#### ***Eligible Training Providers***

**\$75,000**

An overhaul of the existing Eligible Training Provider List policy and procedures is underway. Once the policy is adopted by the KWIB, online tools, data reporting mechanisms and training activities will be modified.

#### ***High School Outreach***

**\$50,000**

A survey process is underway by the steering committee to assess the career development needs and supports around the college and career readiness standard. These resources will be used to develop specific products and provide support services identified and prioritized by the steering committee.

#### ***Case Management***

**\$50,000**

One-stop career centers are moving toward integrated customer service delivery through Partners for Success and the one-stop certification process. These resources will be used to make adjustments to the online case management system as well as training on those new tools and processes will be needed.

The High Impact WIBs initiative has provided technical assistance and is about to launch the recognition program for LWIBs. Local boards are in control of a large percentage of workforce investment resources. Assuring that the boards are active and engaged in garnishing the desired return on investment will help realize the Commonwealth’s vision. The criteria and standards are located at:

<http://www.kwib.ky.gov/ImplementationStatus/highperformboards/documents/HIWCriteria.pdf>.

The Work Ready Communities initiative supports local and regional conversations and planning to help the Commonwealth be economically competitive. In order to attract new business and industries, our communities must promote the availability of their skilled workforce. This initiative provides business and industry with the assurance of the availability of this crucial resource. Communities apply for this certification and will meet certain thresholds of standards related to educational attainment and credentialing to be in contention of this status. Once certification is obtained, communities will be presented with a certificate and a template that may be used to create signs designating them as a “Work Ready Community.” Achievement is recognized by the Governor and publicized in local and state media. To date, there are four certified Work Ready Communities and three Work Ready Communities in progress.

Another component of our innovative approach is the Business Services Redesign. The steering committee is finalizing a new framework. The intent is to provide support to Kentucky companies throughout the business lifecycle as opposed to predominantly times of dislocation. LWIAs will be able to apply for technical assistance funds to implement teams, coordinate activities, design protocol and create policy that supports the redesign efforts.

Teams will present a solutions-driven option to employers within targeted sectors that align with the local sector strategies. KEWDC's partnership with economic development will play a key role in establishing credibility and furthering our knowledge of business needs.

User-Friendly Online Services is another means of serving individual and employer customers in an innovative manner. In concert with rolling out the branding initiative, the overhaul of the current website will be a valuable tool for the customers. The focus will be to streamline the navigation process, have pertinent and timely information readily available and strategically placed on the website. Information will be organized under the three categories of service: career, training and employer. This initiative is currently in the planning phase and is managed by an interagency steering committee. Resources will be made available to LWIBs to align their web pages to the new brand format. It is anticipated that this work will be completed by the end of 2012.

#### h. Strategies for Faith-Based and Community Organizations

- i. Describe those activities to be undertaken to:
  - a. increase the opportunities for participation of faith-based and community organizations as committed and active partners in the one-stop delivery system; and
  - b. expand the access of faith-based and community organizations' clients and customers to the services offered by the one-stops in the state.

Faith-based and community organizations (FBCOs) have been essential in outreach to their constituencies for the workforce system, particularly with specialized support. As a result of community involvement and engagement, the Commonwealth has increased the number of FBCOs participating in one-stop events and referring customers to the one-stops.

FBCOs are active in competing for opportunities to provide services and work sites for participants. Local areas include FBCOs in their competitive RFP announcement lists. FBCOs are most involved in the larger urban areas. Local partnerships have reported good success.

There was significant participation by these organizations in the Summer Youth Employment program in 2009 as service providers and worksites. The residual effect has been their continued participation as a worksite for youth for summer employment opportunities.

To prepare workforce investment staff in this coordination effort, staff have attended several conferences and workshops to develop skills for collaborating and coordinating with FBCOs. On a state level, staff will be a resource for information sharing on available grant opportunities, grant writing and best practices in connecting LWIAs to FBCOs.

- ii. Outline those action steps designed to strengthen state collaboration efforts with LWIAs in conducting outreach campaigns to educate faith-based and community organizations about the attributes and objectives of the demand-driven workforce investment system.

The KEWDC can strengthen state collaboration efforts between FBCOs, state agencies and LWIAs by:

- having cabinet and department leaders promote and encourage collaboration;
  - being comprehensive and aggressive in responding to the new federal guidance in the collaboration and outreach opportunities with FBCOs;
  - designating trained staff to provide technical assistance including federal and/or state guidelines and best practices. Forums may include workshops and/or educational opportunities on resource sharing, grantwriting and strategic planning. Staff will also respond to constituent inquires for dissemination of information; and
  - offering web-based information to consumers with tools and information regarding workforce and FBCO collaboration efforts.
- iii. Indicate how these resources can be strategically and effectively leveraged in the state's workforce investment areas to help meet the objectives of the Workforce Investment Act. (§112(b)(17)(i).)

The state also reinforces the value of FBCOs as training providers to maximize consumer choice. For example, there are a number of private, faith-based postsecondary and health care institutions that offer programs approved for the state's ETPLs.

For the LWIA local plans, OET specifically requested that they provide examples of strategies for faith-based and community organizations to increase the opportunities for their participation as committed and active partners in the one-stop delivery system.

Local areas refer customers to FBCOs when appropriate as part of their employment plan and to coordinate services specifically for special needs populations and recent immigrant members of a community and share resources for extensive network referrals.

Goals for this initiative include continuing to connect these organizations to the one-stop system and providing access to all available services within the communities. Existing connections will serve as the foundation for encouraging participation and leveraging of resources in communities. Inclusion of FBCOs in the KWIB strategic plans initiatives will foster increased leverage.

#### **H. Coordination and Non-Duplication**

Describe how the state will coordinate and integrate the services provided through all of the programs identified in the Unified Plan in order to meet the needs of its customers, ensure there is no overlap or duplication among the programs, and ensure collaboration with key partners and continuous improvement of the workforce investment system. (States are encouraged to address several coordination requirements in a single narrative, if possible.)

In answering the above question, if the Unified Plan includes:

1. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs*

Structure/process for state agencies and state board to collaborate and communicate with each other and with the local workforce investment system. (§112(b)(8)(A).)

- a. Describe the steps the state will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A), at both the state and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the state board and

agencies eliminate any existing state-level barriers to coordination? (§§111(d)(2) and 112(b)(8)(A).)

As identified in the organizational chart (Attachment D), the KEWDC includes the DWI composed of OVR, OFB, OCTE and OET. Integrating components of the Trade Act program with the WIA dislocated worker program further enhances operational collaboration of workforce investment activities. By housing education and other training initiatives together, duplication of services is reduced. Further, a focus on re-employment services is facilitated by Unemployment Insurance, Wagner-Peyser and WIA services in OET.

The broad geographic representation of the KWIB and its committees encourages collaboration among local, state, public and private entities. Board members also are encouraged to be engaged in their community workforce investment activities. Attendance at and participation in state board committee meeting discussions by LWIB members, local business leaders, local and state partner representatives, and other workforce stakeholders are encouraged. Information about meeting dates and locations is made available to local board staff and members, as well as to the general public and business community through state meeting notification procedures and the state board's website. Further, the KWIB chair meets with local board chairs to discuss local board concerns and how the state board can support and enhance their activities.

The *WORKSmart Kentucky* plan lays the foundation to improve state and local operational collaboration. The Partner for Success action step provided the policy framework for operational efficiencies and effectiveness. A leadership meeting was held in April 2011 to outline expectations resulted in a vision document for collaboration. The vision document was released in summer 2011. Institutes were held in the fall for all partners to network, gain a broad understanding of each agency's role and responsibility and reflect best practices that support the collaborative system vision. Individual one-stops then conducted train-the-trainer sessions with the various agencies that comprise of the career center to develop a strategic plan for implementing the new vision.

The new vision is supported by state-level joint policy, and local technical support through the Workforce Development Academy, one-stop certification and High Performing WIBs initiatives.

Initiatives that support collaborative policy and operations include Sector Strategies, Branding and Identity, Apprenticeships, Business Services Redesign, Economic Development Partnership, Focus/Career and Focus/Talent, Case Management and Unemployment Insurance Customer Service Plan.

Memorandums of Understanding, Memorandums of Agreement, Resource Sharing Agreements and Cross-Functional Supervision are also methods of supporting policy and eliminating state-level barriers to coordination.

- b. Describe the lines of communication and mechanisms established by the governor to ensure timely and effective sharing of information between the state agencies/state board and LWIAs and local boards. Include types of regularly issued guidance and how Federal guidance is disseminated to local boards and one-stop career centers. (§112(b)(1).)

Open lines of communication are maintained through the Governor's Executive Cabinet. The Executive Cabinet is composed of secretaries from the following cabinets: Economic Development; Energy and Environment; Public Protection; Finance and Administration;

Health and Family Services; Justice and Public Safety; Labor; Personnel; Transportation; Tourism, Arts and Heritage; and Education and Workforce Development. Top level input into the policy discussions impacting workforce investment activities is guaranteed by having top state political leaders who are responsible for implementation of the Workforce Investment Act serving on the Governor's Executive Cabinet. Here leaders from different cabinets discuss policies and issues impacting multiple cabinets. This is in addition to the steering committee established under the KWIB that ensures ongoing policy and operational discussions. The outcome of these discussions is shared by each cabinet secretary with departmental commissioners within that cabinet.

Within KEWDC, multiple workforce investment-related agencies are grouped together, adding another opportunity for administrative review and interaction. Within this cabinet, the commissioner for the DWI meets with the executive directors of the various offices within the department, specifically OET, OFB, OVR and OCTE to discuss workforce investment-related issues and concerns.

Within OET, the executive director meets with the directors of the Division of Workforce and Employment Services and the Division of Unemployment Insurance regarding workforce investment. In addition, KWIB membership as restructured by Gov. Beshear is represented by individuals having knowledge and expertise in the area of workforce investment. The cabinet's appointees and the Governor's representative on the KWIB encourage open and effective sharing of information regarding workforce activities. These appointments provide another opportunity for policy input and communication about WIA-related issues and concerns. The KWIB continues to partner with the KCED, KYAE, CPE, Kentucky Chamber of Commerce, KCTCS and many other state and local agencies. These partners have played a vital role in the development and implementation of the KWIB's strategic plan.

The KWIB will continue to assist and collaborate with LWIBs through staff attendance at local board and directors meetings, enabling quality and continuous improvement at the local level. The KWIB continues to encourage a systemic approach through a coordinated and interactive process involving the LWIBs, as well as the structure developed to support the implementation of the *WORKSmart Kentucky* plan. Each strategic action item has a KWIB member champion, an interagency steering committee including LWIB representation and other stakeholder groups, a project leader and an accountability mechanism. In addition, relevant, pertinent and timely information as it relates to policy, procedures, programming and events will be posted on the KWIB website.

The OET administers Title I of the Workforce Investment Act and Trade Act; thereby providing information, guidance, and action memoranda. These memoranda are issued in written and electronic formats. Federal guidance issuances are disseminated in written and electronic formats as well. OET will continue to review policy guidance, while revising and updating them as necessary.

The KWIB instituted LWIB presentations at state board meetings to highlight local innovative practices like the Eastern Kentucky Employer Network. The secretary of the KEWDC and the commissioner of the DWI have developed a strong working relationship with the Area Development Districts (ADD) Council. Regular meetings with the Workforce Development Subcommittee of the ADD Council promote clear communication about workforce priorities at both the regional and state levels. The KWIB website has also become a viable means of communication as exemplified by the monthly posting of "*WORKSmart*

*Kentucky Strategic Plan” Implementation Status Report.*

KWIB staff, DWI leadership and OET staff regularly attend and present at the LWIB monthly meetings. This facilitates healthy two-way communication from the local to the state level and vice versa. This is an opportunity to share state policies and initiatives and regional strategies and challenges. Finally, the LWIB chairs are invited to attend KWIB executive committee meetings.

All the aforementioned meetings are open to the public. Information is disseminated by electronic format.

- c. Describe any cross-cutting organizations or bodies at the state level designed to guide and inform an integrated vision for serving youth in the state within the context of workforce investment, social services, juvenile justice, and education. Describe the membership of such bodies and the functions and responsibilities in establishing priorities and services for youth. How is the state promoting a collaborative cross-agency approach for both policy development and service delivery at the local level for youth? (§112(b)(18)(A).)

There are a number of ongoing collaborative and cross-agency efforts to support an integrated vision for serving the Commonwealth’s youth as outlined below.

The Governor’s Re-entry Task Force was established to research best practices in innovative drug treatment, causes of recidivism, and methods to improve education and vocational training while incarcerated. The Governor’s goal is to reduce the recidivism rate by 50 percent over a five-year period. Members of the task force which includes the Secretary of Education and Workforce Development, the Commissioner of the Department of Workforce Development and the OET Executive Director can be found at the following link: <http://migration.kentucky.gov/Newsroom/governor/20090423taskforce.htm>.

The TEK Task Force has studied efforts already underway in the Commonwealth to improve student achievement, much of which has been identifying strategies for ensuring at-risk youth complete their secondary education. Members of the task force are located at the following link: <http://educationcabinet.ky.gov/tektaskforce/members.htm>. Meetings focused on improving college and career readiness, providing every student with the opportunity to earn college credit during high school, creating assessments that measure what employers value and making high school more relevant, expanding the use of technology for learning, improving teacher recruitment and retention, boosting academics in career and technical education and improving transitions between preschool and K-12. In February 2011, the group released its recommendations to channel all of these efforts into an integrated and comprehensive system of education in the Commonwealth.

Breaking New Ground: Final report of the Governor’s Task Force on Transforming Education in Kentucky offers 35 recommendations that would serve as a blueprint for achieving its goals. The work of the Task Force and these recommendations set the stage for transforming our education system to meet the needs of students in the 21<sup>st</sup> century. Below are some of those that will most significantly impact the Commonwealth’s strategies in promoting collaboration for most in need youth with barrier to education and training opportunities:

- In 2011, the Governor should create a cross-agency workgroup, including the cabinet

secretaries for education and workforce development, health and family services, and justice, and the commissioner of education to develop stronger coordination of services for families and students and establish methods to coordinate the flow of information between service providers and schools through the Family Resource and Youth Services Centers (FRYSC) to improve student learning while maintaining student confidentiality. The task force members believe that sharing information among professionals working with the student inside and outside of school can reduce barriers to learning. FRYSCs are strengthened by community partnerships in their ability to provide vital programs, services and referrals to students and their families.

- Building on existing resources, KDE should work with schools, districts, community groups and adult education systems to implement a parent and family engagement strategy that involves parents in student learning to directly address the need to close the achievement gap for the Commonwealth's most at-risk children.
- State lawmakers should raise the compulsory school age, effective 2016, from 16 to 18 with state-funded supports for students at risk of dropping out. An Early Warning System should be established that informs students, families and teachers as early as middle school about dropout risk factors and identifies alternative paths to graduation.
- Schools should use adaptive technology and universal design to improve learning for all students, including those with special needs.

Recommendations from the Transforming Education in Kentucky (TEK) final report will help guide our initiatives, youth program guidance and demonstration projects and grants. They will inspire local workforce boards in working with community partners to effectuate change in their local communities when practicable. We continue to encourage and champion the outstanding efforts of LWIBs as they develop programs and services promoting the holistic approach to providing services so often needed in serving this population.

Although not specifically designed as a "youth" program, the Right Choice Program detailed below provides services to this age group too, and is one such illustrative example of this collaboration. It includes the following partners and stakeholders: Family Court, District Attorneys, Department for Community Based Services (DCBS), Career Center Partner Agencies, West Kentucky Workforce Investment Board (WKWIB) staff and board members, Pennyriple and Purchase Area Development Districts, Child Support Agency, Local Churches, Food Banks, Dress for Success and Fort Campbell Wives Association. The WKWIB provides the staff member to help coordinate services for the individuals, track them, and report activities back to court officials and/or child support officers.

Right Choice is a local innovation intended to support work opportunity for non-custodial parents through a partnership with the career center and the court system. The Right Choice program guides, counsels and educates the non-custodial parents in an attempt to keep them from being incarcerated for non-payment of child support. Right Choice attempts to assist the individual with obtaining the skills and suitable employment to remain employed and continue paying their child support timely. This is a year round project. LWIA staff goes to court in partnering Judges and counties and works with participants who are court directed and interested in turning their lives around. Career center partner agencies provide wrap around services to allow the individuals to gain the work readiness skills to maintain employment. Through multiple partnerships and community support, this local innovation has allowed many families to get back on their feet.

Graduate Kentucky, a program initiated by First Lady Jane Beshear, is aimed at increasing

high school graduation by uniting local efforts and plans to raise awareness about the issue. During the past three years, statewide and regional summits have been conducted to address the problem of students dropping out of school.

Kentucky Core Academic Standards are designed to improve college and career readiness by creating a system of assessments that measure what employers value. Specifically, Senate Bill 1 (2009) requires new statewide academic standards, student assessments and accountability for schools and districts. The Commonwealth participated with 47 other states and territories to create new, higher and clearer standards for math and English/language arts that were shared with teachers and parents in 2010-2011 and assessed in the classrooms in 2011-2012. Science and social studies standards are under development, as are program reviews to assess non-tested subjects.

The Unified Strategy for College and Career Readiness has been developed to improve college and career readiness and ramp up academics in secondary career and technical schools. The CPE and the KDE developed a joint plan to increase the number of high school graduates who meet college and career readiness standards, and to increase the number of college students who receive a bachelor's degree. Key strategies include advanced learning opportunities for high school students ready for college work, transition courses for high school students not ready for postsecondary classes, college and career readiness advising as well as student support and interventions for at-risk college students.

Partnership for Next Generation Learning is delving into using technology to improve teaching and learning. The Commonwealth has joined five other states and the Council of Chief State School Officers in a network to find new ways of learning, including world-class knowledge and skills, personalized learning, authentic student voice, performance-based learning, comprehensive systems of supports and anytime/everywhere opportunities. Universities are partnering to create Innovation Labs focused on specific issues such as motivation and learning, digital game-based learning, civic engagement and global issues.

Early college/dual credit is about providing every student with the opportunity to earn college credit during high school. The OCTE and KCTCS conducted Close the Deal sessions educating students and parents about how dual credit can assist in the completion of an industry certificate or degree in the community college system. In addition, three community colleges in the Commonwealth have partnered with their local school districts to offer a "middle college" program where students may take their final two years of high school courses on a participating college campus and simultaneously take college courses. In other districts, students spend part of their day on a participating college campus and part of the day in their home high school. Policies and funding are needed to make this opportunity available to all Commonwealth students.

Not only benefiting adults, AOKY will create unique opportunities for Adult Education, KCTCS and the KEWDCs agencies and partners to create a coordinated and comprehensive approach to providing opportunities for young adults who qualify for youth programs. Youth can expedite earning their GED and/or refresh their basic skills, while gaining entrance into postsecondary education and acquiring industry recognized credentials which will pay dividends for youth. Kentucky's investment in the AOKY initiative is well-detailed in the Governor's vision section: *"5. What is the governor's vision for ensuring that every youth has the opportunity to develop and achieve career goals through education and workforce training, including youth most in need, such as youth who are: out of school, homeless, in*

*foster care or aging out of foster care, offenders, children of incarcerated parents, migrant and seasonal farm worker youth, have disabilities, or are other youth at risk? (§112 (a).)”*

Recommendations and strategies from these various initiatives and task forces will continue to focus on youth service strategies in the Commonwealth.

OET continues to distribute the Workforce3One webinar notifications to LWIA Youth leads to apprise them of information and collaborative Best Practices. Continuous improvement plans include statewide training that will feature an Agency Fair, with cross-agency speakers who can share program information, best practices and resource information for use at the local as well as at the state level.

OET and the Kentucky Cabinet for Health and Family Services continue to review and discuss the feasibility of collaborative initiatives when opportunities arise like WorkNow Kentucky in 2010. For example in the past year, the Department of Community Based Services and the Office of Employment and Training conducted a survey of the agencies respective local field offices to identify existing collaborative efforts that may be replicable across the Commonwealth as well as recommendations for strengthening our partnership efforts at both the state and local levels. One suggestion was a better understanding of each agency’s programmatic goals and objectives. Within the Department of Workforce Investment, the Partner for Success statewide training had a similar focus for all the offices within the Department. OET has had preliminary discussions about convening a partners’ conference including our workforce investment, social services, juvenile justice, and education partners. The workforce system will continue to lay the foundation with interagency partners for such a conference with a goal to conduct the conference in late 2013 or early 2014.

2. *Unemployment Insurance*, summarize requests for any Federal partner assistance (primarily non-financial) that would help the SWA attain its goal.

The OET, Division of Unemployment Insurance works with the USDOL in all facets of the UI program. The Regional Office provides guidance and support to the state regarding regular UI, TRA, DUA, UCX, UCFE, REA, EUC and EB. UI staff also works with USDOL to submit all required reports, SQSP, BAM, BTQ and data validation.

## **I. Special Populations and Other Groups**

1. Describe how the state will develop program strategies to target and serve special populations. States may present information about their service strategies for those special populations that are identified by multiple Federal programs as they deem most appropriate and useful for planning purposes, including by special population or on a program by program basis.

In providing this description, if the Unified Plan includes any of the programs listed below, please address the following specific relevant populations:

- a. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs* (§112(b)(17)(A)(iv) and 112(b)(17)(B)):
  - i. Describe the state’s strategies to ensure that the full range of employment and training programs and services delivered through the state’s one-stop delivery

system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and seasonal farm workers, women, minorities, individuals training for non-traditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, limited English proficiency (LEP) individuals, and people with disabilities.) (§112(b)(17)(iv).)

It is the goal of the Commonwealth's workforce system to provide effective and accessible assistance to all customers. Given varying service needs, a variety of strategies are employed to meet the needs of specific populations. Automating resource information, service applications and other tools has allowed those customers who are job-ready to have the resources they need to succeed. This frees up staff resources to focus on customers who need additional assistance to become successful in their career pursuits.

Serving all customer groups through the state's workforce system is important. To reach as many customers as possible, information about programs and services is available through many outlets including websites, orientation sessions, community and public presentations, online videos, virtual billboards and printed information.

Informed customer choice guides service delivery, and customers are encouraged to explore all options according to their circumstances. Strong referral linkages as well as partner co-location and integrated service strategies have been valuable ways to ensure that customers with particular barriers receive all needed services in a customer friendly system.

The variety of services available to dislocated workers is discussed during orientation sessions and through brochures, letters and contact with career center staff. Efforts are made to keep customers aware of new opportunities through public service announcements, media releases, staff contact, case management sessions, and orientation sessions. Staff is available to answer questions concerning benefits and services and frequently asked questions are posted on the agency website.

Staff-assisted and self-service methods to apply for unemployment insurance benefits are available at one-stop sites and other service locations.

Worker profiling is done electronically when a customer's unemployment insurance application is filed. Based on a customer's score, he or she will be identified and scheduled for re-employment services. one-stop career centers provide a number of quality re-employment services, including:

- assessment and career evaluation,
- resume preparation assistance,
- job search workshops,
- one-on-one job search assistance,
- development of individual employability plans,
- job development,
- a variety of online career exploration, labor market information and other job search tools,
- information about training opportunities,

- financial aid and the state Individual Training Account, and
- Eligible Training Provider List Consumer Report.

LWIBs determine whether to serve displaced homemakers using adult or dislocated worker funds. These customers may need additional intensive services to determine the best career path based on their skills and the demand occupations in the community.

Service delivery approaches for Rapid Response\Business Services, Dislocated Workers and Trade Adjustment Assistance (TAA) customers are fully integrated in the Commonwealth. Facilitators at the regional level coordinate across these services, working closely with local WIB and career center staff. Rapid Response/BST are cross-trained and are available to assist with any type of layoff that arises. The state's WIA, Rapid Response/Business Services, Trade, NEG and career center team work together to develop effective strategies.

A variety of statewide and local models address the workforce needs of low-income customers. Local staff use collaborative assessment processes to identify customers' barriers to employment and set up an employability plan that pulls in all available strategies to successfully overcome the barriers. Partners work with customers on public assistance, unemployed or underemployed non-custodial parents, individuals with mental health or substance abuse issues and others. LWIBs may identify target populations within the general category of low-income individuals to assist while other partners address barriers through their specialized services.

LWIBs and career center staff focus on job readiness, employability development and job opportunities for individuals committed to re-entering the labor market. They provide customers with assessment, skills upgrades, GED preparation, training and job referrals. After assessing an individual's job readiness, those customers who are readily employable will be assisted with referrals and job development. Customers who are near job ready will participate in employability planning efforts with multiple partners, similar to those carried out for other low-income customers.

The Commonwealth's workforce system also assists ex-offenders. Successful re-entry of these individuals into the workforce can provide businesses with a major source of skilled workers. The Governor has formed a special Reentry Task Force that includes the KEWDC to take a comprehensive approach to transitioning ex-offenders back to communities, with the goal of reducing recidivism by providing the supports needed for success. The partner agencies can offer enhanced strategies to local systems to more effectively serve this challenging population. DVOP specialists visit many prisons to provide pre-release workshops, conduct employability assessments and collaborate with personnel with the Department of Corrections for case management.

Workers who are age 55 and older comprise a fast growing segment of the Commonwealth's workforce. With fewer new entrants into the labor force, businesses will rely more and more on mature workers to fill their staffing needs. The demographic shifts and the later ages at which individuals will be eligible for Social Security benefits puts increased pressure on experienced workers to stay employed longer.

A wide range of services for these customers are available to help the return to the workforce. For Trade layoffs, workers over 50 have the opportunity to enroll in the

Alternative Trade Adjustment Assistance program, and several customers in the Commonwealth are participating in this service strategy as an alternative to training.

Many local senior strategies include partners such as senior employment services, senior centers, OVR, WIBs, public libraries and transportation providers. Partners engage in collaborative strategies to address the transportation, training, computer skills upgrade and employment needs of seniors within the community.

Several local workforce areas use Senior Community Service Employment Program (SCSEP) participants in their one-stops to assist customers with resources and/or to provide administrative support. These older workers often represent the program to other mature customers visiting the workforce sites.

The in-migration of non-English speaking residents continues to grow in the Commonwealth. To meet the need for effective services, many of Kentucky applications, forms and publications are available in Spanish. Some of the career centers and other sites have staff fluent in Spanish or other languages. All sites have access to a contract interpretation service with 24-hour access to interpreters in more than 150 languages and dialects. Additionally, many sites have agreements with local colleges, universities and other community partners for translation services. Sign language interpreters are available through a statewide contract. Adult education and ESL programs are an integral part of local workforce systems, and assist communities in preparing non-English speakers for the workplace. Policy guidance for limited English proficiency services was provided to local systems through a guidance memorandum. Training and technical assistance is available.

The Migrant and Seasonal Farm Worker (MSFW) program is an integral part of the Commonwealth's workforce development system, particularly in rural, agricultural parts of the Commonwealth where most of the agricultural activity is concentrated. The system offers migrant workers the full range of available employment and training services, benefits and protections.

MSFW's and agricultural employers' services are guided by the State Monitor Advocate. The Commonwealth has a small population of individuals who meet the definition of migrant and seasonal farm worker; however, staff continues to conduct aggressive outreach to provide services to the MSFWs in their communities. For migrants settling into communities, workforce staff coordinates such services as outreach through partners, career exploration, English as Second Language training, occupational and on-the-job training, computer literacy training and job referral assistance. Local partners work together to address these customers' needs through community resources.

The Commonwealth is committed to ensuring that individuals with disabilities have all available service opportunities. The system's service philosophy is that job seekers with disabilities are served by workforce staff in the same manner as any other job seekers. Where additional support or expertise is needed, OVR staff will assist. Many of the individuals with disabilities seeking services at one-stop sites are veterans and thus receive one-on-one assistance from DVOP specialists in addition to the broad array of services otherwise available. Cross-training for staff system-wide is promoted to ensure a seamless continuum of services. To facilitate universal access, one-stop resource areas are equipped with a variety of assistive technology tools, including large computer

monitors, low-vision readers, screen reading software, TTY, and adjustable work stations. In addition, career center staff is available at all sites to orient customers to these resources and to assist them throughout the service experience.

The Disabled Veteran Outreach Program and the Local Veteran Employment Representative Program are integral to local workforce systems services to veterans. Service strategies and staff activities comply with federal veterans' laws, regulations and the federal Veterans Grant and emphasize identification and outreach.

- ii. Describe the reemployment services you will provide to unemployment insurance claimants and the Worker Profiling services provided to claimants identified as most likely to exhaust their unemployment insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act.

The main goal for re-employment services is to help claimants who are unlikely to return to their previous job and are likely to exhaust their UI claim. The strategy is to provide additional assistance to facilitate their quick return to employment. Re-employment services are streamlined and standardized across offices to increase service capacity and to implement best practices that have been identified and proven successful. Existing policies will be reviewed to ensure that claimants are using or trained in effective job search skills that will lead to employment.

- Reemployment Services coordination in the One-Stop  
The one-stop is responsible for providing ongoing core, intensive and other appropriate services to UI claimants. The new strategy is to treat UI claimants as a job seeker customer, with the UI benefits as just one part of the process. UI claimants' records are integrated into the Commonwealth's shared information and case management system (Focus/Career) from the time of initial claim. The information is available to one-stop partners to facilitate the referral and program enrollment process. Participants in need of basic education or training in order to obtain employment are referred to a WIA counselor. Those in WIA approved training or basic education program are exempt from further participation in the Reemployment program.
- Identifying UI claimants for Reemployment Services  
Claimant information is processed through a profiling model that evaluates several key indicators to immediately identify claimants most likely to exhaust benefits without returning to their jobs. Letters are mailed within the first few weeks of the claim to advise these claimants about additional services including Reemployment Services which includes an orientation with an overview of available services, assessments, referrals to partner agencies and/or community resources along with referrals to appropriate training and/or jobs. This will also allow us to better determine strategies to engage claimants and utilize the one-stop system to lead claimants toward sustainable employment.

The state's new shared information and case management system called Focus/Suites allows staff to coordinate and share information in real-time to facilitate access to programs and services that can assist individuals in

finding new employment.

- **Services Provided under Reemployment**  
Claimants are assigned to a re-employment manager who provides job development and assistance with employer contacts. Case management and re-employment services will be strengthened through additional staff training to provide successful individual service plans.

Participants receive employment counseling, testing and assessment, and conduct self-directed job search. They also participate in job search workshops. Weekly workshops are provided on resume writing, interviewing and job seeking skills including networking and the hidden job market. If seats are available, the workshops are open to other job seekers.

The state received a Reemployment Eligibility Assessment Grant that began in June 2012. Under this grant, OET staff will conduct an orientation on program services available in coordination with other workforce partner agencies, do a more intensive assessment of skills, labor market information, and job matching, and complete an individual employment plan for more effective case management. This should improve appropriate referrals to available jobs as well as referrals to partner agencies and better facilitate an early return to employment.

Re-employment services are streamlined across offices and the OET will partner with other agencies to coordinate re-employment services including a standardized orientation. This will maximize state, federal, and local resources to ensure a successful program.

Case management and re-employment services will be strengthened through additional staff training and increased partner assistance in the process to provide successful individual service plans.

The state is also conducting re-employment services for those customers who are entering extended unemployment compensation tiers 1 and 2, and providing the same orientations, assessments and referrals as those selected for profiling to better facilitate and assist them in an quick return to employment.

- **Reemployment Services information technology**  
New technology called Focus Suites has been designed and implemented. This technology offers intelligent system-based identification of claimants needing intensive services that facilitates a better and more user friendly connection between unemployment insurance claimants and employers. The system provides better matching of individual electronic resumes and employer job orders. The matching can be performed by the individual claimant, staff, and employer and is also processed automatically by the system. The system utilizes artificial intelligence to focus on skills transferability to make instant job referrals that match the individual's skill levels. The system provides functions to analyze individual customer information to help with assessment and case management for career

counseling, training needs, skills upgrades or certification.

Information from the UI data, customer registrations and labor market information is integrated to identify needs, opportunities and trends in a changing economic environment.

Better integration along with the advanced technology of Focus Suites creates a system that can respond more quickly to changes in labor supply and need.

- iii. Describe how the state administers the unemployment insurance work test and how feedback requirements (under §7(a)(3)(F) of the Wagner-Peyser Act) for all UI claimants are met.

The Commonwealth requires all UI claimants to engage in an active work search. Each claimant must contact at least one employer per week for each week of benefits claimed, unless specifically granted a work search waiver.

All workers file a claim for UI benefits through an electronic means via the Internet or telephone. The system will not allow a claim to be validated without the work registration. Work registration information entered as part of the claim-filing process is automatically uploaded to EKOS. A unique identifier denotes that the registrant is a UI claimant to track services provided, activities and results.

The work test covers a claimant's ability and availability to work, and the suitability of the job offered. The work test is an OET role and a one-stop system priority.

The Kentucky Eligibility Review Interview (ERI) which is performed every six weeks during the life of a claim is an effective tool in administering the work test and meeting the feedback requirements.

Work Search record reviews are conducted to determine if the customer is applying for jobs for which he or she is qualified, showing an attachment to the labor market.

Claimants must maintain a record of their work search, including employers contacted, method of contact and date contacted. The claimant must also provide work search records to the agency when requested.

With the implementation of the Focus Suites technology all work searches will be captured electronically and staff can conduct more comprehensive work search verifications. Such verifications will allow for both the prevention and/or detection of fraud as required by HB 5.

- iv. Describe the state's strategy for integrating and aligning services to dislocated workers provided through the WIA rapid response, WIA dislocated worker, and Trade Adjustment Assistance (TAA) programs. Does the state have a policy supporting co-enrollment for WIA and TAA? (§112(b)(17)(A)(ii and iv).)

The Kentucky Business Services Redesign reflects a collaborative approach to meeting employers' and customers' needs that promotes close partnerships in order

to find comprehensive solutions. By leveraging the collective resources and knowledge of partners, effective BST can help sustain the Commonwealth's economic growth and improve the lives of its citizens. WIA Dislocated Worker and Trade Program staff will play an integral role in this process.

State administration of both Trade and WIA Dislocated Worker services are grouped in the KEWDC providing the opportunity for administrative coordination and interaction. State Trade staff develops and provides guidance to both agencies as it relates to coordination of services to adversely affected workers. Training and technical assistance meetings and sessions always include both Trade and WIA staff to ensure coordinated efforts.

A Trade SharePoint site was established to increase communication and to provide support and resources to those assisting adversely affected workers. State and local staff share information, best practices and access forms, and links to other sites. Although the site is efficient and continually accessed, a workgroup is being established to redesign the site to be more stream-lined and efficient.

To bridge the gap between state and local oversight, nine OET Trade facilitator staff members are located in local workforce areas to coordinate functions relating to Trade customers with the local one-stop system, including WIA Dislocated Worker services. Facilitators have knowledge of policies, procedures, regulations and statutes concerning Trade-related programs including Wagner-Peyser, unemployment insurance and other one-stop partner programs. They provide staff training and analysis of program support needs and recommended policy and procedures.

A Local Trade Plan was developed in each local workforce area to ensure adversely affected workers have the opportunity to access any needed one-stop services based on their individual employment and educational needs. These plans are specific to services provided by both Trade and WIA programs. The Local Trade Plan, as well as Memorandums of Agreement between OET and WIA requires co-enrollment if the Trade customer is assessed to be in need of any WIA activities or services.

Per federal regulation, all adversely affected workers are provided Rapid Response services. A Trade staff member is part of the Rapid Response Team when there is any indication that the company may be trade eligible or a trade petition has been filed. To determine the potential for a company to become Trade certified, an assessment is performed during the initial employer meeting which is conducted prior to the worker meeting. Information obtained from the employer is used to determine and support an application for a Trade petition. If/when a petition is certified, Trade Orientation sessions are conducted to include information about both Trade and WIA Dislocated Worker services.

A cornerstone of the Commonwealth's Transformation of the Workforce System is case management. Training and professional development for WIA and Trade staff has been and will continue to be provided. This increases communication among partners and reduces confusion and duplication of services to the customer.

Staff is able to provide coordinated case management and related services by utilizing a shared data system. This system houses assessments, employment goals

and needs, case notes and other pertinent data used by both agencies to ensure non-duplication in a holistic approach.

The Commonwealth will continue to coordinate and co-enroll as specified in Trade guidance. Through this one-stop approach, 94 percent of trade customers receive at least self-service or staff assisted WIA services, with 53 percent being co-enrolled in both Trade and WIA Dislocated Worker funded services.

- v. How is the state's workforce investment system working collaboratively with business and industry and the education community to develop strategies to overcome barriers to skill achievement and employment experienced by the populations listed above in section (b)(i)(a.) of this section and to ensure they are being identified as a critical pipeline of workers?
- Sector Strategies is an initiative designed to increase communication and collaboration between Economic and Workforce Development agencies. This plan has created identifiable high-growth, high-demand sectors at both the state and local levels. This process, coupled with the High Impact WIBs, will bring a return on the Commonwealth's investment to the business community by developing strategic plans for reaching growth, training and pathways for individual customers within these sectors. Both the Commonwealth and LWIBs have identified and adopted sectors.
  - User-Friendly Online Services have been implemented with the Focus Suites system which will allow job seekers and employers to access a much improved work registration, resume writing, job matching and job listing system.
  - National Career Readiness Certification (NCRC) is now being utilized across all comprehensive centers, Adult Education, workforce investment partners, providing businesses with a platform of measuring a person's skills and abilities.
  - Tech High is a program under development, which will increase the level of communication between local workforce boards, boards of education, technical education, and business and industry. The goal is to increase the level of postsecondary and work ready high school graduates, by developing education options for apprenticeships and specialty training to younger students.
  - Accelerating Opportunity Kentucky(AOKY) is an education and workforce initiative that mixes career training with additional support, such as career and success coaches, to give the participants the skills they need to succeed in school and compete in the workforce. AOKY is based on the belief that postsecondary credentials are the gateway to family-supporting wages. AOKY will ensure that students gain the skills they need for today's high-demand jobs through innovative, short-term and 'stackable' education opportunities that will, in turn, lead to valuable credentials.
  - GED Express is an initiative designed to increase the total number of college and career ready graduates. The program promotes education attainment, including transition to postsecondary education, technical education and specialty training, by increasing awareness of education and skills requirements for high demand

jobs and emerging industries.

- Entrepreneurship is an initiative that promotes entrepreneurship and innovation as employment and economic options with training available through the Commonwealth's one-stop career center network.
- Workforce Academy was developed to provide front-line staff with the customer service skills necessary to successfully engage customers and provide a full range of individual and business services. The program will develop benchmarks and baseline standards throughout the system while allowing for regional and local adaptation. Training began in June 2012 for local and regional trainers.
- Work Ready Communities, one of the Commonwealth's newest and most popular state initiatives, began certifying counties as Work Ready or Work Ready In-Progress. The Commonwealth measures six categories ranging from high school graduation rates to Internet availability. The process requires that local county resources work together including: local elected officials, Chambers of Commerce, Workforce and Economic Development representatives, school superintendants, local business and industry. This group works together to develop a uniform plan that helps drive their local workforce to the next level. The plan serves as a guide, benchmarking their progress against real-time data.
- Partner for Success is designed to remove individual agency and partner silos by promoting collaboration and unification of the state workforce system, allowing for increased customer access to programs and services, leveraging of resources and streamlining the customer journey. State trainings have been completed and regional trainings are currently in progress.
- Case Management provides staff members specific training to enable them to better understand customer needs, skills, barriers, and refer them to partner programs. This transition will help the system remove the label "Unemployment Office" and provide staff with solution-based training.
- High-Impact Workforce Boards is designed to assist LWIBs achieve their full potential. The project promotes innovation, efficiency, effectiveness and continuous improvement. The project was launched in June 2011, and boards are finishing their technical assistance year as of June 30, 2012. Boards will then transition into phase II, utilizing plans learned from the transition year to begin adapting changes in service delivery at the local level.

Currently, local areas have developed Business Services (Business Solutions) Teams to focus on meeting the needs of business and industry. The state business services coordinator provides technical support, shares best practices and provides training. Team members have been cross-trained to represent the one-stop and state workforce system's full array of services and prevent the "silo" affect.

To address business and industry needs and identify a critical pipeline of workers, the KWIB in conjunction with the KEWDC is implementing a Work Ready Communities Program, through which it will certify counties as "work ready" based on the quality of their labor force. The program will raise the concept of "certified

employability” from the individual level as indicated by a person’s attainment of a NCRC or other credentials to the community level. Further, it will promote cooperation among key community stakeholders (community college staff, secondary education, economic development professionals, elected and appointed officials, employers, chambers, school boards, community organizations, and others) as they work toward a common community goal.

Earning Certified Work Ready Community status ensures citizens have the talent necessary to staff existing jobs and to master the innovative technologies new jobs will require in the future. This certified status shows employers and prospective employers that a county has the talented workforce that business demands.

- v. Describe how the state will ensure that the full array of one-stop services is available to individuals with disabilities and that the services are fully accessible.

The Commonwealth is committed to ensuring that individuals with disabilities have all available service opportunities. The system’s service philosophy is that job seekers with disabilities are served by workforce staff in the same manner as any other job seekers. Where additional support or expertise is needed, OVR staff will assist. Many of the individuals with disabilities seeking services at one-stop sites are veterans and thus receive one-on-one assistance from DVOP specialists in addition to the broad array of services otherwise available. Cross-training for staff system-wide is promoted to ensure a seamless continuum of services. To facilitate universal access, one-stop resource areas are equipped with a variety of assistive technology tools, including large computer monitors, low vision readers, screen reading software, TTY, and adjustable work stations. In addition, career center staff is available at all sites to orient customers to these resources and to assist them throughout the service experience.

The DVOP and the LVER positions are integral to local workforce systems services to veterans. Service strategies and staff activities comply with federal veterans’ laws, regulations and the federal Veterans Grant and emphasize identification and outreach.

- vi. Describe the role LVER/DVOP staff have in the one-stop delivery system. How will the state ensure adherence to the legislative requirements for veterans’ staff? How will services under this Plan take into consideration the agreement reached between the Secretary and the state regarding veterans’ employment programs? (§§112(b)(7), 322, 38 U.S.C. Chapter 41 and 20 CFR 1001.120.)

JVSG staff is utilized in an integrated approach to serve veterans. All veterans should not and are not referred to JVSG staff. DVOP specialist and LVER staff work as a team to better serve veterans targeted for specialized services. The DVOP specialist provides intensive services to get the veteran job ready and the LVER provides job development services that lead to employment. Since the DVOP specialist and LVER serve multi-county areas, they may sometimes work as a virtual team even though they are not always in the same office location.

The primary roles of LVER and DVOP staff are distinctly different and clearly delineated in individual staff performance plan for each. Together these roles complement one

another to better serve the employment needs of targeted veterans and employers.

- DVOP specialists provide intensive services to targeted veterans.
- LVER staff provides employer outreach and job development services.

Veterans who need intensive services in order to obtain or retain employment are referred to a DVOP specialist. The intensive services provided by a DVOP specialist include:

- comprehensive assessment of education, skills and abilities;
- in-depth interviewing and evaluation to identify employment barriers and goals;
- group and individual career coaching;
- short-term pre-vocational services; and
- development of an individual employment plan.

LVER staff conducts outreach to employers to assist veterans in gaining employment, and works with other service providers to promote the advantages of hiring veterans to employers and employer groups. They market job seeking veterans by promoting their highly marketable skills and experience.

Additionally LVER staff:

- advocate for veterans with business, industry and other organizations;
- plan and participate in job and career fairs;
- coordinate with apprenticeship programs and business organizations to promote employment and training programs for veterans;
- inform federal contractors of their responsibility to recruit and retain qualified veterans;
- promote credentialing and licensing opportunities;
- conduct seminars for employers; and
- facilitate employment, training and placement services to veterans.

Their involvement in BSTs varies among local areas; however they enter employer activities, comments and other pertinent information in EKOS where it is available for other staff that may be working with or contacting the same employer. This measure will help to coordinate employer activities and contact when records are accurately recorded.

LVER staff serves as local point of contact for questions about priority of service and assist offices in establishing local procedures to guarantee priority of service to veterans.

- vii. Department of Labor regulations at 29 CFR 37 require all recipients of Federal financial assistance from DOL to provide meaningful access to LEP individuals. Federal financial assistance includes grants, training, equipment usage, donations of surplus property, and other assistance. The regulations also apply to sub-recipients when Federal DOL funds are passed through from one recipient to a sub-recipient. Describe how the state will ensure access to services through the state's one-stop delivery system by persons with limited English proficiency and how the state will meet the requirements of ETA Training and Employment Guidance Letter (TEGL) 26-02 (May 29, 2003) which provides guidance on methods of complying with the Federal rule.

Staff members ensure that customers with limited English proficiency receive adequate service. They identify the customer's primary language at first contact and note in EKOS as Limited English Proficiency (LEP) when appropriate. If language service resources

are not available within the office or agency, staff request necessary assistance that will be provided to the customer at no cost to the customer and without unreasonable delay. All sites have access to a contract interpretation service with 24-hour access to interpreters in more than 150 languages and dialects. Additionally, many sites have agreements with local colleges, universities and other community partners for translation services.

- ix. Each state workforce agency shall operate an outreach program in order to locate and to contact migrant and seasonal farm workers (MSFWs) who are not being reached by the normal intake activities conducted by the local offices. To this end, each state agency must include an annual agricultural outreach plan, setting forth numerical goals, policies, and objectives. Regulations at 20 CFR 653.107 require that the outreach plan include the following elements:
- Assessment of need
  - Proposed outreach activities
  - Services provided to agricultural employers and MSFWs through the one-stop delivery system
  - Numerical goals
  - Data analysis

#### Assessment of Need

The value of total agricultural production in the Commonwealth, crop and livestock production combined, totaled \$ 4,824,561,000 according to the 2007 United States Department of Agriculture census data. Kentucky’s poultry and egg production was the leading commodity valued at \$978,025,000 followed closely by horses at \$952,384,000, cattle and calves at \$635,911,000 and grains at \$867,298. Together these top four commodities made up more than three quarters (77 percent) of Kentucky’s total agricultural production.

The Commonwealth is recognized as the “horse capital of the world” by producing 92 percent of the nation’s horses. However, current statistics show a decline in combined, total agriculture commodities with a total of \$4,440,146,000 receipts. The table below shows details for the top five agriculture commodities in 2010.

<b>Top Five Kentucky Agriculture Commodities 2010</b>			
Commodity	Farm receipts 1,000 dollars	Farm receipts percent of state	Farm receipts percent of U.S.
1. Broilers	806,627	18.2	3.4
2. Horses/mules	700,000	15.8	92.2
3. Cattle and calves	615,515	13.9	1.2
4. Corn	603,509	13.6	1.3
5. Soybeans	583,132	13.1	1.8
All commodities	4,440,146		1.4

According to official estimates from the U.S. Department of Agriculture, Kentucky ranks 29<sup>th</sup> in the nation for agricultural productivity growth, which is 1.6 percent annually for

the period between 1960 and 2004.

Estimates of agricultural employment are derived from agricultural labor data compiled from the Commonwealth's electronic labor exchange systems and surveys of agricultural employers. Given the crop cycle, demand for farm workers tends to be seasonal, with peak periods of demand often lasting for periods of short duration. As a result, high job turnover is a distinguishing feature of the agricultural labor market. Many of the Commonwealth's agricultural workers are employed under informal work arrangements and are not tracked through the state system. As a result, it is believed that official estimates of agricultural jobs may understate the actual number in the Commonwealth's agricultural workforce. The most recent 2002 Census of Agriculture KY had 115,117 hired farm workers. These numbers do not include farm work labor that is undisclosed with cash payments to legal and illegal farm workers.

Overall agricultural employment levels in the Commonwealth do not appear to have changed significantly over the last decade with average annual rate of 4.7 percent for the most current reportable period and short-term growth projected at -.08 for 2011-2013. Estimated employment of agricultural workers for 2010-2020 is estimated to remain stable.

Employment in crop production also appears to have been stable over the last decade, although there have been changes in the pattern of hiring. Employment by farm labor contractors, who supply crop workers to farms, has increased. Barring significant changes to national immigration policies, the estimated numbers of MSFWs in the Commonwealth are expected to remain constant over the next few years.

Kentucky Farmworker Program preliminary reports for PY 2011-2012 indicate 342 seasonal farmworker enrollees for PY 2011-2012 and there were no migrant farmworker enrollees in the period. Of the 342 enrollees, 20 were eligible dependants. Based on the projected levels of agricultural activity and growth patterns, little change is expected in the number MSFWs in the state; however, increased outreach should identify individuals needing services.

MSFW and agricultural employer services are guided by the State Monitor Advocate, who is very knowledgeable of the state workforce system. At the present time, the duties of the State Monitor Advocate are performed by an alternate employee during an extended leave of absence. The acting State Monitor Advocate was afforded an opportunity to approve and comment on the PY Agricultural Outreach Plan.

### **Outreach Activities**

Employment in agriculture is inherently difficult to estimate because agricultural production, and in particular, crop production, is characterized by seasonal fluctuations in the demand for farm labor, some of which are often of short duration. For example, most crops must be planted at certain times of the year, cultivated, and harvested and prepared for market as they ripen. As a result, the Commonwealth agriculture-based employers have traditionally employed seasonal, and sometimes migrant, farm workers who move from farm to farm and region to region. However, official estimates of agricultural employment are derived from a survey of agricultural establishments that participate in the unemployment insurance system, and are thus more likely to count more permanent

agricultural workers than MSFWs.

OET operates an outreach program to locate, identify and contact those MSFWs that are not being reached through normal intake activities conducted at the local office level. There are 300 customers with migrant status in the state's information system that created or updated their records in the past 12 months. The following plan describes the OET outreach policy, goals and objectives developed in accordance with federal regulations in 20 CFR 653.107.

MSFWs are provided access to the full range of employment services, benefits, information and protection available through the Commonwealth's network of one-stops and local employment service offices.

In addition to internal resources, OET maintains productive relationships with the Kentucky Farm Worker Program (402 grantee), the Kentucky Department of Education's Migrant Education program, the Kentucky Farm Bureau, the Governor's Office of Agricultural Policy and the University of Kentucky Agricultural Extension Service to provide assistance in all MSFW efforts. OET staff maintains an open line of communication with Texas Rural Legal Service and the Kentucky Migrant Legal Services project to facilitate the sharing of information and the discussion of issues that affect migrant and seasonal farm workers.

The monitor advocate ensures that that all locations are operated consistently with the one-stop delivery model and offer a customer friendly atmosphere. This enhances the use of OET locations by the MSFW community while in the Commonwealth.

OET has designated staff members who are trained in the MSFW outreach methods. This staff has also received training in OET services, the use of the complaint system, and services available from other community and state agencies. The monitor advocate provides outreach services by visiting worksites, MSFW housing and other areas of work concentration. Outreach workers carry identification as employees of OET.

Wagner Peyser staff is trained to explain and encourage MSFWs to use the services and resources available in the one-stop system. Outreach materials are disseminated throughout the state, especially in rural areas where MSFWs are likely to live, work and gather.

OET is committed to making its workforce demographics reflect the population served. Full-time Spanish-speaking staff members are located in key offices to assist in the communication needs of our MSFW customers. Key written material concerning workforce services, complaint procedures, and other agencies' services are available in Spanish. This encourages non-English speaking MSFWs to use the system.

OET will continue to offer speakers to agricultural associations and groups in order to provide information concerning all programs that can benefit agricultural employees and employers. OET will continue to participate as an ex-officio member of the Farm Labor Advisory Committee of the Kentucky Farm Bureau and work closely with the Kentucky Farm workers program (402 grantee) board to identify and resolve MSFW issues.

OET continues to provide outreach to increase the number of MSFWs contacted and

informed about available resources. This will be accomplished with assistance from groups such as the Latino Housing Coalition, the Kentucky Human Rights Commission, the Kentucky Department of Agriculture, Kentucky Farm Bureau, the University of Kentucky Agricultural Extension Service and Kentucky Farm Worker program.

OET local offices actively promote the availability of agricultural openings and encourage U.S. workers to apply for these positions. Announcements are placed in field offices in counties that have agricultural openings and at selected sites that farm workers frequently visit. The goal for the number of MSFWs to be contacted by Wagner-Peyser staff is 330, reflecting a 10 percent increase from the number contacted in the prior 12 months by all partners utilizing the state's shared information system, EKOS.

The Commonwealth makes the services of the one-stop career centers available to all job seekers, including MSFWs, in an equitable manner. Each site must offer the full range of employment services, benefits and protections, including counseling, testing and job and training referral services to MSFWs as are provided to non-MSFWs. Therefore, the services available from sites, including all other DOL-funded WIA services, must be available to MSFWs in a manner appropriate to their needs as job seekers.

The DOL Employment and Training Administration (ETA) requires that states ensure equity of services for MSFWs and non-MSFWs. The Commonwealth has the capacity to track outcomes for regular job seekers, including MSFWs, such as receiving staff assisted services, referrals to supportive services, referrals to jobs, career guidance and job development contacts to ensure MSFWs receive qualitatively equivalent and quantitatively proportion services. The ratio of MSFWs to the total population served is relatively low. The Commonwealth will utilize a regional approach to conduct outreach to MSFWs with concentrated efforts in the Bluegrass and Western Kentucky areas where there are higher numbers of MSFWs. Using this approach, Wagner-Peyser funding will be utilized at an estimated \$43,300 or the approximate cost for the services of one full-time staff.

- b. *TAA and NAFTA-TAA*, describe how rapid response and basic readjustment services authorized under other Federal laws will be provided to trade-impacted workers.

Readjustment services provided to Trade impacted workers by Rapid Response Teams and Trade Re-adjustment Services begin with the state's notification of a WARN and/or the filing of a Trade Petition with the Department of Labor.

Once the notices have been received, outreach begins by the Local Rapid Response Lead (LRRL) contacting and meeting with the affected employer. The meeting will determine the reason for the layoff/shutdown, and determine if there are any avenues to pursue to avoid the layoff/shutdown. If not, the LRRL will obtain information to determine the number of affected workers, the positions, shifts and services that will be needed to assist these workers in a smooth transition and find gainful employment as soon as possible.

Subsequent to the employer meeting, the LRRL will collaborate with the workforce partners, community agencies, and the employer to schedule a Rapid Response orientation. During the Rapid Response orientation, and through the cooperating partners and community agencies, a description of services and information is provided to the workers. This provides a better understanding of the steps required to file for Unemployment Insurance benefits, conduct active job searches, and receive supportive services from partner agencies and community agencies addressing any obstacles that may prevent them from obtaining

employment.

If the layoff/shutdown is due to foreign import, Trade outreach activities begin once a petition is filed and/or certified by the Department of Labor. If this is the case, LRRL will provide received information (list of workers' names and addresses) to the regional trade facilitator.

Based on this collaborative effort, the affected workers are contacted by the development and distribution of the Letter of Potential Eligibility to include the date, time and location of a Trade Orientation, and any required documentation to be provided by the affected worker.

The Trade Orientation, (conducted by the regional trade facilitator), and in coordination with WIA provides program information on the following:

- core and intensive services,
- eligibility requirements and documentation,
- training assistance information,
- partner and community agency services,
- labor market information,
- case management,
- comprehensive assessment,
- unemployment,
- job search assistance and registration,
- monetary benefits, i.e. UI, TRA, and allowances,
- benchmarks, and
- training waivers.

During the initial assessment with the trade coordinator, the worker's path is determined. At this time the worker's work history, job skills, work characteristics, training needs, etc. will be discussed, and an Individual Employment Plan (IEP) is initiated. For those workers expressing an interest in training, contact and referral information to the LWIB is provided for further assessments to determine eligibility. Required documentation is shared between agencies once co-enrollment is determined. If approved for Trade approved training, co-enrollment is initiated. Subsequent to approval, monthly monitoring is conducted by OET and WIA to determine the worker's progress. Once the training has been completed, the trade affected worker is referred back to OET for job search assistance and other services that will return them to suitable work, preferably in their field of training.

Workers declining Trade approved training are placed on a Training waiver (if eligible), by the 26th week of regular UI. The waiver will exempt them from the training requirement, allowing them to conduct a more extensive job search. The goal remains the same to return these workers to suitable work as soon as possible. In doing so, all Career Center Services, including partner agencies and community agencies remain available.

The collaborative efforts between the Rapid Response team and Trade Readjustment Program continue to educate, serve and strengthen the business service bond with our local employers and job seekers in the Commonwealth.

## **J. Professional Development and System Improvement**

How will the state develop personnel to achieve the performance indicators for the programs

included in the Plan?

- **Partner for Success**  
This initiative seeks to move the state from a confederated set of agencies to a unified system focused on investment in workforce. The initiative seeks to streamline services to employers and customers and leverage resources and share the credit for outcomes while providing opportunities for individuals at all levels of the system to take ownership in the vision, direction and return on investment made by the department.
- **Workforce Development Academy**  
This initiative seeks to address and improve customer service at all levels of the Commonwealth's workforce system. The Workforce Academy seeks to achieve system-wide consistency in its approach to customer service and has contracted an outside consulting firm to develop the plan for customer service re-training and roll-out to all staff across the state.
- **Employ Kentucky Operating System (EKOS) training**  
The EKOS system allows staff to document services provided to our customers. Training is provided within two months of hire and a refresher course is offered three months after basic training is completed. This training is provided in connection with Focus/Career and Focus/Talent training. Services training is provided to experienced staff as an advanced EKOS training.
- **Focus Suites**  
This system allows customers to search for jobs, employers to post jobs and search for candidates and enables staff to view and monitor the activity for eligibility compliance while ensuring customers and employers have provided all necessary information for the system to properly function. Focus/Career and Focus/Talent training is provided within two months of hire and a refresher course is offered three months after basic training is completed. This training is provided in connection with EKOS training. Job Order Writing Training and Focus/Assist training are provided to staff with job order writing responsibilities. Training takes place as determined by local office management.
- **Unemployment Insurance Claimstaker Training**  
Unemployment Insurance benefits are a big part of the services provided to our customers across the state that experience job loss through no fault of their own. Claimstaker training encompasses assisting customers with filing and managing their unemployment insurance benefits claim. Training will be divided into three levels, basic, intermediate and advanced. New staff will receive basic training within three months of hire. Once staff has completed their initial probation period of six months, they will take intermediate training within three months of their probation completion. Experienced staff will receive advanced training at the local management's discretion to ensure all staff is properly trained on current issues and advanced claimstaker issues to best equip the local offices to effectively handle all issues.
- **Unemployment Insurance Disputed Claims Investigator Training**  
Unemployment Insurance benefits are a big part of the services provided to our customers across the state that experience job loss through no fault of their own. Disputed claims investigator training encompasses our disputed claims branch who ultimately review disputed unemployment insurance claims to determine customer

eligibility to receive benefits. Training is divided into two levels, Basic and Advanced. New staff in the disputed claims branch will receive Basic training within three months of hire. Experienced staff will receive advanced training at the branch manager's discretion to ensure experienced staff is properly trained to handle advanced issues.

- **Personal Professional Development Training**  
All staff has the ability to participate in personal professional development courses offered to our agency by the Governmental Services Center. Staff can enroll in and attend courses to improve communication, problem-solving and business writing skills and a wide variety of topics to assist them in performing their daily job functions.
- **Supervisor Training**  
Upon promotion or hire into a management or supervisory position within the agency, all managers will be enrolled into the KEWDC's Management Academy. The Management Academy currently consists of seven online courses covering a variety of topics: Merit System Basics, Hiring the Best and Investing in Your People, Solving Problems, Effective Communication and Conflict Resolution. The program will eventually be expanded to include three additional courses on various leadership topics.
- **Program Specific Training**  
Within our agency, we offer a wide range of services to our customers including military service veterans, disaster victims, large plant or employer closures and many other areas. Individually tailored training programs are developed for staff to ensure they are able to deliver effective services to address their needs. These trainings are developed by the department as necessary to effectively deliver services to customers.
- **Develop Department-Wide Policies**  
As the agency grows, management will continue to review existing policies, adjust them to address current needs and develop new policies as the need arises. This will ensure the agency is operating and utilizing resources as effectively as possible.

In answering this question, if the Unified Plan includes:

1. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs:*
  - a. Capacity of Local Boards -- How will the state build the capacity of local boards to develop and manage high performing local workforce investment system? (§§111(d)(2) and 112(b)(14).)

For the year ending June 30, 2012, the Commonwealth made funds available to LWIBs for technical assistance under the High Impact WIB initiative. Local areas submitted requests for funding – addressing any areas for improvements discovered during the onsite review process conducted in March 2011. Local boards, through an application, submitted requests for funding to realign strategic planning and innovation, to meet state and local workforce needs.

Effective July 1, 2012, the Commonwealth and local workforce areas will begin the certification period. Local boards will begin submitting applications for “High Impact” status with preference given to any local area for funding request that is certified. The first application review window is scheduled for October 2012. State leadership has reached out to local boards informing them of the upcoming certification year.

b. Local Planning Process -- Describe the state mandated requirements for local workforce areas' strategic planning. What assistance does the state provide to local areas to facilitate this process, (§112(b)(2) and 20 CFR 661.350(a)(13)), including:

- i. What oversight of the local planning process is provided, including receipt and review of plans and negotiation of performance agreements? and
- ii. How does the local plan approval process ensure that local plans are consistent with state performance goals and state strategic direction?

A collaborative process has been implemented to redesign the local plan process to support the KWIB Strategic Plan. State and local agencies along with LWIB staff are participating in the implementation of the new process. Most local areas have completed their formal strategic plans and alignment with local plans is currently underway.

OET and KWIB staffs provide local plan guidelines consistent with the development of the State Plan that includes the pertinent overarching visions for local. These guidelines will integrate strategies to meet the goals of the Governor, which include: aligning the Commonwealth's workforce development system with Kentucky's education objectives and economic development strategies, simplifying the workforce service delivery system, and improving service to achieve a customer-centered delivery system. This overall direction is documented in a revised local area plan, which will be due from each area on or before a specified date and reviewed by the KWIB.

LWIAs are afforded opportunities to review the draft guidelines and provide comment before issuance of the final guidance.

c. Oversight/Monitoring Process -- Describe the monitoring and oversight criteria and procedures the state utilizes to move the system toward the state's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).)

The Commonwealth is committed to ensuring that LWIAs are responsible stewards of state and federal dollars. The oversight and monitoring process includes a detailed review of all state and federal programs operated through DWI. This is accomplished through an annual visit to the local areas and contractors. LWIA technical assistance needs are identified based on the results of these visits to achieve the Commonwealth's vision and performance goals.

#### **WIA**

Commonwealth monitoring teams perform on-site compliance visits to the WIA administration offices as well as local one-stop career centers to ensure they are compliant with the Workforce Investment Act, any amendments to the act, federal regulations and OET guidance letters. The visits also provide oversight for adherence to the approved state plan, local plans and OET policies and procedures, thus ensuring quality services for our job seekers and employers. State monitors verify entry of data into EKOS, provision of accurate eligibility determination, maintenance of required supporting case file documentation, appropriate expenditures and priority of service for veterans.

A final determination report issued by OET states any unresolved issues and advises the LWIB of the subsequent resolution process in the form of a corrective action plan. A follow-up visit is conducted, if necessary, to verify that corrective actions and recommendations

from the compliance team have been acted upon by the local area.

Technical assistance, training and policies are then produced in accordance to needs and issues identified during the monitoring process.

### **Wagner-Peyser**

The Commonwealth's monitoring staff conduct annual one-stop career center monitor visits to ensure compliance with the Wagner-Peyser Act. A final determination report is issued by OET and address any outstanding issues resulting from the visit. Follow-up visits are conducted, if necessary, to verify that corrective actions, if recommended, have been placed in action and efforts toward complete compliance is ongoing.

### **Career Centers**

The Commonwealth's monitoring staff conduct career center visits to review compliance within the facility and partners against established resource sharing agreements. Any outstanding issues are detailed in a final determination report and corrective action plans are requested. Follow-up visits, if necessary, take place to ensure compliance of the corrective action plan.

### **LWIA monthly grant management report**

The Commonwealth's LWIAs report their monthly financial information for the WIA and Trade grants via the WIA Online Reporting for Kentucky (WORK) system operated by OET. The financial information reported via the system is audited by OET during its annual monitoring visits for accuracy and compliance with state and federal regulations. The financial information is also subjected to an annual A-133 audit process for each LWIB. The WORK system will undergo a major upgrade during the 2013 fiscal year to capture additional detailed financial information.

### **LWIB Annual Financial Report**

An Annual Financial Report is prepared by OET for each LWIB from financial data extrapolated from the WORK system. The reports are sent to the LWIBs to provide additional information not available in the WORK system and to verify the accuracy of the report.

### **Develop new monitoring tools to measure implementation of KWIB initiatives**

The OET procured the services of HeiTech Services, Inc. to evaluate and assess the state's current monitoring policies, procedures and training, and to provide technical assistance and training based on their evaluation. Services included a thorough review of current policies, practices, tools and training. HeiTech Services then provided an action plan detailing recommendations for improvements through the creation of a monitoring template and supplemental guides. State and local monitoring staff was trained on the new monitoring tools at two-day workshops in various locations.

The development of new monitoring tools is a benefit to not only the Commonwealth's program compliance visits, but also the monitors' ability to measure the effectiveness of the KWIB initiatives.

### **LWIA progress in implementing KWIB initiatives as designed**

#### Sector Strategies

Through a thorough data-driven analysis, the Commonwealth has adopted five statewide high growth targeted sectors. The identified sectors are:

- automobile and aircraft manufacturing,
- transportation, distribution and logistics,
- business services and research and development,
- health care/social assistance, and
- energy creation/transmission.

Each of the Commonwealth's 10 regions identified their high growth sectors in addition to those targeted by the Commonwealth. The goal is to align the state workforce training initiatives and Individual Training Accounts (ITAs) to sector strategies, demand occupations and those that provide career ladders. Data capturing and mining is critical to this process. The Commonwealth is in the process of creating a custom approach to track participants through eligible training providers, and how they fit into the state and regional sector initiatives.

#### Branding & Identity

A comprehensive rebranding initiative addressing the architecture of the entire system including one-stops, online services, and other public interfaces was identified in order to achieve a positive return on the Commonwealth's investment in the system. This rebranding effort included the establishment of the system's foundational elements or values such as:

- quality of customer service,
- user-friendly tools,
- consistent case management, and
- standard menu of services.

Identity re-tooling in the form of a new common brand is complete. The internal and external launch of the new branding is ongoing and will be administered throughout local offices in the summer and fall of 2012.

#### One-Stop Certification

The one-stop certification plan has been completed and approved by KWIB. Standards and Measures required to meet certification regarding Job Seeker Services, Employer Services, and Center Management have been created and forwarded to regional leadership. There are standards in each of these categories for staffing and organization, and providing quality services. There are certification levels for both full service centers and affiliate centers. The self assessment tool has been completed and forwarded to OET regional managers, LWIB directors, and OVR and OFB leadership.

Core Team members serve on technical assistance review team. Seven people have agreed to serve on the team so far. \$200,000 has been made available to assist local areas in technical assistance needs and divided based on the number of career centers in each area. A technical assistance evaluation and guide form has been drafted to aide in approving or denying technical assistance requests. This assistance can be requested from now through June 30, 2013.

One-stop career centers can request certification beginning Oct. 1, 2012 through Sept. 30, 2013 through their LWIBs. The LWIB will assemble a review team to make a recommendation on approval. The certification would be valid for a three year period at

which time recertification may be requested.

#### National Career Readiness Certificates (NCRC)

After being one of the pioneers of employability certifications, the Commonwealth formally adopted the Kentucky NCRC with a signing of an umbrella contract with ACT, Inc. in October 2010. Since that signing, OET has created the position of NCRC Coordinator to be the project manager for the build of the KY NCRC site <https://nrcr.ky.gov/>, and hired a person to fill that position. Partnerships with KYAE, KCTCS, the Department of Corrections and several entities within the KEWDC were forged and a billing and cooperation structure was built. The initial KY NCRC site was completed in January 2011, and the first NCRC was issued that month. The program now issues about 600 NCRCs per month.

During the FY2013, all Memorandums of Agreement and the contract with ACT will be updated and renewed. Increased employer buy-in to the NCRC program is expected as the Work Ready Community initiative is embraced by more communities and there is more business-to-business dialog about the benefits of the NCRC for hiring and promotions within an employer's workforce.

#### Work Ready Communities

Since the initial roll-out of this project in July 2011, counties across the Commonwealth have begun researching the data and building plans with their local teams. To date, seven counties have reached certification in one of two areas. Work Ready Certification or Work Ready In Progress. To become a certified Work Ready county, each applying county must meet and/or exceed all six current criteria. To become a certified Work Ready in Progress, each applying county must submit a plan outlining how they will reach certification status in all categories within a three-year period. To date, seven counties have reached certification in one of the two areas.

##### Work Ready Certified:

- Daviess County
- Henderson County
  
- Warren County
- Woodford County

##### Work Ready in Progress:

- Madison County
- Montgomery County
- Russell County

#### Business Services Redesign

The KWIB Business Services Redesign project to create a solutions-based business services approach was completed in June 2012. A statewide BST training was conducted to prepare and assist staff and leadership in establishing a business services framework that will address partnership and confidentiality agreements, creation of business service resource guides, business turnaround assistance and the development of a proactive business services process and business protocol for supporting existing businesses.

### High Impact WIBs

The Commonwealth is in the process of completing the technical assistance year. Local areas submitted requests for funding – addressing any areas for improvements discovered during the onsite review process conducted in March 2011. Local boards, through an application, submitted requests for funding to realign strategic planning and innovation, to meet state and local workforce needs.

Effective July 1, 2012, the Commonwealth and local workforce areas, will begin Year One certification period. Local boards will begin submitting applications for “High Impact” status with preference given to any local area for funding request that is certified. The first application review window is scheduled for October 2012.

### **K. Performance Accountability**

Nothing in this guidance shall relieve a state of its responsibilities to comply with the accountability requirements of WIA titles I and II, including, for example, the requirements to renegotiate performance levels at statutorily defined points. The appropriate Secretary will negotiate adjusted levels of performance with the state for these programs prior to approving the State Plan.

1. What are the state's performance methodologies, indicators and goals in measurable, quantifiable terms for each program included in the Unified Plan and how will each program contribute to achieving these performance goals? (Performance indicators are generally set out by each program's statute.)

In answering the above question, if the Unified Plan includes:

- a. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs:*  
Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only reporting systems in place to collect data and track outcomes based on service delivery, but also performance management and accountability systems to analyze the information and modify strategies to improve performance. See Training and Employment Guidance Letter (TEGL) No. 17-05, Common Measures Policy for the Employment and Training Administration’s (ETA) Performance Accountability System and Related Performance Issues, issued February 17, 2006.)

In this section, describe how the state measures the success of its strategies in achieving its goals, and how the state uses these data to continuously improve the system.

- i. Describe the state’s performance accountability system, including any state-system measures and the state’s performance goals established with local areas. Identify the performance indicators and goals the state has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. For each of the core indicators, explain how the state worked with local boards to determine the level of the performance goals. Include a discussion of how the levels compare with the state’s previous outcomes as well as with the state-adjusted levels of performance established for other states (if available), taking into account differences in economic conditions, the characteristics of participants when they entered the program and the services to be provided. Include a description of how the levels will help the state achieve continuous improvement over the life of the plan. (§§112(b)(3) and 136(b)(3).)

The OET utilizes EKOS as their tracking system for performance for all programs outlined in this plan. All data are entered into this tracking system and then extracted from EKOS and submitted to DOL in the format necessary to calculate the performance measures for each program identified. OET’s Performance Unit is responsible for performance tracking and reporting oversight of the state and local Workforce Investment Act, Wagner Peyser Act, Trade Act and Veterans programs. Performance staff develops policies and guidelines addressing performance-related issues and also provide technical assistance to local areas. In preparation for negotiating new statewide performance measures with the U.S. Department of Labor, the performance staff will work closely with OET’s Research and Statistics branch. The Commonwealth implemented the Regression Model in Program Year 2012.

The Commonwealth was granted a waiver by USDOL of the 17 performance measures under WIA Section 136(b), and the performance measures authorized by the Wagner-Peyser Act, the Jobs for Veteran’s Act, and the Trade Adjustment Assistance Act. In their place, the state reports under the “common measures” as defined by USDOL. The value of implementing common measures is the ability to describe in a similar manner the core purposes of the workforce system: how many people obtained employment; did they remain employed, and what did they earn. USDOL has identified and is requiring nine performance measures of state and local programs. The measures are defined for intensive services and training activities, and are included in the following chart.

<b>ADULT</b>	<b>DEFINITION</b>
Entered Employment	Adult participants who are employed in the first quarter after the exit quarter
Employment Retention	Adult participants who are employed in both the second and third quarters after the exit quarter
Average Six-month Earnings	Total earnings in the second plus the total earnings in the third quarters after the exit quarter.
<b>DISLOCATED WORKERS</b>	<b>DEFINITION</b>
Entered Employment	Adult participants who are employed in the first quarter after the exit quarter
Employment Retention	Adult participants who are employed in both the second and third quarters after the exit quarter
Average Six-month Earnings	Total earnings in the second plus the total earnings in the third quarters after the exit quarter.
<b>YOUTH</b>	<b>DEFINITION</b>
Placement in Employment or Education	Youth participants who are in employment (including the military) or enrolled in postsecondary education and/or advanced training/occupational skills training in the first quarter after the exit quarter.
Attainment of a Degree or Certificate	Youth participants who attain a diploma, GED, or certificate by the end of the third quarter after the exit quarter.
Literacy and Numeracy Gains	Youth participants who increase one or more education functioning levels.

Local boards must negotiate performance standards for Adults, Dislocated Workers and Youth. Performance analysts monitor key employment indicators to project the impact of the economy on the labor market and the result on performance rates, by statewide and local workforce area.

A description of the types of data that the Commonwealth and the LWIBs use in developing common performance goals follows

An LWIA-level report is generated with historical data for each measure. If there are questions about the data in this report, it is discussed during the negotiation process. Other information is brought to bear on the analysis to develop a structured rationale supporting the proposed goals. This rationale will show how the various factors affecting performance, such as economic conditions, characteristics of the population served, and program design, will cause future performance to vary from the historical if the proposed levels vary significantly from the historical levels.

Changes in the local economy and the impact of changes on the population to be served, especially in regards to employability, are analyzed using regression data. The regression model focuses on the common measures. Although common measures are based on the employment outcomes of the participants, these measures cannot be used to assess the effectiveness and impact of each local area without appropriate adjustments for the effects of local labor market conditions and the individual abilities and qualifications of the participants. Therefore unadjusted performance measures combine the true value added effects with the effects of local labor markets and personal characteristics

Boards may bring additional factors that are relevant to their area to the negotiation process. The negotiation team must be prepared to define these factors in objective terms and provide any data used to support an argument that the factors have an impact on projected performance. An estimate of projected performance range is based on the net impact of all factors. The table below depicts the state’s performance goals established with local areas for PY 2011.

**PY11 Local Negotiated Performance Goals**

	West KY	TENCO	Northern KY	LT	Green River	Barren River	GLWIB	EKCEP	CWIB	Bluegrass
<b>ADULT</b>										
EER	73%	82%	78.0%	79.0%	85.0%	73.0%	79.0%	83.5%	81.0%	87.0%
RR	84%	89%	85.0%	89.0%	88.0%	81.0%	86.0%	86.0%	86.0%	90.0%
AE	\$12,000	\$13,700	\$12,750	\$14,300	\$12,500	\$9,200	\$15,500	\$11,200	\$10,800	\$13,600
<b>DW</b>										
EER	80%	85%	90.0%	73.0%	87.0%	62.0%	73.0%	84.0%	78.0%	72.0%
RR	87%	93%	87.0%	90.0%	90.0%	91.0%	90.0%	89.0%	88.0%	90.0%
AE	\$12,000	\$13,200	\$14,500	\$13,650	\$14,000	\$11,500	\$14,800	\$13,200	\$10,900	\$13,200
<b>YOUTH</b>										
PLACEMENT	65%	57%	57.0%	72.0%	67.0%	81.0%	65.0%	65.0%	75.0%	48.0%
ATTAINMENT	68%	70%	50.0%	47.0%	47.0%	70.0%	52.0%	54.0%	78.0%	58.0%
LITERACY	40%	74%	65.0%	52.0%	51.0%	48.0%	55.0%	48.0%	66.0%	59.0%

The EKOS serves as the state’s data collection system for reporting and performance accountability. EKOS has the functionality and capacity to collect and report WIA, Wagner-Peyser, Veterans, Trade, and related programs’ performance outcomes consistent with federal requirements as specified in TEGl 17-05 for Common Measures. The

Commonwealth tracks and reports services and activities by local workforce area, office site, partner/agency, and individual staff member.

The Commonwealth uses DART software application to produce the quarterly and annual reports for WIA and Wagner-Peyser. All report data is validated through US DOL approved software, DRVS.

The Commonwealth utilizes Crystal Reports as well as Business Objects (a product of SAP AG), which is a reporting application that allows staff to review participant information that has been entered into EKOS. EKOS is used by all LWIBs, OET, and several of the one-stop partners to create a transparent and integrated service delivery system.

This combination of a shared information system and custom reporting tools provides a means to monitor participant enrollment and the activities and services that are provided. Crystal Reports allows staff to obtain reports on a wide range of criteria, such as customers, services, providers, specific time periods, specific cohorts of participants (Adults, Dislocated Workers, Youth, Summer Youth, and Trade) registrants or exiters. It also allows staff to design reports based upon the elements and parameters they select.

- ii. Describe any targeted applicant groups, such as TANF recipients, Veterans, ex-offenders, and migrant and seasonal farm workers, under WIA title I, the Wagner-Peyser Act or Title 38 Chapters 41 and 42 (Veterans Employment and Training Programs) that the state tracks. (§§111(d)(2), 112(b)(3) and 136(b)(2)(C).)

The Commonwealth tracks targeted applicant groups required by DOL as part of its annual report. OET maintains an Internet accessible data warehouse called Crystal Reports that is available to any state and local staff who have secured access. It is used to access and provide reports on the information for targeted applicant groups including TANF recipients, veterans, ex-offenders, workers adversely affected by foreign trade and migrant and seasonal farm workers. This data warehouse can also be accessed using Business Objects software application. Numerous reports can be generated that track targeted populations based on services received, participant characteristics, co-enrollment and caseload management. The data is refreshed daily and reports allow staff to monitor program and participant activities for active as well as exited participants.

The Commonwealth closely monitors and analyzes the characteristics of its veterans' population to identify current and changing trends that may impact their re-employment service needs and the state's service plan.

- iii. Identify any performance outcomes or measures in addition to those prescribed by WIA and what process is the state using to track and report them.

Return on Investment (ROI) is a critical decision-making tool that maximizes the state's workforce, economic development and education investments. Given the range of stakeholders, it is critical that the ROI tools are developed with the input of these groups and with easy access to the latest available data presented in an understandable way, especially for industry partnerships, economic development, and local and state workforce officials. To accomplish this, KWIB will work closely with a former executive of Toyota Motor Manufacturing to adapt their private-sector model for performance measurement to analyze the impacts and outcomes of our

investment in talent development, and responsiveness to the needs of existing and sector-based targets.

The Toyota model looks at the overall vision of the organization and breaks it down into management areas, such as supply, demand and service delivery. We will also consider such areas as training and education, employer and economic development, and system simplification. These correspond to the state board's goals of alignment, simplification and a customer-centric system.

The KWIB System Performance Measures Committee developed the following as a starting point for the Commonwealth.

The KWIB's Strategic Vision is about supporting sustainable economic and job growth. The KWIB seeks to measure a culture change in the workforce system. The core values of the new culture are:

- continuous improvement
- entrepreneurial and innovative approaches, and
- problem-solver role

The committee proposes an accountability measurement system based on management areas, items to manage and key performance indicators (KPI) which serve as measurement tools for each item. The physical representation of this measurement will be a workforce scorecard providing a dashboard view of progress and performance.

## Workforce Score Card



Other performance outcomes are tracked and reported for the following programs other than WIA.

***Veterans Program***

The performance goals for Public Labor Exchange for Veterans are tracked as are performance goals for grant-based activities. These measures are reported on the 9002 and VETS200 federal reports.

***Veterans Performance Goals for Public Labor Exchange***

Veterans Entered Employment Rate following Staff-Assisted Services

Veterans Employment Retention Rate

Disabled Veteran Entered Employment Rate

Disabled Veteran Entered Employment Rate following Staff-Assisted Services

Disabled Veteran Employment Retention Rate

***Performance Goals for Grant Based Activities***

LVER Veteran Entered Employment Rate

LVER Veteran Entered Employment Rate following Staff-Assisted Services

LVER Veteran Employment Retention Rate

DVOP Veteran Entered Employment Rate

DVOP Veteran Entered Employment Rate following Staff-Assisted Services

DVOP Veteran Employment Retention Rate

DVOP Veteran Entered Employment Rate following receipt of Case Management

***Migrant Indicators of Compliance (MIC)***

Applicants identified as eligible for migrant status are tracked and reported on the federal Migrant Indicators of Compliance Report (MIC). The categories include:

- Migrant Farm Worker
- Migrant Food Processor
- Migrant Tech Worker
- Seasonal Farm Worker

The MIC Report compares services provided to migrant farm workers, seasonal farm workers, and migrant food processing workers (MSFW) to services for all non-MSFW job applicants. Report statistics measure the equality of service for migrant and non-migrant applicants.

***Trade Act Program***

Participants served under the Trade Act are tracked and reported on the Trade Act Participant Report (TAPR). The TAPR tracks program performance and participant outcomes and consists of records for current participants and those who have exited the program for five quarters after exit.

- iv. Describe the state's common data system and reporting processes in place to track progress. Describe what performance information will be collected from the various one-stop partners (beyond that required by DOL), use of quarterly wage records, and how the statewide system will have access to the information needed to continuously improve. (§112(b)(8)(B).)

As stated above, EKOS is the Commonwealth's common data collection system. Data is extracted from this system to prepare and submit all WIA quarterly and annual reports. In addition to EKOS, the Commonwealth uses Crystal Reports to provide reports requested by local boards and other state staff. The reporting tool is Internet accessible and requires security clearance to access the data. Performance staff also prepares reports and data sets for local boards' use and provide extensive performance measure analysis of the results for each quarterly and annual report.

EKOS interfaces with the Unemployment Insurance Wage Records. Wage data is brought into EKOS and stored in the data warehouse to use for reporting the Entered Employment Rate, Employment Retention Rate at six months and Average Earnings as required for WIA and Wagner-Peyser reporting. On a quarterly basis, the Commonwealth sends a file to Wage Record Interchange System (WRIS) of customer's social security numbers to request wages for those customers that are employed out-of-state. Although these wages are not loaded into EKOS for viewing purposes, the information can be utilized to track performance outcomes for all federal programs as well as other state and regional programs specific to the Commonwealth.

The statewide system will use this information to evaluate the effectiveness of the services to customers and employers, as well as the level of interaction among partners. Through a series of reports designed specifically to utilize this data, the Commonwealth can identify statewide and regional trends to make changes and improve the service delivery system.

- v. Describe any actions the governor and state board will take to ensure collaboration with key partners and continuous improvement of the statewide workforce investment system. (§§111(d)(2) and 112(b)(1).)

Through the following KWIB initiatives, the board will ensure collaboration with key partners and continuous improvement.

- Branding/Identity – comprehensive rebranding to address the architecture of the entire workforce system.
- One-Stop Certification – establishes a policy framework to serve as the baseline standards of a one-stop career center.
- National Career Readiness Certificate (NCRC) – increases communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development.
- Work Ready Communities – encourages the collaboration of elected officials, economic development agencies and educators in an effort to focus on improved competitiveness of the workforce.
- High Performing Workforce Boards – ensures the effectiveness of LWIBs and enhances the strategic nature of the boards.
- Partner for Success –establishes an Achieving Success Together team to identify common and complementary services and examine ways to increase efficiency and effectiveness by simplifying service delivery. The initiative is driven by employer and individual consumer vantage points.

- vi. How do the state and local boards evaluate performance? What corrective actions (including sanctions and technical assistance) will the state take if performance falls short

of expectations? How will the state and local boards use the review process to reinforce the strategic direction of the system? (§§111(d)(2), 112(b)(1), and 112(b)(3).)

The state performance unit supplies data to LWIBs quarterly to help them monitor their progress toward achieving their goals. The quarterly submittal and review allows LWIBs to identify areas of concern and initiate improvements.

OET will review and compare the local board's negotiated goals and performance quarterly to determine if targeted outcomes exceed or meet projected outcomes. The OET performance and technical assistance/monitoring team will review WIA quarterly reports to reduce the possibility of failure in any one measure and to monitor progress or decline.

If the actual outcome rate falls below the negotiated range, it will be essential that the rationale for the decline be compelling. The rationale must be related to one or more of the factors stated below.

- Changes in the local economy that may lead to lower levels of performance than what is suggested by the historical data. This may include the following economic factors:
    - local unemployment rate,
    - local industry employment growth rate, and
    - average area earnings.
  - The extent to which the proposed levels reflect or result from a decision to emphasize the provision of service to persons with significant barriers to employment. The following factors related to the employability of WIA clients may be considered:
    - pre-program earnings,
    - educational attainment, and
    - TANF recipient.
  - Changes in the program design that may lead to lower levels of performance than what is suggested by the historical data. The information may include the effect of the following factors:
    - percentage receiving job search assistance only,
    - UI profiles,
    - percentage receiving occupational skills training, and
    - percentage receiving objective assessment only.
- vii. Include a proposed level for each performance measure for each program year covered by the plan. While the plan is under review, the state will negotiate with the respective ETA Regional Administrator to set the appropriate levels for the applicable year. States must identify the performance indicators required under section 136, and, for each indicator, the state must develop an objective and quantifiable performance goal for each program year covered by the plan. States are encouraged to address how the performance goals for LWIAs and training providers will help them attain their statewide performance goals. (§§112(b)(3) and 136.)

<b>WIA</b>			
<b>Adult Measures</b>	<b>Negotiated PY11</b>	<b>Actual PY11</b>	<b>Negotiated PY12</b>
Entered Employment Rate	83.5%	82.8%	81.8%
Employment Retention Rate	86.0%	89.4%	90.7%
Avg. Six Months Earnings	\$11,200	\$16,197	\$15,500
<b>Dislocated Worker</b>			
Entered Employment Rate	84.0%	86.4%	86%
Employment Retention Rate	89.0%	91.3%	91.3%
Avg. Six Months Earnings	\$13,200	\$17,764	\$16,838
<b>Youth</b>			
Placement in Employment or Education	65.0%	68.1%	70%
Attainment of a Degree or Certificate	54.0%	68.8%	70%
Literacy and Numeracy Gains	48.0%	63.0%	61.9%
<b>Wagner-Peyser</b>			
Entered Employment Rate	60.0%	55%	55%
Employment Retention Rate	75.0%	80%	79%
Avg. Six Months Earnings	\$11,400	\$14,649	\$13,000

2. Has the state developed any common performance goals applicable to multiple programs? If so, describe the goals and how they were developed.

Other than US DOL common measures, the Commonwealth as not established any common performance goals applicable to multiple programs. However, as discussed in Section K.a.iii above, the Commonwealth is developing workforce system performance measures.

#### **L. Data Collection**

1. What processes does the state have in place to collect and validate data to track performance and hold providers/operators/sub-grantees accountable?

In answering the above question, if the Unified Plan includes:

- a. *WIA Title I and Wagner-Peyser Act and/or Veterans Programs*, describe the state’s common data system and reporting processes in place to track progress. Describe what data will be collected from the various one-stop partners (beyond that required by DOL), use of quarterly wage records, and how the statewide system will have access to the information needed to continuously improve. (§112(b)(8)(B).)

The Commonwealth’s EKOS system houses the data inputted from all workforce agencies with security access. The OET performance unit monitors the data to ensure accuracy. Reports are generated weekly, sometimes daily, and analyzed to ensure that the data in the system is validated and accurate. This system is in place for all programs, including WIA Title I and Wagner-Peyser Act and/or Veterans Programs.

2. What common data elements and reporting systems are in place to promote integration of Unified Plan activities?

The EKOS system can handle almost any type of program or activities. It also has the capability to be a state specific system in that custom tabs can be created for certain programs or activities where data can be captured that is not captured elsewhere. The Commonwealth is tracking the following programs under the Unified Plan in EKOS: WIA Title 1B, Wagner-Peyser, VETS and Trade.

The Commonwealth also has implemented Focus Suites that features a job seeker portal called Focus/Career, an employer portal called Focus/Talent and a staff portal called Focus/Assist. This system allows job seekers/employers to enter their information into a system regardless of the program they are seeking. For example, within the Focus/Career portal, job seekers can create and/or update their resume. Much of this information is transferred back to EKOS for reporting purposes.

**M. Corrective Action**

Describe the corrective actions the state will take for each program, as applicable, if performance does not meet expectations.

**Workforce Investment Act (Adult, Dislocated Worker and Youth):**

Program problems or areas for improvement may be discovered through regular work processes or through monitoring reviews by OET. As this occurs, corrective actions will be taken, such as developing or rewriting procedures, providing additional training or other appropriate actions.

OET will monitor the degree to which LWIBs meet the negotiated goals for the common measures as defined. Performance will be reviewed by OET performance staff throughout the program year. OET monitors will also conduct an on-site review of each local board at least once a year.

If performance does not meet expectations, the following corrective actions will be taken.

- OET will offer technical assistance and training targeted to correct problem areas and will encourage local boards to obtain additional assistance and training on their own, as appropriate.
- Corrective action plans will be required when necessary. The corrective action plan will address each goal that was not met and include measurable objectives for correcting deficiencies.
- If the local economy or other unexpected circumstances play a significant role in failure, the negotiated performance goal may be analyzed and possibly revised.

For programs that fail to meet performance expectations for two consecutive years, the governor may reorganize the LWIA or LWIB.

**Veterans Programs (LVER and DVOP):**

Agency staff members review quarterly reports to determine when corrective action is required in order to meet the performance standards negotiated with the Veterans Employment and Training Service (VETS). VETS monitors services to veterans periodically and requests corrective action when performance does not meet standards or when priority of service is not provided.

### **One-Stop Career Centers/Workforce System:**

Performance of the one-stop career centers and the system as a whole is monitored because a successful outcome is dependent on the services and efforts of more than one provider (or funding source).

### **Wagner-Peyser:**

Program problems or areas for improvement may be discovered through regular work processes or through reviews by OET performance management reports. As this occurs, corrective actions will be taken, such as developing or rewriting procedures and providing additional training. Local office staffing plans will also be evaluated based on customer demand and performance and revisions may be made as necessary for optimal performance.

Below is the OET process to address Common Measures performance issues (WIA, Trade, VETS, Wagner-Peyser)

- comply with WIA and Wagner-Peyser Sanction procedures,
- review and compare negotiated levels with actual performance quarterly to determine if outcomes exceed or meet,
- OET performance and technical assistance team reviews results to reduce the possibility of failure,
- determine if changes in local economy played a factor in failure,
- state level support staff assists when a barrier to meeting performance occurs,
- implement cross-training focused on best practices and performance improvement,
- development procedures and checklists to ensure data integrity, and
- implement quality control and use proper analysis data for continuous improvement and program design.

In answering the above question, if the Unified Plan includes:

#### *1. Unemployment Insurance,*

- a. Explain the reason(s) for the measurement areas in which the state's performance is deficient.

**First Payment Time Lapse:** Due to increased claim volume during the past approximately three years, an increase in the employment rate, use of incompatible computer systems and staffing inadequacies, the Commonwealth has exceeded the required time period for making first benefit payment from the date the claim was filed.

**Nonmonetary Determination Time Lapse:** Due to a lack of adequate staffing, the Commonwealth has been unable to meet this performance standard since 2010.

**Lower Authority Appeals Decision Time Lapse:** Due to the processing of a very large number of appeals creating a substantial backlog of cases, staffing inadequacy, difficulty in replacing and training staff, slowdowns due to proof reading issues and staff attendance issues, the Commonwealth has been unable to meet this performance standard since 2010.

**Higher Authority Appeals Decision Time Lapse:** Due to a large number of appeals received and additional time required for completing an appeal from a referee decision due to quality issues with referee decisions the Commonwealth was unable to meet this performance

standard in 2010.

**Documentation of National Directory of New Hires:** The Commonwealth has not been generating reports when a claimant is submitted to the directory for monitoring the required Benefit Accuracy measurement (BAM) timeframes.

**Monetary Denials Comparison Report:** The Commonwealth has not identified and corrected the monetary denials sample populations in order to comply with criteria for quality control.

**Data Validation:** The Commonwealth has not completely submitted and received “passes” of all populations for Benefits and Tax areas.

- b. Include a description of the actions/activities which will be undertaken to improve performance.

**First Payment Time Lapse:** The Commonwealth has added eight permanent employees in the disputed UI claims area. The computer systems have been modified and redesigned to better assist individuals claiming benefits. Programming code is constantly being developed to add functionality to improve the system. Claimants now have an additional seven days to complete their first payment request. A “Business Process Analysis” being performed by a consultant group is currently under way and will culminate in recommendations to improve first payment timeliness.

**Nonmonetary Determination Time Lapse:** Eight permanent employees have been added in the disputed UI claims area to address the increase in work load.

**Lower Authority Appeals Decision Time Lapse:** Additional permanent referees have been hired. Interim (9 month) referee appointments will be used to help reduce the backlog of cases. Additional training has been implemented to improve writing quality and efficiency.

**Higher Authority Appeals Decision Time Lapse:** The 40-day average case age standard was met for the majority of 2011. Additional training has been implemented to improve writing quality and efficiency.

**Documentation of National Directory of New Hires:** The Commonwealth has completed the reports documenting the National Directory of New Hires match against BAM samples. The reports will be completed annually.

**Monetary Denials Comparison Report:** The Commonwealth has now complied with the criteria for Quality Control through identification and correction of the monetary denials sample population.

**Data Validation:** The Commonwealth submitted for data validation all outstanding populations for Benefits and Tax. Benefits populations 3, 3a, 4, and 6 were submitted. Module 4 for TPS status determinations and BTQ nonmonetary determinations were submitted. Benefits populations 12, 13, 14 were submitted. Benefits populations 1, 8, and 9 were resubmitted with current data. All other Benefits and Tax populations were

previously submitted and passed.

- c. If a Corrective Action Plan was in place the previous fiscal year, provide an explanation of why the actions contained in that plan were not successful in improving performance, and an explanation of why the actions now specified will be more successful.

**First Payment Time Lapse:** The corrective action plan has resulted in improvement by decreasing the number of days in this measurement for some quarters but has yet to yield consistent improvement over multiple quarters. The division purchased a new system that will allow for more efficiency in writing and mailing determinations and will eventually result in removing the function from the mainframe. This will allow for the ability to customize the decisions more efficiently and facilitate mailing the decisions to the customers.

**Nonmonetary Determination Time Lapse:** The corrective action plan adding eight permanent employees has resulted in improvement but has yet to yield consistent improvement over multiple quarters. Increased efforts will be made to improve performance in this area.

**Lower Authority Appeals Decision Time Lapse:** The corrective action plan has resulted in improvement by decreasing the number of days in this measurement for some quarters but has yet to yield consistent improvement over multiple quarters. There has been steady improvement in all measurements but the average case age has not been reduced to the acceptable level of 30 days or less for the average age of the cases on appeal.

**Higher Authority Appeals Decision Time Lapse:** The corrective action plan has resulted in improvement by decreasing the number of days in this measurement for most quarters and there has been consistent improvement over multiple quarters. It is likely the improvement will continue.

**Documentation of National Directory of New Hires:** This measurement has been met and the Commonwealth will continue to complete the required reports annually. The Commonwealth currently is working with On Point to create a system to document “no hits” when compared to the directory. An internally created spreadsheet is currently being used, but it is not deemed the best practice by the Department of Labor.

**Monetary Denials:** The Commonwealth is now seeking verification of its compliance and is working toward meeting annual requirements.

**Data Validation:** The corrective action plan resulted in the Commonwealth submitting all required information. All Benefit and Tax populations have now been submitted. It is likely that all will be passed as acceptable. The Commonwealth will continue to submit all data timely.

- d. Describe plans for monitoring and assessing accomplishments of planned actions and for controlling quality after achieving performance goals.

**First Payment Time Lapse:** Department of Labor 9050 Report (UIB RJ 1 / 2).

**Nonmonetary Determination Time Lapse:** Department of Labor 9052 Report (UIB RVB).

**Lower Authority Appeals Decision Time Lapse:** Department of Labor 9052 Report.

**Higher Authority Appeals Time Lapse:** Department of Labor 9052 Report.

**Documentation of National Directory of New Hires:** The Division of Unemployment Insurance created a spreadsheet for comparison with the directory.

**Monetary Denials:** The Commonwealth uses a program on its mainframe to pull sample weeks for quality control reviews.

**Data Validation:** The Commonwealth uses the “Sun System” from the Department of Labor website to compare data to verify and validate the data.

## **N. Waiver and Work-Flex Requests**

Will the state be requesting waivers as a part of this Unified Plan?

In answering this question, the following waiver provisions apply if the Unified Plan includes:

1. *WIA Title I and Wagner-Peyser Act:* States wanting to request waivers as part of their Unified Plan submission must attach a waiver plan, as required by 20 CFR 661.420(c), that includes the following information for each waiver requested:

- Statutory and/or regulatory requirements for which a waiver is requested.
- A description of the actions the state or local area has undertaken to remove state or local statutory or regulatory barriers.
- A description of the goals of the waiver, how those goals relate to Unified Plan goals, and expected programmatic outcomes if the waiver is granted.
- A description of individuals impacted by the waiver.
- A description of the processes used to monitor implementation, provide notice to any LWIB affected by the waiver, provide affected LWIBs an opportunity to comment on the waiver request, and ensure meaningful public comment, including comment from business and labor.

The Commonwealth requests the continuance of the following previously approved waivers. (See Attachment H – Full Waiver Plans)

### **1. Waiver of WIA Section 133(b)(4) and WIA Regulations §667.140 to increase the allowable transfer amount between adult and dislocated worker funding streams allocated to a local area.**

Local boards have the option to continue to transfer up to 50 percent of a program year allocation for adult employment and training activities and up to 50 percent of a program year allocation for dislocated worker employment and training activities between the two programs.

The waiver will provide LWIBs the continued ability to better respond to changes in the economic environment and the local labor market. The only programmatic impact will be the flexibility to channel resources to the population with the greatest need at that time.

- 2. Waiver of WIA Section 133(b)(2)(B) to be expended on incumbent worker training activities pursuant to the rules adherent to statewide activities described by WIA Section 134(a)(3).** These funds will be connected to layoff aversion activities.

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, the Commonwealth can strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting the Commonwealth's goals related to layoff aversion, skill enhancement and business services.

- 3. Waiver of WIA Section 134(a)(1)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.330 to permit a portion of the funds reserved for rapid response activities to be used for incumbent worker training.** Allow up to 20 percent of Rapid Response funds to be shifted, as needed, to LWIAs for the purpose of providing incumbent worker training.

This waiver promotes maximum investment of available funds as well as increases levels of service. It focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promoting flexibility of LWIAs to further expand incumbent worker activities.

- 4. Waiver of 20CFR 666 and 667.300(a) to reduce the collection of participant data for incumbent workers.** Permit the Commonwealth to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). Under the waiver, the Commonwealth will continue to collect and report information on incumbent workers trained with local WIA dislocated worker funds and rapid response funds awarded to local areas for layoff aversion, in the WIASRD Section II, Program Activities and Services Information, and Section III, Program Outcomes Information, to account for the use of funds.

The goal of this waiver is to minimize the data capture requirements impacting skills upgrade training programs through incumbent worker training so that employers are not unnecessarily burdened with federal data collection requirements that do not provide relevant program information. The goal is to simplify the process of serving businesses and industries and incumbent workers. Expected program outcomes include allowing local area flexibility to offer incumbent worker services and enhancing services to businesses along with increasing flexibility to engage and work with businesses in improving skills of the employer's workforce. Additionally, eliminating the requirement to capture information that does not impact program outcome, will allow local areas to assist employers in averting layoffs and improve employer customer satisfaction.

- 5. Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training (OJT).** WIA would reimburse up to 90 percent to employers with 50 or fewer employees and up to 75 percent of the costs for employers with 51-250

employees. Businesses with more than 250 employees would be reimbursed at the 50 percent rate.

Employers, WIA customers and job seekers will be positively affected through this waiver. The Commonwealth's smaller employers will benefit due to the increased reimbursement rate. The time the employer has to devote to the OJT employee will make them more valuable to present and future employers. As more employers are able to access OJT training, it will provide training to more adults and dislocated workers eligible for services under WIA.

6. **Waiver of the required 50 percent employer contribution for customized training at WIA Section 101(8)(C).** Through this waiver, the employer match would range from a minimum of 10 percent to a maximum of 50 percent, based on the employer's size. Specifically, the Commonwealth shall establish the required portion of the costs, which shall not be less than 10 percent of the costs for employers with 50 or fewer employees and not less than 25 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees would be charged the 50 percent rate.

The proposed sliding scale for the employer contribution will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small-employer budget. Local areas will be able to more effectively market WIA-funded customized training services to the private sector in support of building relationships with employers in high-demand, high-growth industries.

7. **Waiver to permit the Commonwealth to replace the performance measures at WIA Section 136(b) with the common measures.** The waiver facilitates system integration and streamlines the reporting process across partner programs.
8. **Waiver of the prohibition at 20CFR 664.510 on the use of Individual Training Accounts (ITAs) for Older Youth program participants.** The waiver allows for continued flexibility in using youth funds to provide training services to youth, while retaining the limited adult funds to be used for adult training services. The waiver has increased efficiency and customer choice for older youth. Additionally, the waiver has enhanced the efficiency and ease in tracking of funds for each funding stream.
9. **Waiver of the provision at 20 CFR 663.530 that prescribes a time limit on the period of initial eligibility for training providers.** The waiver has allowed training providers to offer continuous, uninterrupted service to WIA customers. WIA customers continue to have the ability to choose their training providers and access training services in their local areas with the highest degree of informed customer choice possible.
10. **Waiver of the requirements of WIA Section 134(a) (2) (B) (iii) and 20 CFR 665.200(e) relating to the provision of incentive grants to LWIAs.** In Program Year 2011, Congress decreased the amount of funding for statewide activities from 15 percent to 5 percent. This reduction restricts the Commonwealth's ability to effectively fund and carry out all required statewide WIA activities and currently identified statewide innovative projects. The current unobligated funding level in the governor's reserve is insufficient to cover the cost of incentive grants to workforce areas.

### **Part III. Certifications and Assurances**

The following certifications and assurances apply to the extent that the programs and activities are included in the State Unified Plan.

#### **A. General Certifications and Assurances**

By signing the Unified Plan signature page, you are certifying that:

1. The methods used for joint planning and coordination of the programs and activities included in the Unified Plan included an opportunity for the entities responsible for planning or administering such programs and activities to review and comment on all portions of the Unified Plan. (WIA, §501(c)(3)(B).)

If you submit the Unified Plan by posting it on an Internet Web site, you are certifying that:

2. The content of the submitted Plan will not be changed after it is submitted. Plan modifications must be approved by the reviewing state agency. It is the responsibility of the designated agency to circulate the modifications among the other agencies that may be affected by the changes.

#### **B. Non-construction Programs**

By signing the Unified Plan signature page, you are certifying that the grantee has filed the Government-wide standard assurances for non-construction programs (SF 424). States can print SF 424 from <http://ocfo.ed.gov/grntinfo/appforms.htm>.

#### **C. EDGAR Certifications**

You must include the following certifications for each of the state agencies that administer one of these programs: Adult Education and Literacy or Vocational Rehabilitation. A state may satisfy the EDGAR requirement by having all responsible state agency officials sign a single set of EDGAR certifications.

By signing the Unified Plan signature page, you are certifying that:

1. The plan is submitted by the state agency that is eligible to submit the Plan. [34 CFR 76.104(a)(1).]
2. The state agency has authority under state law to perform the functions of the state under the program. [34 CFR 76.104(a)(2)]
3. The state legally may carry out each provision of the Plan. [34 CFR 76.104(a)(3)]
4. All provisions of the Plan are consistent with State law. [34 CFR 76.104(a)(4)]
5. A state officer, specified by title in the certification, has authority under state law to receive, hold, and disburse Federal funds made available under the Plan. [34 CFR 76.104(a)(5)]
6. The state officer who submits the plan, specified by title in the certification, has authority to submit the Plan. [34 CFR 76.104(a)(6)]
7. The agency that submits the plan has adopted or otherwise formally approved the plan. [34 CFR 76.104(a)(7)]
8. The plan is the basis for state operation and administration of the program. [34 CFR 76.104(a)(8)]
9. A copy of the State Plan was submitted into the State Intergovernmental Review Process. [Executive Order 12372]

#### **D. Debarment, Drug-Free Work Place, and Lobbying Certification**

By signing the Unified Plan signature page, you are certifying that the Department of Education grantee has filed ED 80-0013. This form also applies to AEFLA and RSA. States can print ED 80-0013 from <http://ocfo.ed.gov/grntinfo/appforms.htm>.

## **E. WIA Title I/Wagner-Peyser Act/Veterans Programs**

By signing the Unified Plan signature page, you are certifying that:

1. The state assures that it will establish, in accordance with section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the state through the allotments made under sections 127 and 132. (§112(b)(11).)
2. The state assures that it will comply with section 184(a)(6), which requires the governor to, every two years, certify to the Secretary, that -
  - a. the state has implemented the uniform administrative requirements referred to in section 184(a)(3);
  - b. the state has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under section 184(a)(4); and
  - c. the state has taken appropriate action to secure compliance pursuant to section 184(a)(5). (§184(a)(6).)
3. The state assures that the Adult and Youth funds received under the Workforce Investment Act will be distributed equitably throughout the state, and that no local areas will suffer significant shifts in funding from year to year during the period covered by this Plan. (§112(b)(12)(B).)
4. The state assures that veterans will be afforded employment and training activities authorized in section 134 of the Workforce Investment Act, and the activities authorized in chapters 41 and 42 of Title 38 US code. The state assures that it will comply with the veterans priority established in the Jobs for Veterans Act. (38 USC 4215.)
5. The state assures that the governor shall, once every two years, certify one local board for each local area in the state. (§117(c)(2).)
6. The state assures that it will comply with the confidentiality requirements of section 136(f)(3).
7. The state assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing. (§181(b)(7).)
8. The state assures that it will comply with the nondiscrimination provisions of section 188, including an assurance that a Methods of Administration has been developed and implemented. (§188.).
9. The state assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of section 188. (§185.).
10. The state certifies that the Wagner-Peyser Act Plan, which is part of this document, has been certified by the State Employment Security Administrator.
11. The state certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U.S.C. Chapter 41 and 20 CFR part 1001.
12. The state certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees in accordance with Department of Labor regulations.
13. The state assures that it will comply with the MSFW significant office requirements in accordance with 20 CFR part 653.
14. The state certifies it has developed this plan in consultation with local elected officials, local workforce boards, the business community, labor organizations and other partners.
15. The state assures that funds will be spent in accordance with the Workforce Investment Act and the Wagner-Peyser Act and their regulations, written Department of Labor guidance implementing these laws, and all other applicable Federal and state laws.
16. The state ensures compliance with the uniform administrative requirements in WIA through annual, onsite monitoring of each local area.

17. As a condition to the award of financial assistance from the Department of Labor under Title I of WIA, the grant applicant assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:
- a. Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA title I--financially assisted program or activity;
  - b. Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the bases of race, color and national origin;
  - c. Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;
  - d. The Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; and
  - e. Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs.
  - f. The grant applicant also assures that it will comply with 29 CFR part 37 and all other regulations implementing the laws listed above. This assurance applies to the grant applicant's operation of the WIA title I-financially assisted program or activity, and to all agreements the grant applicant makes to carry out the WIA title I-financially assisted program or activity. The grant applicant understands that the United States has the right to seek judicial enforcement of this assurance.
18. The state afforded the State Monitor Advocate an opportunity to approve and comment on the Agricultural Outreach Plan. The state solicited information and suggestions from WIA 167 National Farm worker Jobs Program grantees, other appropriate MSFW groups, public agencies, agricultural employer organizations, and other interested organizations. At least 45 days before submitting its final outreach, the state provided a proposed plan to the organizations listed above and allowed at least 30 days for review and comment. The state considered any comments received in formulating its final proposed plan, informed all commenting parties in writing whether their comments have been incorporated and, if not, the reasons therefore, and included the comments and recommendations received and its responses with the submission of the plan. (WIA Sections 112(b)(9), 111(g), 20 CFR 661.207, 20CFR661.220(d), 20 CFR 653.107 (d), 20 CFR 653.108(f))

#### **F. Unemployment Insurance (UI)**

By signing the Unified Plan/State Quality Services Plan (SQSP) Signature Page, the state administrator is certifying that the state will comply with the following assurances, and that the state will institute plans or measures to comply with the following requirements. The assurances are identified and explained below:

- A. Assurance of Equal Opportunity (EO). As a condition to the award of financial assistance from ETA, the state must assure that the operation of its program, and all agreements or arrangements to carry out the programs for which assistance is awarded, will comply with the

following laws:

- Title VI of the Civil Rights Act of 1964, as amended;
- Sections 504 and 508(f) of the Rehabilitation Act of 1973, as amended;
- Age Discrimination Act (ADA) of 1975, as amended,
- Section 188 of the Workforce Investment Act; and
- Title IX of the Education Amendments of 1972, as amended

Further, the state must assure that it will establish and adhere to Methods of Administration that give a reasonable guarantee of compliance with the above equal opportunity and nondiscrimination laws and regulations regarding the program services it provides and in its employment practices. These Methods of Administration must, at a minimum, include the following:

1. Designation of an Equal Opportunity Officer. The state must designate a senior-level individual to coordinate its EO responsibilities. The person designated must report to the top official on equal opportunity and nondiscrimination matters and be assigned sufficient staff and resources to ensure the capability to fulfill the agency's equal opportunity and nondiscrimination obligations.
2. Equal Opportunity Notice and Communication. The state must take affirmative steps to prominently display the *Equal Opportunity is the Law* poster in all of its facilities and inform applicants for programs, participants, applicants for employment, and employees:
  - a. that the state does not discriminate in admission, access, treatment, or employment;
  - and
  - b. of their right to file a complaint and how to do so.

Other than the *Equal Opportunity is the Law* poster, methods of notification of this information may include placement of notices in offices and publication of notices in newsletters, newspapers, or magazines.

3. Assurances. The state must develop and implement procedures for transferring nondiscrimination and EO obligations in sub-contracts and sub-agreements.
4. Universal Access. The state must take appropriate steps to ensure that they are providing universal access to their programs. These steps should include reasonable efforts to include members of both sexes, various racial and ethnic groups, individuals with disabilities and individuals in differing age groups.
5. Compliance with Section 504. The state must take the necessary measures to ensure access to its programs and facilities for persons with disabilities, as well as make certain communication with persons with disabilities is as effective as that with others.
6. Data Collection and Recordkeeping. The state must collect such data and maintain such records in accordance with procedures prescribed by the Director of the U.S. Department of Labor's Civil Rights Center. These characteristics data (e.g., race, sex, national origin, age, disability) are utilized to determine whether the state and its local office are in compliance with Federal nondiscrimination and equal opportunity statutes and regulations.
7. Monitoring. The state must establish a system for periodically monitoring the delivery of program services for compliance.

8. Discrimination Complaint Procedures. The state must develop and follow procedures for handling complaints of discrimination covering all of the regulations applicable to it as a recipient of Federal financial assistance.
  9. Corrective Actions and Sanctions. The state must establish procedures for taking prompt corrective action regarding any noncompliance finding relating to the administration, management, and operation of its programs and activities.
- B. Assurance of Administrative Requirements and Allowable Cost Standards. The state must comply with administrative requirements and cost principles applicable to grants and cooperative agreements as specified in 20 CFR Part 601 (Administrative Procedure), 29 CFR Part 93 (Lobbying Prohibitions), 29 CFR Part 96 and Part 99 (Audit Requirements), 29 CFR Part 97 (Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local Governments), and OMB Circular A-87 (Revised), 2 CFR 225, (Cost Principles for state, local, and Indian tribal governments), and with administrative requirements for debarment and suspension applicable to sub-grants or contracts as specified in 29 CFR Part 98 (Debarment and Suspension). The state assures that state staff will attend mandatory meetings and training sessions, or return unused funds.

States that have sub awards to organizations covered by audit requirements of 29 CFR Part 99 (Audit of states, local governments, and non-profit organizations) must (1) ensure that such sub recipients meet the requirements of that circular, as applicable, and (2) resolve audit findings, if any, resulting from such audits, relating to the UI program.

The state also assures that it will comply with the following specific administrative requirements:

1. Administrative Requirements.

- a. Program Income. Program income is defined in 29 CFR 97.25 as gross income received by a grantee or sub grantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. States may deduct costs incidental to the generation of UI program income from gross income to determine net UI program income. UI program income shall be added to the funds committed to the grant by ETA. The program income must be used only as necessary for the proper and efficient administration of the UI program. Any rental income or user fees obtained from real property or equipment acquired with grant funds from prior awards shall be treated as program income under this grant.
- b. Budget Changes. Except as specified by terms of the specific grant award, ETA, in accordance with the regulations, waives the requirements in 29 CFR 97.30(c)(1)(ii) that states obtain prior written approval for certain types of budget changes.
- c. Real Property Acquired with Reed Act Funds. The requirements for real property acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, dated September 12, 1997, 29 CFR 97.31 to the extent amortized with UI grants; and in TEGL 7-04, Issues Related to Real Property Used for ETA Program Purposes.
- d. Equipment Acquired with Reed Act Funds. The requirements for equipment acquired with Reed Act or other non-Federal funds and amortized with UI grants are in UIPL 39-97, and UIPL 39-97 Changes 1 and 2, and in 29 CFR 97.31, to the extent amortized with UI grants.
- e. Real Property, Equipment, and Supplies.
  - 1) Real property, equipment, and supplies acquired under prior awards are transferred to

- this award and are subject to the relevant regulations at 29 CFR Part 97.
- 2) For computer systems and all associated components which were installed in states for the purpose of Regular Reports, Benefits Accuracy Measurement, and other UI Activities, the requirements of 29 CFR Part 97 apply. The National Office reserves the right to transfer title and issue disposition instructions in accordance with paragraph (g) of Federal regulations at 29 CFR 97.32. States also will certify an inventory list of system components which will be distributed annually by ETA.
2. Exceptions and Expansions to Cost Principles. The following exceptions or expansions to the cost principles of OMB Circular No. A-87 (Revised) are applicable to states:
- a. Employee Fringe Benefits. As an exception to OMB Circular A-87 (Revised) with respect to personnel benefit costs incurred on behalf of state employees who are members of fringe benefit plans which do not meet the requirements of OMB Circular No. A-87 (Revised), Attachment B, item 8, the costs of employer contributions or expenses incurred for state fringe benefit plans are allowable, provided that:
    - 1) For retirement plans, all covered employees joined the plan before October 1, 1983; the plan is authorized by state law; the plan was previously approved by the Secretary; the plan is insured by a private insurance carrier which is licensed to operate this type of plan in the applicable state; and any dividends or similar credits because of participation in the plan are credited against the next premium falling due under the contract.
    - 2) For all state fringe benefit plans other than retirement plans, if the Secretary granted a time extension after October 1, 1983, to the existing approval of such a plan, costs of the plan are allowable until such time as the plan is comparable in cost and benefits to fringe benefit plans available to other similarly employed state employees. At such time as the cost and benefits of an approved fringe benefit plan are equivalent to the cost and benefits of plans available to other similarly employed state employees, the time extension will cease and the cited requirements of OMB Circular A-87 (Revised) will apply.
    - 3) For retirement plans and all other fringe benefit plans covered in (1) and (2) of this paragraph, any additional costs resulting from improvements to the plans made after October 1, 1983, are not chargeable to UI grant funds.
  - b. UI Claimant's Court Appeals Costs. To the extent authorized by state law, funds may be expended for reasonable counsel fees and necessary court costs, as fixed by the court, incurred by the claimant on appeals to the courts in the following cases:
    - 1) Any court appeal from an administrative or judicial decision favorable in whole or in part for the claimant;
    - 2) Any court appeal by a claimant from a decision which reverses a prior decision in his/her favor;
    - 3) Any court appeal by a claimant from a decision denying or reducing benefits awarded under a prior administrative or judicial decision;
    - 4) Any court appeal as a result of which the claimant is awarded benefits;
    - 5) Any court appeal by a claimant from a decision by a tribunal, board of review, or court which was not unanimous;
    - 6) Any court appeal by a claimant where the court finds that a reasonable basis exists for the appeal.
  - c. Reed Act. Payment from the state's UI grant allocations, made into a state's account in the Unemployment Trust Fund for the purpose of reducing charges against Reed Act funds (section 903(c)(2) of the Social Security Act, as amended (42 U.S.C. 1103(c)(2)), are allowable costs provided that:

- 1) The charges against Reed Act funds were for amounts appropriated, obligated, and expended for the acquisition of automatic data processing installations or for the acquisition or major renovation of state-owned buildings, but not land;
  - 2) With respect to each acquisition or improvement of property, the payments are accounted for as credit against equivalent amounts of Reed Act funds previously withdrawn under the respective appropriation.
- d. Prior Approval of Equipment Purchases. As provided for in OMB Circular No. A-87 (Revised), Attachment B, item 15, the requirement that grant recipients obtain prior approval from the Federal grantor agency for all purchases of equipment (as defined in 29 CFR 97.3) is waived and approval authority is delegated to the state administrator.
- e. Federal Cash Transaction Report. The state is exempt from submission of the SF 272, Federal Transactions Report, and the SF 272A, Continuation Sheet, per 29 CFR 97.41 (c) discretion.

C. Assurance of Management Systems, Reporting, and Record Keeping.

The state assures that:

1. Financial systems provide fiscal control and accounting procedures sufficient to permit timely preparation of required reports, and the tracing of funds to a level of expenditure adequate to establish that funds have not been expended improperly (29 CFR 97.20).
2. The financial management system and the program information system provide Federally-required reports and records that are uniform in definition, accessible to authorized Federal and state staff, and verifiable for monitoring, reporting, audit, and evaluation purposes.
3. It will submit reports to ETA as required in instructions issued by ETA and in the format ETA prescribes.
4. It will retain all financial and programmatic records, supporting documents, and other required records at least three years as specified in 29 CFR 97.42(b).
5. The financial management system provides for methods to insure compliance with the requirements applicable to procurement and grants as specified in 29 CFR Part 98 (Debarment and Suspension), and for obtaining the required certifications under 29 CFR 98.510(b) regarding debarment, suspension, ineligibility, and voluntary exclusions for lower tier covered transactions.

D. Assurance of Program Quality. The state assures that it will administer the UI program in a manner that ensures proper and efficient administration. "Proper and efficient administration" includes performance measured by ETA through Core measures, Management Information measures, program reviews, and the administration of the UI BAM, BTQ, Data Validation (DV), and TPS program requirements.

E. Assurance on Use of Unobligated Funds. The state assures that non-automation funds will be obligated by December 31 of the following fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Automation funds must be obligated by the end of the 3<sup>rd</sup> fiscal year, and liquidated within 90 days thereafter. ETA may extend the liquidation date upon written request. Failure to comply with this assurance may result in disallowed costs from audits or review findings.

*Note. Travel costs for state agency personnel are considered obligated when the travel is actually performed.*

F. Assurance of Prohibition of Lobbying Costs (29 CFR Part 93). The state assures and certifies that, in accordance with the DOL Appropriations Act, no UI grant funds will be used to pay salaries or expenses related to any activity designed to influence legislation or appropriations pending before the Congress of the United States.

- G. Drug-Free Workplace (29 CFR Part 98). The state assures and certifies that it will comply with the requirements at this part. (29 CFR Part 93)
- H. Assurance of Disaster Recovery Capability. The state assures that it will maintain a Disaster Recovery plan.
- I. Assurance of Conformity and Compliance. The state assures that the state law will conform to, and its administrative practice will substantially comply with, all Federal UI law requirements, and that it will adhere to DOL directives.
- J. Assurance of Automated Information Systems Security. The state assures that its automated information systems have security protections commensurate with the risk and magnitude of harm.
- K. Assurance of Confidentiality. The state will keep confidential any business information, as defined at 29 CFR 90.33 and any successor provision(s), it obtains or receives in the course of administering the Trade Adjustment Assistance or Alternative Trade Adjustment Assistance programs under this Agreement. The state shall not disclose such information to any person, organization, or other entity except as authorized by applicable state and Federal laws.

**M. OMB Burden Statement**

These reporting instructions have been approved under the Paperwork Reduction Act of 1995. Persons are not required to respond to this collection of information unless it displays a valid OMB control number. Public reporting burden for this collection of information includes the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Submission is required by the Workforce Investment Act section 112(a). Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the U.S. Department of Labor, Office of Workforce Investment, Room S-4231, 200 Constitution Ave., NW, Washington, DC, 20210.

## Attachment A –Checklist, Contacts and Signatures

### 1. Unified Plan Activities and Programs Checklist

Under section 501 of the Workforce Investment Act, the following activities or programs may be included in a state's Unified Plan. From the list below, please place a check beside the programs and activities the state is including in this Unified Plan.

The State Unified Plan shall cover one or more of the following programs and activities:

- a. Secondary vocational education programs (Perkins IV/Secondary). Note that inclusion of this program requires prior approval of state legislature. (Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.))
- b. Postsecondary vocational education programs (Perkins IV/Postsecondary). Note that for the purposes of what the State Unified Plan shall cover, Perkins IV/Secondary and Perkins IV/Postsecondary count as one program. (Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.))
- c. Activities authorized under title I, Workforce Investment Systems (Workforce Investment Activities for Adults, Dislocated Workers and Youth, or WIA title I, and the Wagner-Peyser Act) (Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.))
- d. Activities authorized under title II, Adult Education and Family Literacy (Adult Education and Family Literacy Programs) (Workforce Investment Act of 1998 (20 U.S.C. 9201 et seq.))

The State Unified Plan may cover one or more of the following programs and activities:

- a. Supplemental Nutrition Assistance Program, or SNAP (7 U.S.C. 2015(d))
- b. Activities authorized under chapter 2 of title II of the Trade Act of 1974 (Trade Act Programs) (19 U.S.C. 2271 et seq.)
- c. Programs authorized under Part B of title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 of such Act (29 U.S.C. 732) (Vocational Rehabilitation)
- d. Activities authorized under chapters 41 & 42 of Title 38, USC, and 20 CFR 1001 and 1005 (Veterans Programs, including Veterans Employment, Disabled Veterans' Outreach Program, and Local Veterans' Employment Representative Program)
- e. Programs authorized under state unemployment compensation laws (Unemployment Insurance) (in accordance with applicable Federal law which is authorized under title III, title IX and Title XII of the Social Security Act and the Federal Unemployment Tax Act)
- f. Programs authorized under part A of title IV of the Social Security Act (Temporary Assistance for Needy Families (TANF)).
- g. Programs authorized under title V of the Older Americans Act of 1965 (Senior Community Service Employment Program (SCSEP).) (42 U.S.C. 3056 et seq.)
- h. Training activities funded by the Department of Housing and Urban Development under the Community Development Block Grants (CDBG) and Public Housing Programs). Note that programs funded by the CDBG and Public Housing programs can only be included in the State Unified Plan if the state is the funds recipient, and approval of the Unified Plan will not trigger funding for these programs.
- i. Community Development Block Grants
- j. Public Housing
- k. Programs authorized under the Community Services Block Grant Act (Community Services Block Grant, or CSBG) (42 U.S.C. 9901 et seq.)

## 2. Contact Information

Please complete one copy for EACH of the separate activities and programs included in the State Unified Plan.

Program: WIA Title I

State Name for Program/Activity: WIA Title I

Name of Grant Recipient Agency for Program/Activity: Education & Workforce Development Cabinet

Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601

Telephone Number: 502-564-0372

Facsimile Number: 502-564-0651

E-mail Address: Beth.Brinly@ky.gov

Name of State Administrative Agency (if different from the Grant Recipient):

Office of Employment & Training

Address: 275 East Main Street, Frankfort, KY 40621

Telephone Number: 502-564-5331

Facsimile Number: 502-564-7452

E-mail Address: Beth.Brinly@ky.gov

Name of Signatory Official: Joseph U. Meyer, Secretary

Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601

Telephone Number: 502-564-0372

Facsimile Number: 502-564-0651

E-mail Address: JoeU.Meyer@ky.gov

Name of Liaison: Linda A. Prewitt

Address: 275 East Main St., 2-WA, Frankfort, KY 40621

Telephone Number: 502-564-7456

Facsimile Number: 502-564-7459

E-mail Address: LindaA.Prewitt@ky.gov

**2a. Contact Information**

Please complete one copy for EACH of the separate activities and programs included in the State Unified Plan.

Program: Trade Act  
State Name for Program/Activity: Trade Act

Name of Grant Recipient Agency for Program/Activity: Education & Workforce Development Cabinet  
Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601  
Telephone Number: 502-564-0372  
Facsimile Number: 502-564-0651  
E-mail Address: Beth.Brinly@ky.gov

Name of State Administrative Agency (if different from the Grant Recipient):  
Office of Employment & Training  
Address: 275 East Main Street, Frankfort, KY 40621  
Telephone Number: 502-564-5331  
Facsimile Number: 502-564-7452  
E-mail Address: Beth.Brinly@ky.gov

Name of Signatory Official: Joseph U. Meyer, Secretary  
Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601  
Telephone Number: 502-564-0372  
Facsimile Number: 502-564-0651  
E-mail Address: JoeU.Meyer@ky.gov

Name of Liaison: Linda A. Prewitt  
Address: 275 East Main St., 2-WA, Frankfort, KY 40621  
Telephone Number: 502-564-7456  
Facsimile Number: 502-564-7459  
E-mail Address: LindaA.Prewitt@ky.gov

**2c. Contact Information**

Please complete one copy for EACH of the separate activities and programs included in the State Unified Plan.

Program: Veterans Programs

State Name for Program/Activity: Veterans Programs

Name of Grant Recipient Agency for Program/Activity: Education & Workforce Development Cabinet

Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601

Telephone Number: 502-564-0372

Facsimile Number: 502-564-0651

E-mail Address: Beth.Brinly@ky.gov

Name of State Administrative Agency (if different from the Grant Recipient):

Office of Employment & Training

Address: 275 East Main Street, Frankfort, KY 40621

Telephone Number: 502-564-5331

Facsimile Number: 502-564-7452

E-mail Address: Beth.Brinly@ky.gov

Name of Signatory Official: Joseph U. Meyer, Secretary

Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601

Telephone Number: 502-564-0372

Facsimile Number: 502-564-0651

E-mail Address: JoeU.Meyer@ky.gov

Name of Liaison: Linda Burton

Address: 275 East Main St., 2-WA, Frankfort, KY 40621

Telephone Number: 502-564-7456

Facsimile Number: 502-564-7459

E-mail Address: Linda.Burton@ky.gov

**2d. Contact Information**

Please complete one copy for EACH of the separate activities and programs included in the State Unified Plan.

Program: Unemployment Insurance  
State Name for Program/Activity: Unemployment Insurance

Name of Grant Recipient Agency for Program/Activity: Education & Workforce Development Cabinet

Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601

Telephone Number: 502-564-0372

Facsimile Number: 502-564-0651

E-mail Address: Beth.Brinly@ky.gov

Name of State Administrative Agency (if different from the Grant Recipient):

Office of Employment & Training

Address: 275 East Main Street, Frankfort, KY 40621

Telephone Number: 502-564-5331

Facsimile Number: 502-564-7452

E-mail Address: Beth.Brinly@ky.gov

Name of Signatory Official: Joseph U. Meyer, Secretary

Address: 500 Mero Street, CPT, 3<sup>rd</sup> Floor, Frankfort, KY 40601

Telephone Number: 502-564-0372

Facsimile Number: 502-564-0651

E-mail Address: JoeU.Meyer@ky.gov

Name of Liaison: Dustin Adams

Address: 275 East Main St., Frankfort, KY 40621

Telephone Number: 502-564-2900

Facsimile Number: 502-564-5502

E-mail Address: Dustin.Adams1@ky.gov

**3. Plan Signature(s)**

*Governor (if applicable)*

As the Governor, I certify that for the State/Commonwealth of Kentucky, for those activities and programs included in this Plan that are under my jurisdiction, the agencies and officials designated above under "Contact Information" have been duly designated to represent the State/Commonwealth in the capacities indicated for the programs and activities indicated. I will provide subsequent changes in the designation of officials to the designated program or activity contact as such changes occur.

I further certify that, for those activities and programs included in this Plan that are under my jurisdiction, we will operate the workforce development programs included in this Unified Plan in accordance with this Unified Plan and the assurances described in Section III of this Unified Plan.

Stephen L. Beshear Joseph U Meyer  
Typed Name and Signature of Governor (Joseph U. Meyer, Secretary-designee)

Date 9-12-12

*Responsible State Official for Eligible Agency for Career and Technical Education (if Applicable)*

I certify that for the State/Commonwealth of \_\_\_\_\_, for those activities and programs included in this Plan that are under my jurisdiction, the agencies and officials designated above under "Contact Information" have been duly designated to represent the State/Commonwealth in the capacities indicated for the programs and activities indicated. I will provide subsequent changes in the designation of officials to the designated program or activity contact as such changes occur.

I further certify that, for those activities and programs included in this Plan that are under my jurisdiction, we will operate the programs included in this Unified Plan in accordance with this Unified Plan and the applicable assurances described in Section III of this Unified Plan.

\_\_\_\_\_  
Typed Name, Title, and Agency of Responsible State Official for Career and Technical Education  
Signature N/A  
Date \_\_\_\_\_

*Responsible State Official for Eligible Agency for Vocational Rehabilitation (if applicable)*

I certify that for the State/Commonwealth of \_\_\_\_\_, for those activities and programs included in this Plan that are under my jurisdiction, the agencies and officials designated above under "Contact Information" have been duly designated to represent the State/Commonwealth in the capacities indicated for the programs and activities indicated. I will provide subsequent changes in the designation of officials to the designated program or activity contact as such changes occur.

I further certify that we will operate those activities and programs included in this Unified Plan that are under my jurisdiction in accordance with this Unified Plan and the assurances described in Section III of this Unified Plan.

\_\_\_\_\_  
Typed Name, Title, and Agency of Responsible State Official for Vocational Rehabilitation  
Signature N/A  
Date \_\_\_\_\_

*Responsible State Official for Eligible Agency for Adult Education (if applicable)*

I certify that for the State/Commonwealth of \_\_\_\_\_, for those activities and programs included in this Plan that are under my jurisdiction, the agencies and officials designated above under “Contact Information” have been duly designated to represent the State/Commonwealth in the capacities indicated for the programs and activities indicated. I will provide subsequent changes in the designation of officials to the designated program or activity contact as such changes occur.

I further certify that, for those activities and programs included in this Plan that are under my jurisdiction, we will operate the programs included in this Unified Plan in accordance with this Unified Plan and the applicable assurances described in Section III of this Unified Plan.

---

Typed Name, Title, and Agency of Responsible State Official for Adult Education

Signature   N/A  

Date \_\_\_\_\_

# WORKSmart

## Kentucky



## A Strategic Transformation of Kentucky's Workforce System

May 2010



---

KENTUCKY WORKFORCE INVESTMENT BOARD





KENTUCKY WORKFORCE INVESTMENT BOARD

May 20, 2010

Governor Beshear,

Over the past year, the Kentucky Workforce Investment Board has engaged in an aggressive and open planning process to create a strategic action plan that will transform Kentucky's workforce development system. The need for transformation was made clear to the Board when considering the current financial and unemployment crisis coupled with the dynamic nature of business, industry and the world of work in a new and emerging economy.

In order for Kentucky to compete in an economy that looks very different from the past, we must redesign our workforce services to adapt to the changing needs of employers; i.e., a focus of green jobs and energy efficiency, leaner manufacturing, small business, entrepreneurial growth, and a talented/skilled workforce as an increasingly important differentiator in economic development.

This plan looks at the current system with a critical eye and proposes a set of strategies to realign nearly every aspect of our delivery of services in some way to provide our customers with a demand-driven, business-led, solutions-based approach to workforce investment decisions.

Like any investment portfolio, Kentucky should insist on a return on its investment in our workforce. The ultimate return is realized in a Commonwealth where skilled workers retain family-supporting jobs with employers who are competitive in the new economy.

The members of Kentucky Workforce Investment Board are pleased to present you with a plan that not only articulates a vision for moving Kentucky forward in the field of workforce development, but also prescribes specific strategic action steps required to realize that vision.

Respectfully,

A handwritten signature in blue ink, which appears to read 'Hugh Hayden'. The signature is fluid and cursive, with a large initial 'H' and 'H'.

EDUCATION & WORKFORCE DEVELOPMENT CABINET  
Office of the Secretary

502.564.0372  
VOICE

Capital Plaza Tower, 3<sup>rd</sup> Floor  
500 Mero Street  
Frankfort, KY 40601  
[www.kwib.ky.gov](http://www.kwib.ky.gov)

502.564.5959  
FAX



KENTUCKY WORKFORCE INVESTMENT BOARD

Kevin Shum  
 Benny Adair  
 Kenneth E. Allen  
 Fabrice Anderson  
 Rick Christman  
 Lynn Castiblanco  
 James Cole  
 Michael B. McCaff  
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 Tom Zawochi  
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 Rose F. Marcum  
 G. Kelly Newbold  
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 Deani E. Whalen  
 O.K. Pannan  
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 Betsy Flynn  
 Genei A. Combs  
 Larry Clark

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# Acknowledgements

The Honorable Steven L. Beshear, Governor

Joseph U. Meyer, Acting Secretary Education and Workforce Development Cabinet

## *Kentucky Workforce Investment Board*

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President  
EHI Consultants

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CEO  
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Machinist Union District 154

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Secretary  
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Vice President of Operations  
Armstrong Coal Company

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Secretary  
Kentucky Cabinet for Economic Development

Beth Brinly  
Commissioner  
Kentucky Department of Workforce Investment

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President  
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Rick Christman (w)  
CEO  
Employment Solutions

Dr. Terry Holliday  
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Kentucky Department of Education

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Speaker Pro Tem  
State Representative

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President  
Nelson Co. Economic Development Agency

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Senior Advisor  
The Cole Group

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President  
Ikerd Companies

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President  
Council on Postsecondary Education

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Chief of Staff  
Office of the Governor

Mary Lassiter  
Secretary, Governor's Executive Cabinet  
Office of the Governor

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President  
UPS Airlines

Oliver (Keith) Gannon (b)  
CEO  
BONEAL, Inc

Paula Lillard (b)  
Senior Vice President  
Murakami Manufacturing USA, Inc.

Crystal Gibson (e) (b)  
Vice President of Public Affairs  
Citi

*(p) Partnerships Committee; (b) Employers Committee; (w) Employees Committee; (e) Executive Committee*

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Saint Catharine College

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Kentucky Community & Technical College System

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President  
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The Honorable Vernie McGaha  
State Senator

Marcheta Sparrow  
Secretary  
Kentucky Tourism Arts & Heritage Cabinet

Colonel Mark Needham (e)  
Base Realignment and Closure Advisor  
Office of the Governor

The Honorable Diane Whalen (p)  
Mayor  
City of Florence

Dr. Lara Needham (w)  
Department of Communications, Faculty  
Bellarmine University

Tom Zawacki (b)  
Commissioner  
Department of Vehicle Regulation

*(p) Partnerships Committee; (b) Employers Committee; (w) Employees Committee; (e) Executive Committee*

**Staff**

Tom West  
Executive Director

Elizabeth Hack

Eboney Whiteside

***Special Acknowledgement***

Helen W. Mountjoy  
Former Secretary  
Education and Workforce Development Cabinet

***Partners***

Deborah Anderson  
Kentucky Department of Education

Robert Curry  
Cabinet for Economic Development

Lindy Casebier  
Tourism, Arts and Heritage Cabinet

Donna Davis  
Kentucky Community & Technical College System

Deborah Clayton  
Cabinet for Economic Development

Jeanne Devers  
Office of Employment and Training

DeDe Conner  
Office of Employment and Training

Mike Dixon  
Kentucky Labor Cabinet

Ron Crouch  
Office of Employment and Training

Mike Donta  
Kentucky Labor Cabinet

Stacey Games  
Kentucky Commission on Military Affairs

George Scott  
Office of Employment and Training

Stuart Johnston  
Education Workforce and Development Cabinet

Daryl Smith  
Kentucky Association for Economic Development

Mike Kindred  
Office of Career and Technical Education

Reecie Stagnolia, Kentucky Adult Education  
Council on Post Secondary Education

John Marks  
Office of Career and Technical Education

Jennifer Swanberg  
Institute for Workplace Innovation

Linda Prewitt  
Office of Employment and Training

Tom Volta  
UPS Airlines

## ***Local Workforce Investment Areas***

### **Chairs:**

Representative Rocky Adkins  
EKCEP

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TENCO

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### **Directors:**

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TENCO



# Executive Summary

In the summer of 2009, the Kentucky Workforce Investment Board began a process to develop a strategic plan to transform Kentucky's workforce development system to meet the challenges of a changing global economy and address the most immediate concerns of the current financial crisis. This process included an extraordinary stakeholder engagement process with input from customers, local and state workforce professionals, economic development officials, educators, and business leaders.

What emerged was a consensus belief that the system was overly complex, not user-friendly, program driven rather than demand driven, and lacked the cohesion of an efficient and effective service delivery organization. With a great deal of input, the business and industry-led committees developed a vision statement to serve as the guide for the development of goals.

## Vision Statement

Kentucky will transform the workforce development system through innovative practices which enhance sustainable economic and job growth to improve the lives of Kentuckians.

## Goals

**Align the Commonwealth's workforce development system with Kentucky's education objectives**

**Align the Commonwealth's workforce development system with economic development strategies**

**Simplify the workforce development service delivery system**

**Improve service to achieve a customer-centered delivery system**

## Themes

Themes of the plan include greater involvement of business, industry and labor in the investment decision-making process to assure Kentucky's workforce possesses the skills required to meet the demands of employers. Value will be created in the system by transforming a workforce development

culture that is based on developing viable human resource solutions for business and industry, as well as the aspirations and career goals of job seekers and employees.

This plan does not seek to direct how specific programs should be managed at the local level, instead it looks at the system as a whole and provides both state and local officials responsible for serving customers with guidance, policy frameworks and tools to achieve success in a dynamic new economy.

## Implementation

Hundreds of hours of volunteer time were contributed by business, education, labor, economic development and workforce development organizations to create comprehensive strategic action steps. These tactical implementation measures are the keys to successfully achieving all four goals and ultimately realizing the vision.

In addition to action steps focused on specific goals, a number of tactics were identified which can contribute to achieving more than one goal, and thereby have a transformational impact on the system as a whole. These include developing sector strategies at the state, regional and local level to help guide investment decisions based on those sectors of the economy with the most promise of quality job growth.

Another challenge that impacts the entire system is the lack of customer recognition, which is a direct result of a lack of statewide brand identity. The development and promotion of a brand is seen as much more than rolling out a new logo. Branding the system includes developing a level of consistency among foundational elements of the system including user-friendly, online services, One Stop Career Centers, customer service, and case management. This plan also recognizes the need for local areas to have flexibility and opportunities to adapt the brand locally.

Specific action steps are designed to take advantage of opportunities to improve customer choice and promote innovation, such as a renewed focus on the advantages of registered apprenticeships and a statewide initiative to

promote entrepreneurship training and access to venture capital and micro-financing. Others such as the Workforce and Economic Development academies recognize the importance of quality assurance in the delivery of services and the need for collaboration between education, workforce and economic development professionals at all levels.

Each action step included in the plan provides some level of benefit to customers of the system either directly or indirectly by improving the services and/or delivery of services. The number of action steps included in this plan is significant, a signal from the Kentucky Workforce Investment Board that major changes to manner in which Kentucky invests in its workforce are required to compete with other states and nations in the future.

### **Implementation Costs**

Where possible, costs of implementation have been identified. Some costs are one-time costs, while others will require on-going funding to transform and maintain a project over time. Funding sources for implementation of many projects are identified and include new funding sources as well as reallocation of existing resources to better align investments with the goals of the plan.

Although the Commonwealth, like every other state, is experiencing budget shortfalls requiring cuts to programs, the workforce system is in a unique position to invest millions of federal American Recovery and Reinvestment Act dollars back into the system. By design, these funding streams encourage states to make transformational changes in response to a new paradigm for the national economy, new and emerging industries, and the changing characteristics of the workforce.

### **Monitoring Progress**

Roles and responsibilities for implementation of the plan rest with nearly every board, agency, partner, and employee that is part of the workforce, education and economic development community. While the Governor has directed the Kentucky Workforce Investment Board to monitor the progress of implementation and report on the results, the board understands that in order to fully realize the vision of making significant improvements to the workforce system, the participation, innovation and hard work of many other groups and individuals is required.

### **Conclusion**

Based on significant stakeholder involvement and the examination of best practices from within Kentucky and across the nation, the Kentucky Workforce Investment Board has presented a bold strategy to transform the state's current system to one that is demand-driven, business-led, and solutions-based. This new blueprint for Kentucky's workforce investment portfolio goes beyond the traditional boundaries of the Workforce Investment Act of 1998 and the Wagner-Peyser Act, to bring together the collaboration of education, workforce and economic development at all levels in new and innovative ways. This strategy seeks to leverage state, local and private-sector resources for a comprehensive and robust approach to preparing workers of today and tomorrow for new opportunities and Kentucky employers for the human resource tools they need to compete in a dynamic global economy.

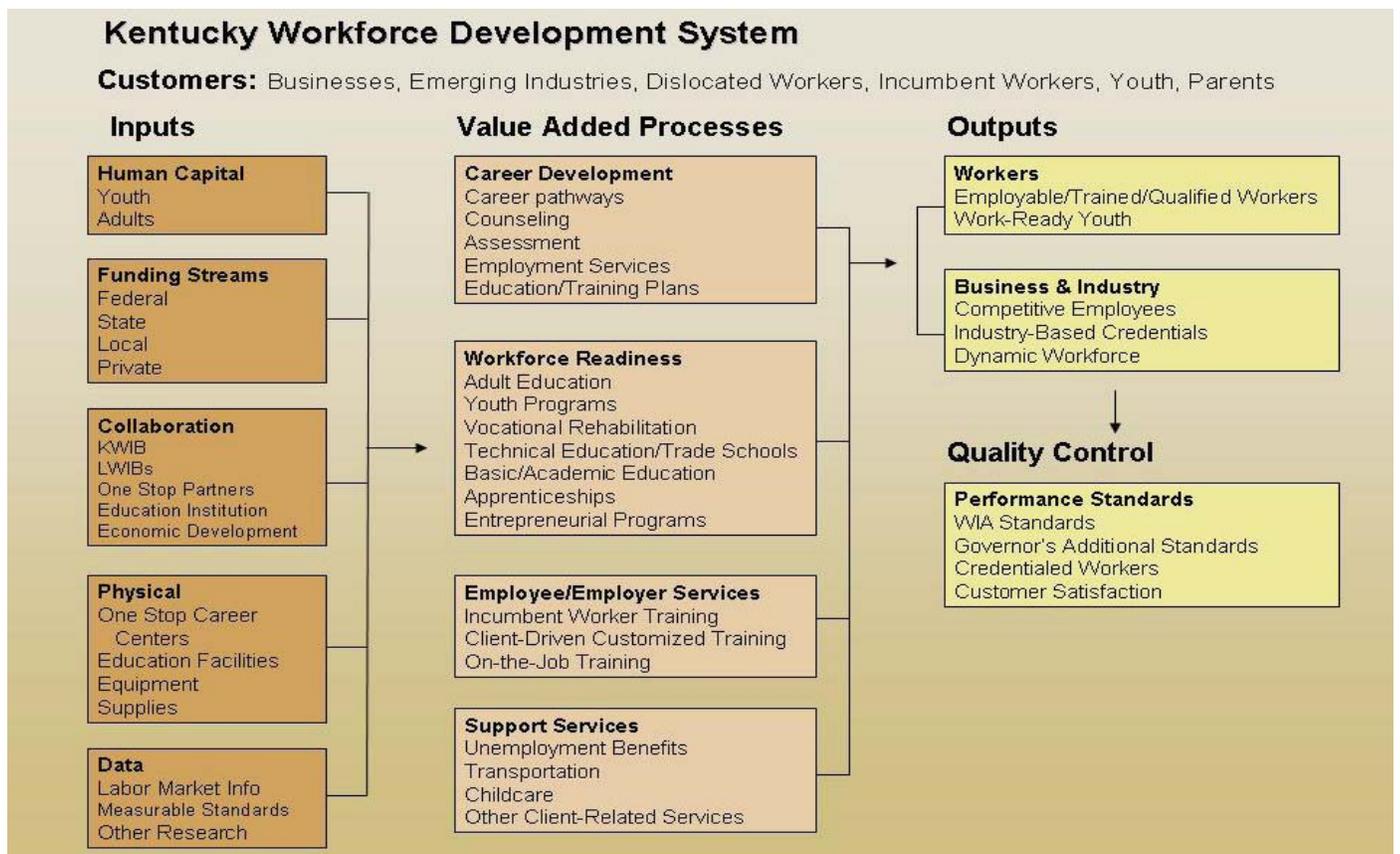
# Workforce System Overview



As initially presented to the Kentucky Workforce Investment Board, the model of the Commonwealth's workforce system is extremely complex and program-focused.

The sight of this system diagram generated audible groans and even one call to "blow up" the system by business members of the board.

A new way of looking at the system from a private-sector standpoint focuses not on programs and funding streams, rather on inputs, value added processes, outputs, and customers.





# Strategic Planning

## Planning Process

### Stakeholder & Public Participation





# Planning Process

At the first meeting of the newly appointed Kentucky Workforce Investment Board on June 11, 2009, members adopted a process for developing a strategic plan that would serve as the blueprint for transforming Kentucky's workforce system to meet the changing needs of business and residents in a new economy.

The board saw the development of this plan as a core responsibility in fulfilling its role as an advisor to the Governor on matters relating to the Commonwealth's workforce system.

## Philosophy

Rather than looking at the system at the program level, the board took a "big picture" approach to examining how the system needed to function and how it fit into the greater role of state government as a provider of services to individuals, business and industry. The board also encouraged members from the private sector and others outside state government to actively lead the process, in order to deliver a strategy that would focus on the demand side of service delivery.

The development of a vision and lofty, but achievable goals, was central to the philosophy of designing a demand-driven system based on the needs articulated by employers (the ultimate end user of the system), with input from resident clients, partners and other stakeholders in the system.

## Approach

In order to articulate a demand-driven, business-led, solutions-based vision for the state's workforce system, the process followed by the board included a review of existing data and recent input, stakeholder and public involvement and research into best practices.

Three committees were appointed to undertake the development of goals and input into a vision statement. Each committee was instructed to look at the system from the perspective of an assigned stakeholder group. These included employers, employees and partners. The Executive Committee with representation from each of the committees will

synthesize the work of each committee into a vision and provide the forum for addressing issues that were of common interest to all of the stakeholder groups.

A review of notes generated from meetings held by, then-Secretary of the Education and Workforce Development Cabinet, Helen Mountjoy provided a foundation for each of the committees to make an initial identification of topics of interest. The groups Secretary Mountjoy met with include: Economic Development professionals, the Kentucky Community and Technical College System, workforce partners, local workforce investment board members and staff, and members of the previous iteration of the Kentucky Workforce Investment Board.

A draft white paper, also developed by Secretary Mountjoy was reviewed and issues identified for study.

Each committee held a series of meetings, where issues were discussed and developed into proposed goals and objectives. Some made site visits to One Stop centers and held focus group meetings with customers of the system. Others invited individuals with technical expertise to provide input on their work.

The Executive Committee developed a vision statement and four goals based on the work of the committees. These were posted on the board's Web site and public input was sought regarding the document. At the December 10, 2009, board meeting, the draft vision statement and goals were approved by the board and staff were instructed to forward them to the Governor for his approval.

Following approval by the Governor, four committees received new assignments to begin drafting specific action steps required to achieve the goals and fulfill the vision.

Working through a rigorous schedule of meetings, committee members met and dedicated themselves to developing detailed documentation for more than 30 individual initiatives. Each committee identified projects that could have the greatest impact, those that could

be achieved quickly to build a foundation for the more complex initiative that would follow and forwarded those recommendations to the Executive Committee.

The Executive Committee identified action steps that were common to more than one goal and established a process for presenting the draft and gathering input from the full board at the May 20, 2010, meeting.

The full board discussed the action steps individually and the plan document as a whole during a three hour meeting on May 20, 2010. With minor modifications suggested during the meeting by members of the board, a motion to approve the plan received unanimous support.

# Stakeholder & Public Participation

In developing this strategic plan, one of the guiding principles the Kentucky Workforce Investment Board established was to embrace a process which included gathering input from as many stakeholders and users of the system as possible.

While the draft Vision Statement, Goals & Objectives, and Implementation Action Steps were posted online for public comment, throughout the process committees sought out and engaged others to enrich the plan with robust and meaningful participation.

## Stakeholder Meetings

Prior to the planning process getting underway, former Secretary Helen Mountjoy held a series of stakeholder meetings to gather ideas for ways to make the system more responsive to customer needs and engaging for partner organizations. The results of these meetings were provided to the planning committees which reviewed and used the data to begin their work on specific topics. The five stakeholder groups included:

1. Economic Development Professionals
2. Kentucky Community and Technical College System
3. Local Workforce Investment Boards and Directors
4. Partner Agencies, and
5. Members of the former Kentucky Workforce Investment Board.

## Committees

Three committees of the Kentucky Workforce Investment Board conducted a series of meetings to develop proposed goals. These committees reviewed data and conducted in-depth original research including:

- Field visit to a One Stop Career Center
- Focus groups with customers, and
- Discussions with technical staff.

Following approval of the vision and goals by the Governor, a fourth committee was added. Each was assigned the task of developing a set of action items required to implement their assigned goal. Each committee engaged the participation of partners,

local workforce directors and key technical staff with expertise in how to implement a variety of ideas.

## Local Workforce Investment Boards

Local Workforce Investment Boards were engaged in the process in a number of ways, including:

1. Updates at several local board meetings
2. A meeting with local board chairs hosted by the state board executive committee
3. A special meeting for local board executive directors hosted by the state board executive committee
4. Discussion of specific topics at local board directors' monthly meetings
5. Local board directors encouraged to attend and participate in committee meetings

## Partners

Partner agencies and organizations as well as potential new partners were invited to attend and participate in committee meetings, enriching the process and broadening the base for ideas and input.

## Advisory Council

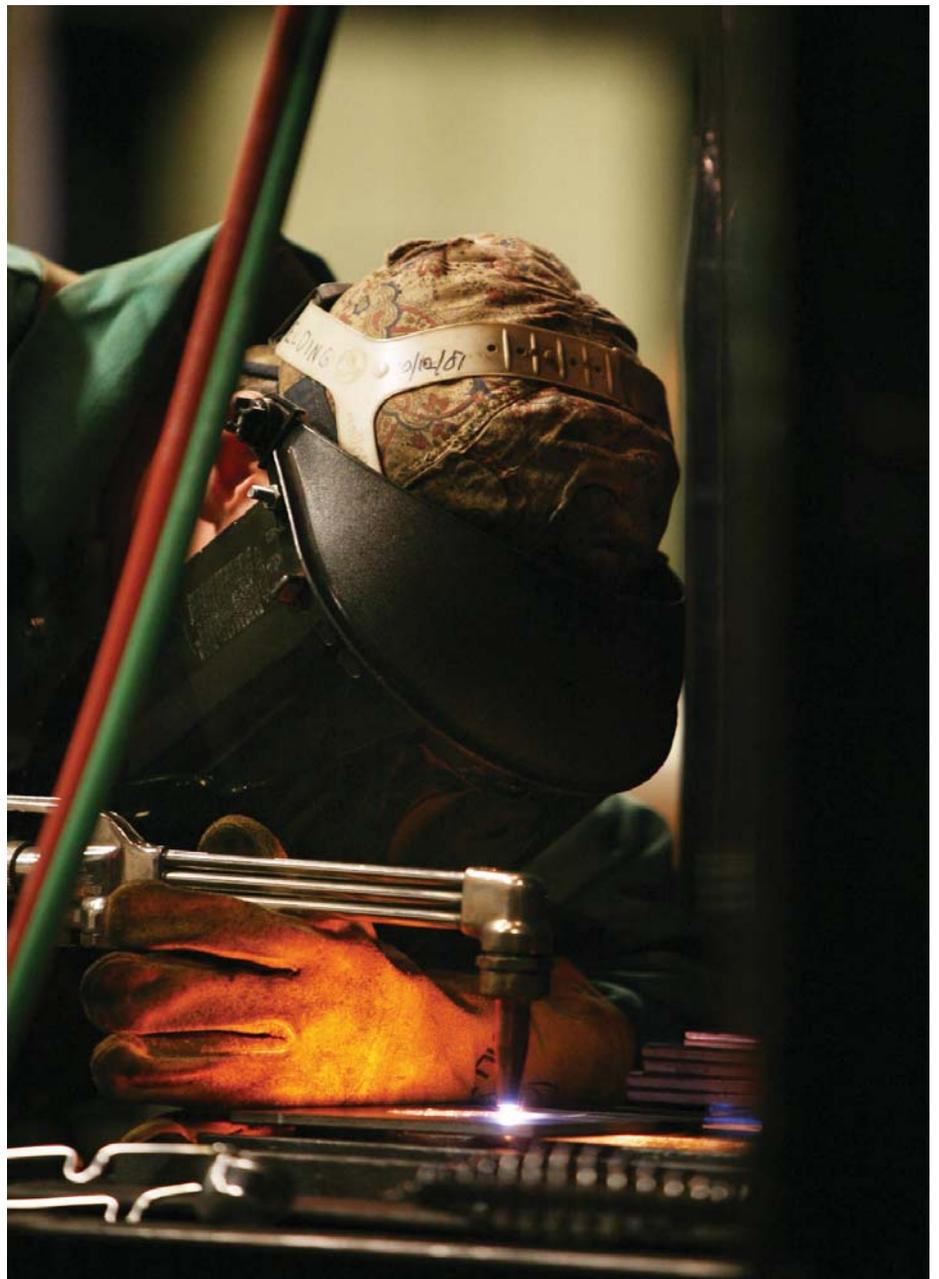
Members of the Kentucky Workforce Investment Board's Advisory Council, which include representatives of the Governor's office, several cabinet secretaries and commissioners, as well as the heads of the community college system, adult education, military affairs, etc. were interviewed individually to achieve a highly focused level of participation. These interviews also resulted in participation by members and assigned staff in the development of the detailed action steps found in the plan.



# Vision, Goals & Objectives

## Vision Statement

## Goals & Objectives





# Vision

## Vision Statement

A vision statement is a picture of the future, our inspiration, the framework for all our strategic planning. The vision statement answers the question, “Where do we want to go?”

While a vision statement doesn’t tell us how we’re going to get there, it does set the direction for our planning.

## Goals & Objectives

### Goals

A goal is a statement of desired outcome that is both lofty and achievable. Goals support the vision statement by breaking it down into key elements stated as a series of outcomes necessary to realize the vision. Goals are expressed in general terms and describe a desired outcome without defining the actions necessary to achieve the result.

### *Kentucky’s Strategic Goals*

Based on Stakeholder and public input, the Kentucky Workforce Investment Board and Governor Beshear established four goals to support the vision for the workforce system:

Align the Commonwealth’s workforce development system with Kentucky’s education objectives,

Align the Commonwealth’s workforce development system with economic development strategies,

Simplify the workforce development service delivery system, and

Improve service to achieve a customer-centered delivery system.

### *Kentucky’s Vision Statement:*

*Kentucky will transform the workforce development system through innovative practices which enhance sustainable economic and job growth*

### Objectives

An objective is a statement which brings focus to the essential components of a goal. Objectives do not describe specific actions, rather they support the goal by adding specificity to how the achievement of a goal will be determined.

### *Kentucky’s Strategic Objectives*

In order to provide determining factors for the goals of Kentucky’s strategic plan, a series of objectives were developed. Each set of objectives supports a specific goal and provides the framework for the development of action steps as well as a basis for monitoring and evaluating the implementation of this plan by the Kentucky Workforce Investment Board on behalf of the Governor. A process to measure and evaluate implementation of the plan is described in the Implementation section of this document.

The strategic objectives for each goal include:

#### *Align the Commonwealth’s workforce development system with Kentucky’s education objectives*

Increase communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development,

Increase the number of postsecondary and work-ready high school graduates,

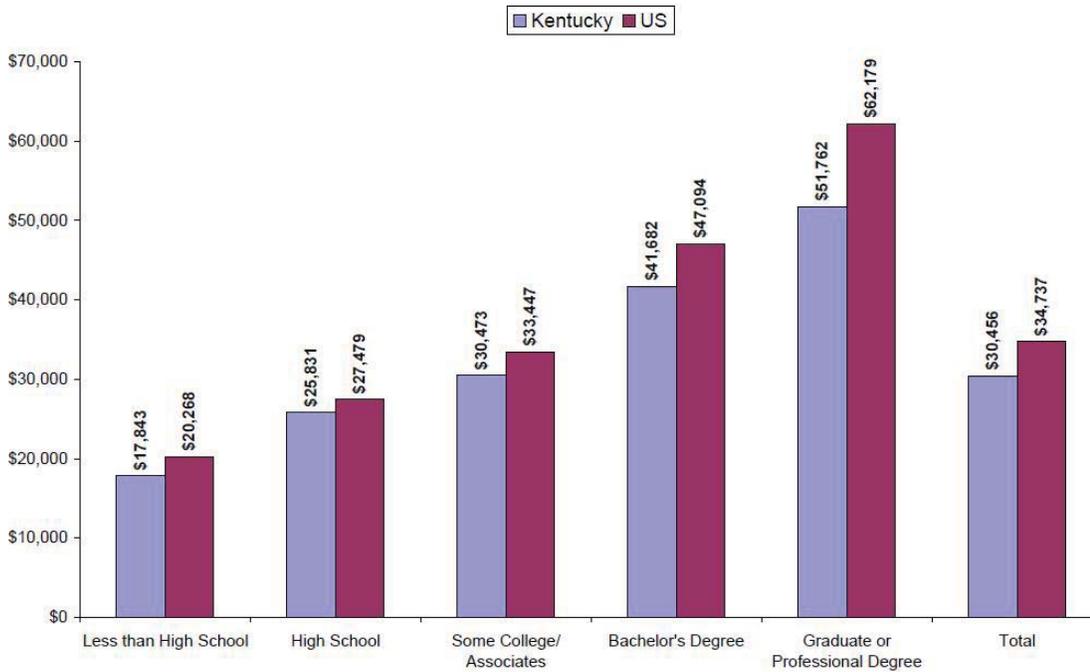
Promote educational options, including technical education, two-year and four-year college, apprenticeships and specialty training to younger students,

**Why this is Important to Kentucky**

Increase awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries, and

Data generated by the United State Bureau of Labor Statistics reveals how education impacts the lives of Americans by looking at the average salaries and unemployment rates of workers with a variety of educational and training backgrounds.

**Median Earnings of 25 years and over by Level of Education in 2008**



Source: U. S. Census Bureau, American Community Survey

*This chart demonstrates why education is such an integral component to the financial success of families and individuals.*

**Align the Commonwealth's workforce development system with economic development strategies**

**Why this is Important to Kentucky**

Increase communication and collaboration between workforce boards and economic development agencies,

Beginning with the economic crisis of 2008 - 2009, a national dialogue about a "new economy" emerged. According to neweconomyindex.org, a service of the Progressive Policy Institute, core beliefs about economic development strategies are shifting to a system which places a higher value on the quality and characteristics of the workforce than traditional strategies and tactics like financial incentives and cheap labor.

Develop "rapid response" framework for new jobs based on model for layoffs,

Refine and promote evolving methods of projecting jobs and training needs of the future, and

Increase opportunities for entrepreneurship in a culture of innovation

In the old economy, people believed that:	In the new economy, people believe that:
Being a cheap place to do business was the key.	Being a place rich in ideas and talent is the key.
Attracting companies was the key.	Attracting educated people is a key.
A high-quality physical environment was a luxury and stood in the way of attracting cost-conscious businesses.	Physical and cultural amenities are key in attracting knowledge workers.
Regions won because they held a fixed competitive advantage in some resource or skill.	Regions prosper if organizations and individuals have the ability to learn and adapt.
Economic development was government-led.	Only bold partnerships among business, government, and nonprofit sector can bring about change.

SOURCE: Progressive Policy Institute

Most analysts agree the majority of jobs lost during the current recession will not return, therefore new jobs in high-demand and emerging industries are key to economic vitality of communities. Identifying the right business sectors to attract and grow and preparing for their needs is a major area of focus for both economic and workforce development organizations.

The O\*NET Resource Center, funded by the US Department of Labor and developed by the North Carolina Employment Security Commission, serves as a national on-line resource for job seekers and workforce professionals. According to their research, the following sectors have been identified nationally as high-growth or high-demand in the near future:

- Advanced Manufacturing
- Aerospace
- Automotive
- Biotechnology
- Construction
- Education
- Energy
- Financial
- Geospatial
- Green
- Healthcare
- Homeland Security
- Hospitality
- Information Tech
- Nanotechnology
- Retail
- Transportation

While the American Recovery and Reinvestment Act was designed to stimulate some sectors, such as energy, construction, and automotive, others see the recession itself as a form of stimulus that is creating

new businesses and employment opportunities.

“This upside-down economy is creating entrepreneurial opportunities aplenty, so long as you can deal with a situation about as stable as a lava flow,” writes Jennifer Wang for Entrepreneur Magazine.

She cites results from Challenger, Gray & Christmas’ job market index that indicates that in the second quarter of 2009, nearly 9 percent of people looking for work became re-employed by starting their own businesses.

She also quotes Kauffman Foundation Analyst Dane Stangler, “Ten, 15 years from now, there will be a slew of companies that we’ll point to and say they started in the recession. You don’t see them yet, but you can be sure they’re out there. In fact, more than half of today’s Fortune 500 companies were founded during a recession or bear market.”

***Simplify the workforce development service delivery system***

Simplify online services and focus on innovative user-friendly applications,

Transform the identify of the “unemployment office,”

Increase the awareness and use of online job matching and training services,

Increase use of job portal (e3) by employers and job seekers,

Reduce confusion and information overload for those unfamiliar with the system, and

Increase communication among all service delivery points.

Whatever their nature, organizations creating a brand face two problems: being under-valued and lacking a consistent, organization-wide message.“

**Why this is Important to Kentucky**

– Moshe Engelberg, Ph.D., founder and president of ResearchWorks Inc.

When asked about the difference between in-person and online customer service, Diane Booher, President of Booher Consulting in Dallas/ Ft Worth and best selling author of books about communications and customer service, is quoted in an article on About.com, “The primary difference is that you have difficulty in building rapport with customers because there are fewer occasions of real-time interaction. A second difference is that customers seem to be more fickle and hostile because they can chose to remain anonymous. They’re in; they’re out; they move on without a second thought. First impressions about how user-friendly your site is, for example, get translated to how user-friendly your products and services are in general.”

Re-branding the system will only be successful if the system itself reflects the brand. Important changes to Kentucky’s system are proposed to meet the changing needs of our customers, as well as how customers access our systems. The use of interactive, Web-based service delivery is but one area that is due for an overhaul.

It should be noted that there are more than 12 individual Web sites that make up the Commonwealth’s online workforce presence. Some of the sites provide links to others, some have complex navigation menus, and many use jargon, acronyms and terms exclusive to workforce development. Few, if any of the sites appear like they are part of the same system as each has its own identity and design scheme. In addition, each local workforce area also has its own online presence and services. Currently, there is no single point of entry into the online system, nor does Kentucky employ a user-friendly, intuitive navigation feature to easily take users to their desired online destination.

Technological advances and shifts in demographics have led to an evolution of how the Web is used, as well as the introduction and proliferation of social media. In February 2010, Forbes Magazine identified four new trends in how job seekers are exploring career options and finding work. The four trends mentioned:

- Social networking sites
- Smart phones
- Podcasts
- Blogs

While these tools may be used today by job seekers not currently using the workforce development system, we know that as technology advances, it becomes less expensive and more accessible to the entire population. As employer and job seeker clients adapt to new technologies the workforce system must respond in kind to properly serve our customers.

This lack of consistency is one of the driving forces behind the concept of re-branding the system.

**Improve service to achieve a customer-centered delivery system**

“Commercial marketers have been touting the virtues of a powerful identity for years. Disney, Sony and Nordstrom all have strong corporate identities that translate into better performance and bigger profits. In the last decade, many government organizations have built marketing campaigns based on a distinctive identity. The Postal Service, the Census Bureau and the IRS to name a few, have all embarked on strategic branding efforts that hit home with their constituencies and advance their missions.

Increase awareness within the system that “clients” of the workforce system, include those with jobs to fill as well as those seeking a job,

Decrease wait time for services,

Increase use of workforce system as a resource for employers to identify, screen, match, interview and prepare candidates for work,

Provide customer service training to all service delivery staff,

Increase use of online tools and resources,

Provide up-to-date resources for all clients,

Increase contacts with employers and economic development agencies regarding future workforce needs, and

Develop benchmarks and base-line standards for consistency within the system (physical, program and customer services) while allowing for local and regional adaptation.

***Why this is Important to Kentucky***

In an interview with F. John Reh on About.com, Dianna Booher, president of Booher Consultants, Inc., an international communications training and consulting firm in Dallas-Ft. Worth, said, “Customer service is dependent on three things: customer-friendly policies set by the organization’s executives, training offered to the staff, and the attitude of the staff about their own organization as generated by the way their company treats them.

If executives don’t actually know/see how their policies get executed on the frontline, they’re often shocked to discover the actual results of how the policies get carried out/enforced. If people aren’t trained on specifics (not just smile and use people’s names), they don’t know how to build customer loyalty even when they want to.

For example, you may tell a frontline staffer to acknowledge customers when they walk in the door. But they have to know HOW to acknowledge them. Is it appropriate to say, ‘Next’ to the next person, thereby making them feel like a number rather than person?”

Kentucky’s goal of improving the quality of customer service means a focus on all three of the areas discussed above, including developing customer-friendly policies and training frontline staff as well as managers.



# Implementation

## Action Steps

*System Transformation*  
*Education Alignment*  
*Economic Development Alignment*  
*System Simplification*  
*Customer Service*

## Evaluation Methodology





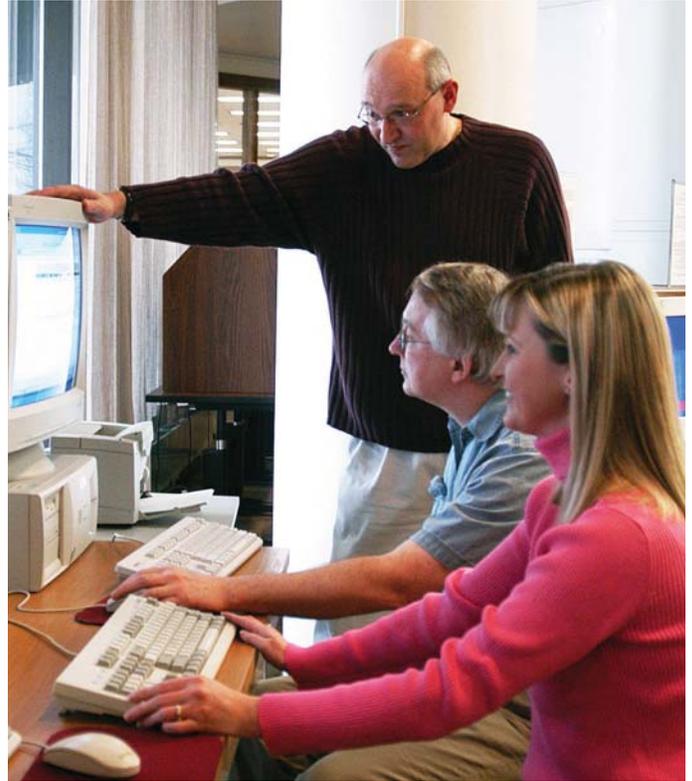
# Implementation

## Action Steps

An action step or an implementation strategy details the who, what, when, and how of the activities, programs, and initiatives required to meet the objectives of the plan. Action steps can include identification of new or modified policies, development of programs, and any other actions necessary to implement the plan. Action steps answer the question, “How do we get there?”

## Kentucky’s Action Steps

Four committees were tasked by the board to create and develop action steps applicable to their assigned goals. Each committee, with input from members of the board, local areas, partners and staff wrote, revised and prioritized these action steps. Because the strategic plan is developed for a system, there was some overlap, common, as well as similar strategies among the committees. Others were specifically focused to a particular goal.



## Organization

The action steps included in this plan are organized as follows:

- **System Transformation** – These tactics are common to several of the committees, thus are designed to help achieve multiple goals with the same action item. These actions represent some of the best opportunities to impact the system as a whole.
- **Education Alignment** – Tied to the goal of aligning the state’s workforce and education systems, these tactics are focused on improving training education attainment.
- **Economic Development Alignment** – Action steps designed to leverage state and local economic development and workforce resources are the focus.
- **System Simplification** – Opportunities to create a simpler, more useable system are identified.
- **Customer Service** – Steps to assure the system meets the needs of both employer and job seeker/employee customer bases are presented.



# System Transformation

## *Action Steps*

1. Make Investment Decisions Based on Sector Strategies
2. Branding & Identity
3. One Stop Certification Policy
4. User-Friendly Online Services
5. National Career Readiness Certificate Adoption & Expansion
6. Eligible Training Provider List Enhancements



## Action Step 1

# Make Investment Decisions Based on Sector Strategies

### Description

For local communities, tax breaks and infrastructure development are no longer the keys to attracting and retaining employers; businesses are now looking closely at the supply of skilled workers and the educational institutions that can provide the industry-relevant skills they need to grow.

Establishing statewide and regional industry sector strategies to achieve the best return on investment with the limited resources available to train and educate the workforce has proven effective in at least 25 other states.

Sector strategies will be developed by state and regional, employer-driven partnerships of industry, education and training, and other stakeholders focusing on the workforce needs of key industries to develop expertise. The partnerships will coordinate information and resources to develop and implement effective, coordinated responses to workforce challenges that are common across employers.

Sector strategies meet the skill, recruitment, and retention needs of employers and the training, employment, and career advancement needs of workers. Sector initiatives include:

Addressing the needs of employers by focusing intensively on the workforce needs of a specific industry sector over a sustained period, often concentrating on a specific occupation or set of critical occupations within that industry, and assuring industry that there will be a pipeline of skilled workers to meet future workforce demands;

Addressing the needs of workers by creating formal career maps and pathways to good jobs, reducing barriers to employment, and sustaining or increasing middle-class jobs;

Bolstering regional economic competitiveness by engaging economic development experts in workforce issues and aligning education, economic, and workforce development planning.

As sector strategies are developed, energy efficiency and “green” issues must be incorporated in anticipation of the culture shift toward a greener economy with impacts in every sector.

### Strategic Benefit

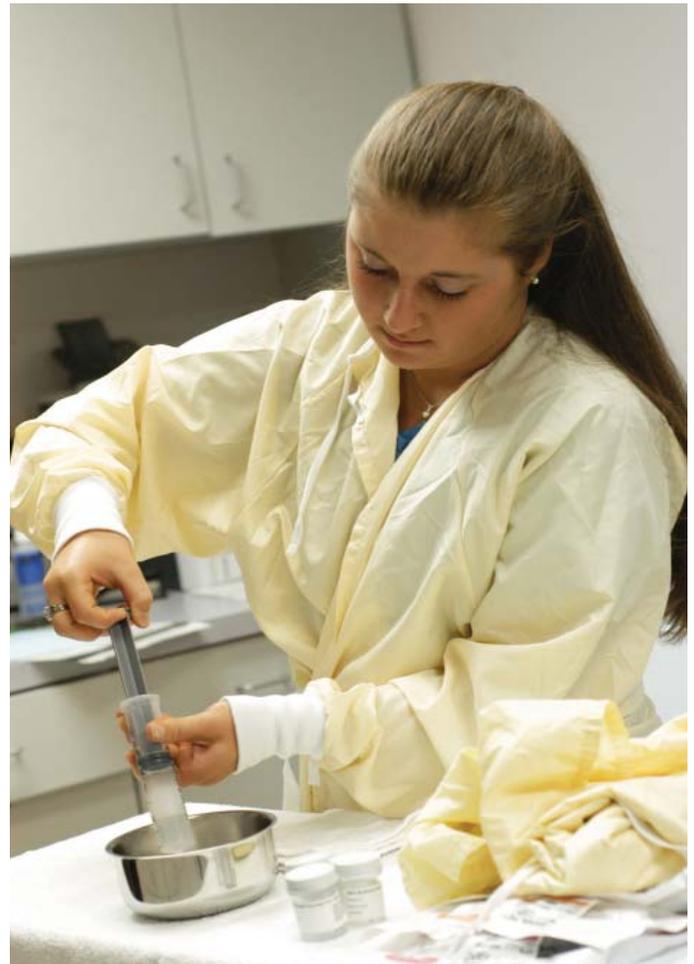
Helps align the Commonwealth’s workforce development system with economic development strategies.

Increases communication and collaboration between workforce boards and economic development agencies, as well as major industries and their employers.

Helps evolve our methods of projecting jobs and training needs of the future.

### Nature of Change

Administrative



Attachment B - WORKSmart Kentucky KWIB Strategic Plan  
a higher return on investment due to the highly focused and efficient use of resources achieved via these strategies. Local boards and elected officials can have greater confidence that the services being delivered are those most valued by their clients.

### **Cost**

Consultant to facilitate and coach the development of sector strategies - \$200,000

### **Implementation Timing**

It is anticipated that roll out of the first sector strategies would occur within one year of contracting with the consultant.

### **Responsible Parties**

Kentucky Workforce Investment Board  
Commissioner of Workforce Development  
Local Workforce Investment Boards

### **Consequences of No Action**

Without sector strategies in place, investment will continue on a case-by-case, employer-by-employer basis. Kentucky will not realize the efficiencies that can be achieved by focusing our investments on specific high-growth, high-demand industries. Achieving these efficiencies could present opportunities to train more workers.

### **Benefit to Local Areas/Clients**

Local areas will benefit by increased contact with business clients and greater focus on industry-specific training needs. Local areas should expect

### **Potential Obstacles**

Defining and limiting the sectors  
Participation by stakeholders

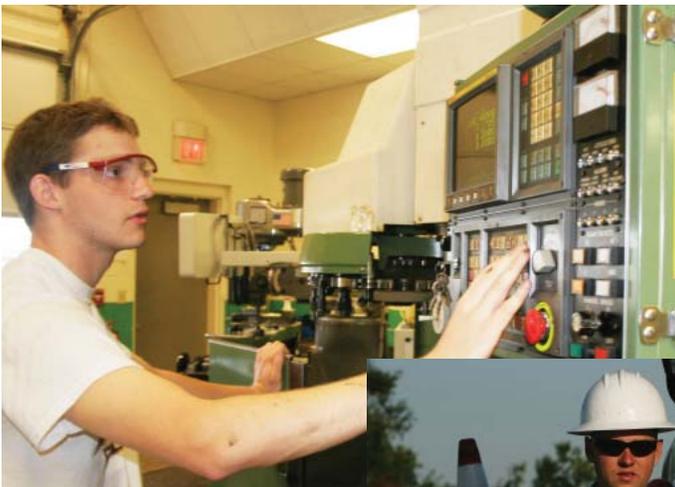
### **Transparency/Accountability**

Benchmarking of current return on investment in each local area should be compared to the return on investment in the years following implementation of the strategies.

Common performance measures should be sufficient for this analysis.

### **Additional Comments**

The energy sector may prove to be the best sector to begin with, as several efforts are currently underway to better understand the workforce needs of this industry.



## Action Step 2

# Branding/Identity

### Description

The current identity of Kentucky’s workforce system consists of an alphabet soup of acronyms for agencies and programs which have little or no meaning to the customers we serve. Our One Stop Career Centers are known primarily as “the unemployment office” because of the location of many of these centers in state-owned buildings built in the middle of the last century or to a lesser extent by a variety of names given by local boards in a well-meaning attempt to rebrand the facilities at the local level. Our online tools and services are a patchwork of sites which lack a cohesive identity and functionality and are accessed through a complex web of links and search parameters.

A comprehensive rebranding initiative to address the architecture of the entire system including One Stops, online services, and other public interfaces is required to achieve a positive return on the Commonwealth’s investment in the system.

The rebranding action item must include establishing the system’s foundational elements or values such as:

- quality of customer service
- user-friendly tools
- consistent case management, and
- standard menu of services.

In developing the architecture of the system, flexibility for local adaptation must also be considered.

While a unifying and easily identifiable name, logo and message are important communication and marketing tools, these must be developed in support of the overall goals of Kentucky’s strategic plan and should enhance the experience for our customers.

Just as a chain restaurant like McDonalds is readily identifiable and promises a consistent experience and expectation of a certain level of quality, so too the identity of the workforce system manifests itself in the facilities and service delivery points where customers interface with services.



KENTUCKIANA WORKS



KENTUCKY WORKFORCE INVESTMENT BOARD

Our facilities must be updated and upgraded to ensure that our business and job seeker customers feel comfortable conducting business with us and realize the value of the services we provide. The

involvement of the private sector in re-imagining the physical spaces where we conduct business is critical to achieving a successful return on investment in physical improvements.

### **Strategic Benefit**

Transforms the identity of the “unemployment office”;

Increases the awareness and use of online job matching and training services by unifying promotional efforts;

Increases the use of our job portal (e3) by employers and job seekers with increase promotional activity;

Reduces confusion for those unfamiliar with the system by simplifying the message and increasing the efficiency of statewide outreach;

Increases communication among all service delivery points by unifying them under one brand.

### **Nature of Change**

This change will require repositioning of all elements of the system and will have impacts at both the state and local levels.

### **Cost**

Rebranding consultant and identity development – estimated \$200,000

Additional funding will be required to implement the recommendations of the consultant (signage, printed materials, etc.)

### **Implementation Timing**

Rebranding rollout in fall of 2010 with on-going activities continuing for one - three years.

### **Responsible Parties**

Governor’s Office

Kentucky Workforce Investment Board

Local Workforce Investment Boards

### **Consequences of No Action**

Kentucky will continue to fund a patchwork of tools and programs which have limited opportunity to achieve the maximum return on investment due to splintered outreach efforts, a confusion of identities and well-meaning professionals operating in isolated silos.

### **Benefit to Local Areas/Clients**

Job seeker and employer customers will benefit from a user-friendly system that is memorable, easy to identify and of dependable quality. Attracting business clients as new or return customers will benefit those seeking jobs and new opportunities.

Local boards will benefit by becoming part of a larger effort to unify the system, increase awareness and expand the customer base through statewide promotional activities.

### **Potential Obstacles**

Over time, local boards have made significant investments to develop their own unique identities. Flexibility to allow for local adaptation to a state brand is critical to success.

A strong commitment to marketing the rebranded system will be required.

### **Transparency/Accountability**

The involvement of stakeholders at the state and local level will be necessary to achieve the buy-in that will determine success.

## Action Step 3

# One Stop Certification Policy

### Description

In order to assure the highest possible return on investment for a common branding identity across the state, clients must be able to depend on a baseline level of consistency in the services delivered as well as the point of delivery for those services.

Kentucky's One Stop system should take a cue from chain and franchise businesses operations such as McDonalds restaurants. While each individual outlet can reflect the character of the local community, customers can always depend on certain standards in terms of graphic identity, menu of products, convenience of location, customer service, and quality of place.

The Kentucky Workforce Investment Board will establish a policy framework to serve as the baseline standards of a One Stop Center in the Kentucky workforce system. This framework may address: menu of services, presence of partner agencies, quality of place, facilities to serve employer as well as employee clients, graphic identity, trained staff, compliance with data entry and reporting requirements, and others. The policy structure could be based on a private sector quality framework, such as the Malcolm Baldrige model to build and maintain quality.

As local workforce investment boards undertake the certification process there will be an opportunity for centers to be certified at silver, gold and platinum

levels. This framework is intended to motivate One Stop managers and local boards to innovate and constantly strive for improvement.

Financial incentives such as investment of statewide administration funding for improvements and access to statewide reserve funds could be tied to certification levels and plans for improvement to a higher level.

### Strategic Benefit

Develops benchmarks and base-line standards for consistency within the system (physical, program and customer service) while allowing for local and regional adaptation;

Increases awareness within the system that "clients" of the workforce system include those with jobs to fill as well as those seeking employment;

Encourages One Stop operators to create facilities which serve as a resource for employers to identify, screen, match, interview and prepare candidates for work;

Requires customer service training to all service delivery staff.



Attachment B - WORKSmart Kentucky KWIB Strategic Plan technically rests with the One Stop operator, unless there is a clear mandate from the Governor and the Cabinet for equitable participation by all partner state agencies, local boards will be unduly burdened with achieving results without the ability to influence the means.

## **Nature of Change**

This change represents a significant departure from the existing culture and will require the commitment of partner agencies and local boards to collaborate in order to achieve the highest return on investment.

## **Cost**

Costs associated with development of the policy framework can be covered by the administrative functions of the cabinet. Estimate for assessment of 31 centers, development of framework, and implementation - \$300,000.

Costs associated with improvements to centers will vary dramatically and should be shared by partner agencies as well as local boards.

## **Implementation Timing**

This is a long-term project, implementation will be on going, but the certification program should be established within six months of adoption of the system rebranding.

## **Responsible Party**

Kentucky Workforce Investment Board  
Education and Workforce Development Cabinet  
Office of Employment and Training  
Local Workforce Investment Boards  
One Stop Operators  
Partner Agencies

## **Consequences of No Action**

One Stop Centers will continue to be seen as “the unemployment office,” and business and industry will not regard the system as having value in the way private sector employment services are regarded. Services will continue to be delivered in facilities that run the gamut of poor to excellent, reinforcing the inconsistency which undermines the investment in programs and services.

## **Benefit to Local Areas/Clients**

Local areas will benefit by having a clear policy framework to guide their improvements as well as those of partner agencies. These new standards will provide local operators with leverage for collaboration and a basis for helping achieve equity in the distribution of responsibility for the success of the One Stop Centers.

## **Potential Obstacles**

Although responsibility for achieving certification

## **Transparency/Accountability**

All One Stop Centers will be listed along with their achievement level in all online and printed resources. Certificates or plaques suitable for display in the One Stop will be provided upon certification and advancement to higher levels.

Access to statewide reserve funds and use of administration funding may be used as an incentive for achievement and progress toward improvement.

The Kentucky Workforce Investment Board will review annual status reports as a means of oversight for the program.

## **Best Practices**

### **The Malcolm Baldrige National Quality Program Excellence is a Journey, Not a Destination**

Organizations everywhere are looking for ways to effectively and efficiently meet their missions and achieve their visions. Thousands of organizations use the Baldrige Criteria for Performance Excellence to guide their enterprises, improve performance, and get sustainable results. This proven improvement and innovation framework offers each organization an integrated approach to key management areas:

- Leadership
- Strategic planning
- Customer focus
- Measurement, analysis, and knowledge management
- Workforce focus
- Process management
- Results

### **Improving Performance**

The Baldrige Criteria can be adapted to fit unique challenges and cultures and help evaluate performance, assess where improvements or innovation are most needed, and get results. Participants in the Baldrige program are part of a national effort to improve America's performance and its competitive standing in the world.

Thousands of organizations of all sizes in every industry use the Baldrige Criteria, including:

Large, Fortune 500 companies, including Boeing Aerospace Support, The Ritz-Carlton Hotel Company, Caterpillar Financial, and Motorola CGISS

Small businesses, such as PRO-TEC Coating Company, which provides coated sheet steel to the U.S. auto industry; privately-held MESA Products, Inc.; and Branch-Smith, a family-owned, full-service printing company

Large hospitals and hospital systems, like Poudre Valley Health System and SSM Health Care and single hospitals like Bronson Methodist Hospital

Large and small schools and colleges, such as Iredell-Statesville Schools, Chugach School District, Richland College, and Pearl River School District, and

Nonprofits and government entities, such as the City of Coral Springs and U.S. Army ARDEC

The Baldrige system criteria help organizations assess their improvement efforts, diagnose their overall performance management system, and identify their strengths and opportunities for improvement.

*SOURCE: National Institute of Standards and Technology*

### **New York State One Stop Certification Program**

New York established a quality-driven, comprehensive system of workforce development services, and access to services, that benefit all New York citizens. One way this was accomplished is a systemic approach in the development of One Stop operator quality standards and measures of excellence that are flexibly applied on the local level. The State Workforce Investment Board ensures consistency of quality across New York's One Stop system by establishing a state-level certification of local One Stop System and center operators. Achievement of state-level certification allows local Operators to benefit from the "WorkforceNY" statewide One Stop logo and marketing campaign and promotional materials. This "branding" of New York's One Stop system identifies local systems and centers which have attained state certification as

In the New York program, each local workforce investment board must establish a One Stop operator certification process prior to applying for state-level certification. In addition, the local workforce investment board must have a written agreement in place with each One Stop operator in the local system. This written agreement provides a basis for accountability, clarity of roles and responsibilities, and promotes inclusion of partners and integration of services. Consistent with the Workforce Investment Act principles of universal access, customer choice, increased accountability, and strong private sector involvement, the local certification process must also advance quality improvement methods, customer satisfaction measures, and staff development.

State-level certification uses the locally developed quality standards and criteria as its foundation. In addition to a paper review, state-level site visit teams are dispatched to verify required elements, partner involvement, service integration and other quality indicators. If any elements are missing or found to be inadequate, feedback and technical assistance are provided to bring the operator up to the level required for State certification. Once State certification has been achieved, it is valid for two years from the date of award. Local workforce investment boards may apply for recertification on behalf of their operators six months prior to expiration. Listed below are the steps involved in achieving state-level certification.

Step 1: The local workforce investment board develops a written One Stop Operator certification process and submits it to the NYS Department of Labor as staff to the State Workforce Investment Board. The local certification process may be transmitted for review prior to OR at the time of application for State certification of the local One Stop System/Center Operator(s). Technical assistance will be provided as requested.

Step 2: The local workforce investment board submits an application for State certification of locally certified One Stop System/Center

Operator(s) to the state.

Applications will be accepted on a continuous basis and may be submitted for individual One Stop Center Operators as they become locally certified or may be submitted for a One Stop System Operator overseeing more than one One Stop Center. In either case, all One Stop Centers under the responsibility of the One Stop Operator must be locally certified prior to submitting an application for state certification.

The application package must include:

- A copy of local certification process (unless previously submitted)
- A completed state certification application form
- A signed Attestation page asserting that One Stop Operators have met local criteria
- A signed Non-Compliance Policy stating consequences of non-compliance, and
- A copy of local workforce investment board /One Stop Operator Agreement.

Step 3: Once an application has been reviewed, a site visit will be scheduled to include members of the local Board, the One Stop Operator and other individuals as appropriate. Site visits will be conducted by a team consisting of staff to the state Board and state agency workforce development partners. Generally, site visits will cover the areas listed below; however, more specific information will be given prior to the actual visit:

- Customer flow
- Administrative systems
- Service and resource integration
- Information technology systems
- Business services
- Quantitative and qualitative measures
- Financial systems, and
- Facility.

Step 4: The site visit team will provide written feedback to the local workforce investment board which will result in either Certification or provision of technical assistance.

Step 5: The site visit team will make annual visits to assist the local workforce investment board in identifying improvement opportunities, training and technical assistance needs. These visits will be prearranged with local workforce investment board Chairs. In addition, unannounced, “secret shopper” visits will take place randomly during the term of certification in order to gauge performance from a customer’s point of view. Local workforce investment board Chairs will receive a written feedback report after both the pre-arranged visits and the secret shopper visits. Additional details will be distributed to Local Board Chairs regarding how the secret shopper reviews will be conducted, the components the shoppers will focus on, and the evaluation process that will be used.

Step 6: A local workforce investment board may apply for recertification of its system/center operator(s) six months prior to expiration of state certification. Local workforce investment boards must ensure that all operators seeking recertification have continued to meet or exceed the local level certification criteria.

*SOURCE: adapted from Guide to Certifying One Stop Operators, NYS Department of Labor in consultation with New York State Workforce Investment Board*

## Action Step 4

# User-Friendly Online Services

### Description

Completely overhaul Kentucky's workforce development online service delivery by improving and expanding web-based tools and services. In order to create an online user-friendly environment for all customers, the new approach will include a single point of entry or front door for both employer and employee customer groups. This portal should be designed around the themes of Kentucky's rebranding strategy and easily guide each user to the appropriate services with intuitive navigation features.

One of the cornerstone web tools employed by the system is "e3", the Commonwealth's employment, education, and economic development application. Research during the planning process has revealed that the name "e3" is not widely known by customers and has not been promoted to employers or job seekers effectively. Investments in this system have been significant over the years. However, due to lack of name recognition or possible negative experiences with the current "e3" system, the rebranding of this online service should be included in the system branding project.

Enhancement of the current "e3" system to provide job seekers and employers with a robust menu of services and more intuitive, user-friendly portal and electronic data entry interface which more closely approximates popular job matching services available on the internet, such as Monster.com and Careerbuilder.com.

For job seekers, the enhancements must include a resume building component and automated matching system based on the user's resume profile to identify and rank available jobs best suited to that user.

For the employer, these improvements must reduce the amount of data which must be entered and should be capable of accepting electronic documents already prepared by the employer outside the system. The system must also be able to provide employers with a list of qualified individuals based on resume profiles stored in the system.



Other improvements recommended to the system's online tools include: Web-based eligibility reviews for unemployment insurance claims, redesign of agency Web sites to conform with a new branding architecture, online improvements for employers applying for Work Opportunity Tax Credit, continuous upgrades to create a virtual One Stop, and update of the Commonwealth's Employ Kentucky Operating System user policy to make user access consistent throughout the system.

In all cases, improvements to any part of the system must employ the same principles of user-friendly, intuitive interfaces, using plain English and providing interactive features. Websites within the system must also be redesigned to build consistency in navigation, language, graphic identity, and basic features, such as site index, contact us, about, etcetera.

### Strategic Benefit

Simplifies online services and focuses on innovative user-friendly applications

Increases the awareness and use of online job matching and training services

Increases awareness within the system that "clients" of the workforce system, include those with jobs to fill as well as those seeking a job

Increases use of workforce system as a resource for employers to identify, screen, match, interview and

prepare candidates for work

Increases use of online tools and resources  
Provides up-to-date resources for all clients

Increases contacts with employers and economic development agencies regarding future workforce needs

Reduces confusion and information overload for those unfamiliar with the system

### **Nature of Change**

This change will require a project champion within the cabinet and the IT department of the cabinet. Developing consistency may require some offices or agencies to be flexible and re-examine their online tools and services.

### **Cost**

Nearly \$1.3 million will be required for the initial stages of the overhaul. Funding will be leveraged using a variety of sources, including statewide administration and reserve funds. Grants and other funding opportunities will be sought for specific elements of the overhaul. Funding to maintain and keep the system up-to-date will be required in future years.

### **Implementation Timing**

Work will begin immediately and make require one - two years to complete. Maintenance and continuous updates and enhancements will be required to remain competitive.

### **Responsible Parties**

Governor's Office  
Secretary of Education and Workforce Development  
Commissioner of Workforce Investment  
Division of Technology Services

### **Consequences of No Action**

Kentucky will continue to invest in a system (e3) which offers little return for either employers or job seekers. Productivity and efficiency will suffer and Workforce staff will have less time to focus on customers' real needs if they are occupied helping clients complete tasks which could easily be automated.

### **Benefit to Local Areas/Clients**

Local workforce staff will have better tools and services to offer employers and job seekers. Time spent completing manual tasks can be freed up to focus on customers and their actual needs.

More automation in the system should result in shorter lines and wait times in One Stop Centers by making many applications available to customers 24-7 online.

### **Potential Obstacles**

Buy-in across the system at many levels will be required. Resources to aggressively promote online tools and services will also be required.

### **Transparency/Accountability**

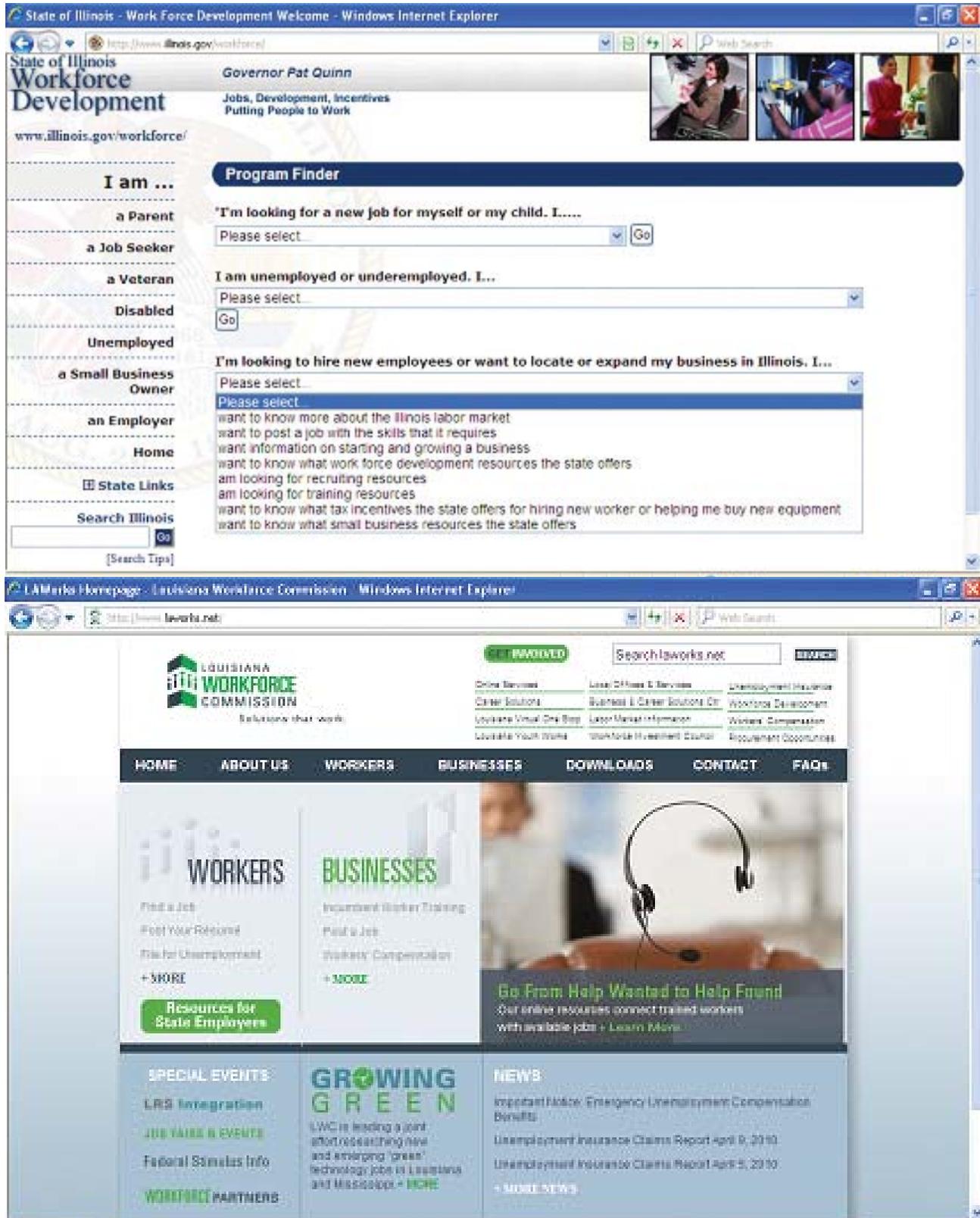
Benchmarking the use of existing sites and comparing to use following upgrades and promotion should indicate the return on investment being achieved.

### **Additional Comments**

Upgrades to services currently underway should continue, with an understanding that modifications to conform with a rebranding strategy will be required once that identity has been adopted.

## Best Practices

The states of Illinois and Louisiana employ user-friendly front doors or portals to triage visitors based on who they are and what they want to accomplish.



## Minnesota Department of Employment and Economic Development (DEED)

From their 2009 Annual Report

The agency launched its new Website at [www.PositivelyMinnesota.com](http://www.PositivelyMinnesota.com) in December, unveiling a new site that is better organized and easier to navigate.

“Before we began developing the new site, we conducted usability testing with actual users—job seekers, businesspeople, site selectors and local government officials,” said Laura Winge, the agency’s creative director. “They all told us the old site was too confusing.”

Presenting Department of Employment and Economic Development and its programs in a comprehensive yet understandable package online can be difficult. Department of Employment and Economic Development has more than 50 programs, handling everything from veterans issues to employment data to services for people with disabilities. The Minnesota Trade Office, Unemployment Insurance Program, Minnesota WorkForce Centers and Public Facilities Authority all fall under the umbrella of Department of Employment and Economic Development.

## Attachment B - WORKSmart Kentucky KWIB Strategic Plan

How, then, to keep the Web site simple? The solution was to organize the site based on user needs. The home page features three main tabs—one for job seekers, one for businesses and one for local governments.

Customers can easily navigate to pages of greatest interest to them, and bypass information that is irrelevant.

All of the new site’s sections and pages are organized in the same way, providing a uniformity of user experience. That uniformity also extends to local WorkForce Center Web sites, which had varied greatly in their design, content and organization.

A customer who is starting his own business was so impressed with the new site that he wrote Department of Employment and Economic Development to extend his thanks. “The layout of the Web site is very easy to use,” he said. “I can always find what I need very quickly without hassle, and the contained documents are clear, concise and thorough—a difficult balance to achieve.”

The screenshot shows the homepage of the Minnesota Department of Employment and Economic Development website. At the top left is the logo for "POSITIVELY Minnesota" with the text "Department of Employment and Economic Development" below it. To the right of the logo are utility links: "Text Only", "Type Size: A A A", "Email Page", "Print Page", and "RSS". Below these is a search bar with a dropdown menu set to "Entire Site" and a "Go" button. A navigation menu below the search bar includes "JOB SEEKERS", "BUSINESS", "GOVERNMENT", "Programs & Services", "Data & Publications", "Calendar of Events", "About Us", and "Contact Us". The main content area features a large banner image of the Minnesota State Capitol building with the text: "Minnesota Department of Employment and Economic Development. Other states talk big but deliver small. We're big on deeds. See Why Minnesota is positively the best place to live, work and do business." Below the banner are three main sections: "FOR JOB SEEKERS" with links for "Recently Unemployed", "Find a Job", "WorkForce Centers", and "More Options..."; "FOR BUSINESS" with links for "Starting a Business", "Managing a Business", "Locating in Minnesota", and "More Options..."; and "FOR LOCAL GOVERNMENT" with links for "Financial Assistance", "Shovel Ready Site Certification", "Business Subsidy Reporting", and "More Options...".

## Action Step 5

# National Career Readiness Certificate – Adoption & Expansion

### Description

Kentucky pioneered the work-ready certificate with the implementation of the Kentucky Employability Certificate. That program became a model for other states.

Based on performance on several Work Keys tests, the Kentucky Employability Certificate was envisioned to provide potential employers with an assessment of applicant's basic skills in math, English and locating information. The program met with limited success and is used extensively by some employers in certain regions of the state and not at all by others.

ACT, Inc., the organization that administers the Work Keys assessments has expanded upon Kentucky's idea and created a nationally recognized credential called the National Career Readiness Certificate. This credential offers portability between states. ACT, Inc. offers certificates at four levels, bronze, silver, gold and platinum. A focus group of those familiar with the Kentucky Employability Certificate and the National Career Readiness Certificate have concluded that the Bronze level certificate offers little value to employers. However the remaining three levels can provide employers with a valuable tool in screening applicants.

These levels also provide certificate holders with a credential that will help them compete in the job market. For those reasons it is recommended that Kentucky adopt the National Career Readiness credential and recognize only those scoring at the silver and above levels with certificates. This will replace the Kentucky Employability Certificate.

Expansion of assessment sites to include all comprehensive One Stop locations is also recommended. It is further recommended that an alliance be formed between the Department of Workforce Development and the Kentucky Chamber of Commerce to promote the value of the certificate to business and industry, and that certificates be signed by the Governor and the President of the Chamber.

Other alliances to promote the value of the certificates should be formed with the Kentucky Retail Federation, Hospital and Health Care Associations, the Hotel and Motel Association, the Restaurant Association, and the Kentucky Association of Manufacturers.

### Strategic Benefit

Increases communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development;

Increases the number of postsecondary and work-ready high school graduates;

Provides opportunity to promote educational options, including technical education, two-year and four-year college, apprenticeships and specialty training to younger students;

Increases awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries; and

Helps establish the concept of life-long learning as a norm in the 21st century.



**Nature of Change**

Administrative, no legislation required

**Cost**

Start up and year one funding - \$420,000  
Paid for with 2009 Incentive Grant

**Implementation Timing**

Roll out in June 2010

**Responsible Parties**

Kentucky Workforce Investment Board  
Office of Employment and Training  
One Stop Career Centers  
Council on Post secondary Education  
Kentucky Community and Technical College System  
Kentucky Chamber of Commerce

**Consequences of No Action**

Kentucky will lose a competitive advantage in providing employers with screening tools for new hires.

**Benefit to Local Areas/Clients**

Opportunity to provide valuable service to local employers, opportunity to meet with applicants to assess and refer for training, if needed, added value to One Stop Centers.

**Potential Obstacles**

Cost of assessments in future years

**Transparency/Accountability**

Weekly sweeps of assessments will be conducted and issuance of certificates measured.

Annual surveys may be conducted to determine use of certificates by employers in conjunction with partner organizations.

In 2005, the Cumberland Workforce Investment Area (CWIA) in partnership with Kentucky Adult Education conducted a pilot program to work with businesses and individuals to raise awareness and use of the WorkKeys assessment and the significance of obtaining a Kentucky Employability Certificate (KEC) for both. During this pilot, the lack of knowledge by both groups became evident. Major inroads were made to educate and make the use of this certificate in the interviewing and hiring process. The project also revealed the need for access to a large population of workers that would help build a foundation and larger pool of individuals with the Kentucky Employability Certificate to demonstrate the quality of our local workforce for economic development purposes.

After research and thought, a decision to target high school seniors as the focus to build the larger pool was made. During the pilot, a limited number were selected and the results were successful.

As a follow-up to that pilot, the Cumberland Youth Council and Cumberland Workforce Investment Board chose to continue the project. It has been in operation for the past five years.

During that period, 13,421 seniors took the test with 7,809 receiving either a gold or silver certificate. Those that do not attain a certificate or wish to obtain a higher certificate are encouraged to contact their local Adult Education Center after graduation.

This service to youth is a core service assessment that can lead to a certificate that will benefit them as they seek employment for years to come. The Cumberland Youth Council and Cumberland Workforce Investment Board consider this a great benefit to both the individual and the business community and one step in creating and showing the quality of workforce in our area.



## Action Step 6

# Eligible Training Provider List Enhancements

### Description

Overhaul the Eligible Trainer Provider List process and eligibility criteria to reinforce priorities around high demand occupations, sustainable wages and career ladder goals.

### Strategic Benefit

Ensure the training dollars provided meet the needs of business and industry, provide a livable wage for workers and support the regional and state economy.



### Nature of Change

Develop a new statewide eligible training provider policy and redesign the state and local process to support that policy.

### Cost

Programming - \$10,000

### Implementation Timing

Examine best practices around the process (one month)

Draft the new policy for Kentucky Workforce Investment Board review and approve (one month)

Retool the process (three months)

Train state and local staff (three months)

### Responsible Parties

Kentucky Workforce Investment Board  
Office of Employment and Training Division of  
Workforce and Employment Services

### Consequences of No Action

Training resources may not be strategically invested based on state and regional business needs or economy demands.

Job seekers may not be trained in high-demand, high-growth occupations limiting their economic potential.

### Benefit to Local Areas/Clients

Individuals that receive training will be equipped to meet employers' needs in their regional economy.

### Potential Obstacles

Resistance to an expanded state role in the Eligible Trainer Provider List process.

### Transparency/Accountability

Ensure that taxpayer resources are being invested in high-demand, high-growth occupational training.



# Education Alignment

## *Action Steps*

1. Tech – High
2. I-Best: GED in Context
3. Apprenticeship Sales Force
4. High School Outreach
5. GED Express: Lodge & Learn



## Action Step 1

# Tech-High

### Description

Much like many of our One Stop Centers suffer from an outdated identity of “unemployment offices”, Kentucky’s secondary technology centers also suffer from an outdated identity as the place to send the “undesirable” or “not-college-material” students. The fact is that these alternatives to traditional secondary education offer programs which can prepare students for work and/or continuation of their education into post-secondary skills training options such as associate degrees, occupational certificates, and registered apprenticeships.

Also similar to the identity problem with One Stop Centers, simply changing the name is not enough to realign the image of this educational alternative effectively. In order to shift the image, meaningful relationships with Kentucky high schools and Area Technology Centers around career development must be established and nurtured.

Providing Career Counselors in all Area Technology Centers, as well as those technical education facilities operated by local school boards, should be an area of focus for promoting relevant career pathways. This action is viewed as one of the most efficient and effective ways to transform the technical education system.

These services should be predicated on and supported by partnerships of local government, business and industry, industrial development authorities, and local workforce investment boards.

The infrastructure and equipment needs of technical education programs must be addressed on a regular basis. There are examples of businesses threatening to leave the state based on outdated technical education facilities and equipment which limit the competitiveness of the Commonwealth’s workforce.

By engaging local industry in the development of programs and facilities, technical education in Kentucky will be better positioned to respond to the needs of businesses as they thrive in an increasingly competitive environment. Institution of cutting edge programs, such as those associated

with the green movement will also make our students more competitive in the job market.

Kentucky’s technical education system, regardless of what entity administers the facilities, should be viewed in the same light as a magnet school, where students aspire to attend rather than seeing it as a warehouse of last resort for non-traditional students.

### Strategic Benefit

Increases communication and collaboration between workforce boards and boards of education, technical education, and business and industry;

Increases the number of postsecondary and work-ready high school graduates;

Promotes educational options, including technical education, two-year and four-year college, apprenticeships and specialty training to younger students; and



Increases awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries.

**Nature of Change**

A change in the culture of technical education to one of collaboration and aspiration to lead will help it become a sought after service, rather than an option of last resort. Adding counselors to area technology centers would require legislation already proposed but not passed in General Assembly.

**Cost**

Estimated annual cost for a full time counselor's salary/fringe = \$63,000  
54 Area Technologies Centers  
@ \$63,000 = \$3,402,000

**Implementation Timing**

Because the change requires action by the General Assembly, implementation is likely to occur on a mid-long term schedule. The earliest possible opportunity to pass the required legislation will be January of 2011.

**Responsible Parties**

Kentucky Department of Education  
Office of Career and Technical Education  
Local Workforce Investment Boards

**Consequences of No Action**

Technical education will continue to be viewed in a more negative than positive light, programs have the potential to loose touch with skills in demand locally without strong business and industry involvement.

**Benefit to Local Areas/Clients**

Technical education has the potential to be viewed like other magnet schools with special focus and become a valuable resource to local employers and true preparatory experience for the world of work or continued education. Students engaged in such a program will become more competitive in the job market and help employers become more competitive in the world market.

**Potential Obstacles**

Culture shift and attitudinal realignment at all levels within the education system.

Funding for career counselors may be difficult to secure in light of budget shortfalls and cutbacks in nearly every state agency.

**Transparency/Accountability**

The legislative process will determine accountability measures and structures for this action step.



## Action Step 2

# I-BEST: GED in Context

### Description

Develop integrated contextualized curriculum to meet the basic literacy skills needs and professional-technical certificate requirements to accelerate learning to prepare low-skilled adults for work and to increase their contributions to the state's economy while increasing their capacity for obtaining higher wage positions and career advancement opportunities.

Creating contextualized curriculum to be used in the 120 adult education programs across Kentucky is a way to accelerate this learning process. Currently, Kentucky Adult Education awards approximately 10,000 General Educational Development (GED) diplomas and Kentucky Community and Technical College System (KCTCS) awards 13,000 certificates a year. Each of these credentials can take several years to earn independently. However, a partnership to develop contextualized curriculum will accelerate the learning process enabling the student to enter the workforce much quicker than if each credential were earned separately.

The curriculum should be modeled after the nationally recognized Integrated Basic Education and Skills Training Model (I-BEST) developed by Washington State Board for Community and Technical Colleges and aligned with Kentucky's sector strategies. Integrated Basic Education and Skills Training Model programs are based on professional-technical programs that lead to an approved professional-technical certificate or associate degree program from a community college that result in high wage employment.

Integrated Basic Education and Skills Training Model pairs adult education instructors and professional-technical instructors in the classroom using contextualized curriculum, thus contributing to a learning experience for students that combines both literacy and workforce skills simultaneously. This process allows for the student to gain the necessary education and skills concurrently thus greatly reducing the amount of time the student spends in the classroom.



### Strategic Benefit

Increases communication and collaboration between boards of education, technical education, postsecondary education and economic development

Increases awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries

Helps establish the concept of life-long learning as a norm in the 21st century

Enables low-skill adults to simultaneously achieve basic literacy skills plus a college credential while decreasing the amount of time students spend in study

Learning basic skills in the context of technical professions increases basic skills completion rates

### Nature of Change

Changes the philosophy that students must complete their GED prior to entering training or educational programs which provide them with occupation-specific skills development. Allows for simultaneous work toward a GED and career credentials.

**Cost**

Estimated at less than \$1 million

**Implementation Timing**

Short term, curriculum development  
Longer term, incremental integration into postsecondary technical training programs

**Responsible Parties**

Kentucky Adult Education, Council on Postsecondary Education  
Kentucky Community and Technical College System

**Consequences of No Action**

Kentucky's ability to grow its human capital infrastructure and raise the educational attainment level necessary to compete economically will suffer. Kentucky will continue with business as usual and see programs diminish or disappear as budget cuts limit the resources to achieve gains in education attainment.

Employers see a value in the GED, in some cases as better than a high school diploma. Not implementing this program will constitute a missed opportunity to demonstrate the Commonwealth's commitment to innovate and provide business and industry with the skilled workforce they need to be competitive.

**Benefit to Local Areas/Clients**

The program will help local areas develop a more competitive workforce in a shorter period of time.

Participants in the program will find the curriculum for obtaining their GED more relevant to their career choices, increasing chances for successful attainment of both education and occupation credential attainment.

**Potential Obstacles**

Funding for curriculum development

**Transparency/Accountability**

The Adult Education and Kentucky Community and Technical College System will be required to report progress to the Education and Workforce Development Cabinet at major milestones as the project is implemented.

**Additional Comments**

Individuals who attend community college occupational degree programs are eight percent more likely to be employed and earn \$4,400 per year more on average than similar individuals in the labor force who do not enroll in any training programs (Research Report No. 06-2 Washington State Board for Community and Technical Colleges 2005).



## Best Practice

### Washington State's I-Best Program

Washington State's Integrated Basic Education and Skills Training (I-BEST) began as a pilot program at 10 community and technical colleges and has since been implemented in all 34 colleges in the Washington State Board for Community and Technical Colleges (SBCTC) system.



The program was developed in response to studies performed by the Washington State Board for Community and Technical Colleges that indicated that students were unlikely to complete a long-term basic skills class and then successfully transition to college level vocational programs. The Integrated Basic Education and Skills Training Model challenges the traditional notion that students must first complete adult basic education (ABE) or English as a second language (ESL) before moving to college level course work. The Integrated Basic Education and Skills Training Model pairs English as a Second Language or Adult Basic Education instructors with vocational or content area instructors to co-teach college level vocational courses.

State and national research conducted by the

State Board for Community and Technical Colleges revealed that low-skilled adults often begin their educational process in either English as a Second Language or Adult Basic Education courses, and few make the transition to workforce skills training programs that allow them to reap the benefits of higher wage and higher skills jobs. The intention of the ten demonstration projects was to test “traditional notions that students must first complete all levels of basic education before they can begin workforce training.”

Integrated Basic Education and Skills Training Model has historically been tied to economic development, with Integrated Basic Education and Skills Training Model courses at individual colleges aligning with high-wage, high-demand jobs within their communities.

A study conducted by the Community College Research Center at Columbia University concluded that Washington's Integrated Basic Education and Skills Training Model students were “more likely than others to: continue into credit-bearing coursework; earn credits that count toward college credentials; earn occupational certificates; and make point gains on basic skills tests.

The study also used a propensity score matching model to track students for two years. This model revealed that the probability of Integrated Basic Education and Skills Training Model students earning at least one college credit was 90 percent while the probability for students in the non Integrated Basic Education and Skills Training Model control group was only 67 percent. Persistence into the second year of college was 78 percent for the Integrated Basic Education and Skills Training Model students, compared to 61 percent for the control group. Chances of earning an occupational certificate proved to be 55 percent for Integrated Basic Education and Skills Training Model students compared to a mere 15 percent for the control group.



## Action Step 3

# Apprenticeship Sales Force



### Description

Establish a partnership to market the benefits of registered apprenticeships (union and non-union) to Kentucky business. This “earn while you learn” approach to skills development for a wide variety of crafts and trades in Kentucky has not come near reaching its potential as a tool for building a highly skilled workforce, helping business and industry increase their competitiveness, and providing sustainable wages for Kentuckians willing to work hard to raise their standard of living.

In order to reach its potential with registered apprenticeships, a marketing partnership is recommended to promote the benefits to business and industry. This opportunity must be understood and promoted by the business service representatives of each local board and become an integral part of the solutions-based business services model.

Registered apprenticeships benefit employers by providing them with a pipeline of skilled workers with industry-specific training and hands-on experience. Registered apprenticeship programs are customizable to match employers’ needs, and

highly flexible to always to meet the employers’ changing requirements.

The growing interest in energy efficiency and environmental sustainability (Green) should be monitored by the partnership to assure that Kentucky’s apprenticeship programs are competitive with those in other regions and states.

The partnership should also look at marketing this educational/work alternative to secondary students through the promotion and development of pre-apprenticeship programs.

### Strategic Benefit

Increases communication and collaboration between workforce boards and boards of education, technical education, postsecondary education, labor organizations and business.

Promotes educational options, including technical education, two-year and four-year college, apprenticeships and specialty training to younger students

Establish the concept of life-long learning as a norm in the 21st century

### Nature of Change

Collaborative effort between existing organizations.

### Cost

Training of Workforce staff - \$25,000

### Implementation Timing

This training should occur in advance of any outreach program rollout for re-energized business services.

### Responsible Parties

Kentucky Labor Cabinet  
Office of Employment and Training  
Local Workforce Investment Boards  
One Stop Centers  
Kentucky Community and Technical College System  
– Apprenticeship Studies  
Kentucky Department of Education  
Office of Career and Technical Education

### **Consequences of No Action**

As apprenticeships grow in importance and evolve with new technologies, Kentucky could fall behind the rest of the nation, leaving our business and industry sectors less competitive and our workforce lacking the skills necessary to compete in the 21<sup>st</sup> century.

### **Benefit to Local Areas/Clients**

As an alternative to traditional post-secondary education, registered apprenticeships will appeal to a segment of the population concerned about earning a wage immediately while developing skills through a combination of hands on and classroom work. Apprenticeships also offer local workforce agencies an opportunity to discuss career pathways and training alternatives with customers.

Local business contacts will increase as the partnership promotes the benefits of the programs, opening the door to promote additional services offered by the state and local workforce system.

### **Potential Obstacles**

Economic conditions could limit the expansion of the program during recovery until additional funding becomes available and demand is realized.

### **Additional Comments**

Kentucky currently has 300 registered apprenticeship programs

Currently funded through the General Fund expansion package

Shortages are anticipated in the following trades – Welders, Lineman, Pipefitters, and Diesel Mechanics.

## Action Step 4

# High School Outreach

### Description

Encourage local workforce investment boards to develop strong working relationships with middle and high schools in their regions. These relationships should be based on the One Stop Centers' capability to deliver assessment and career exploration services, and the direct linkages to the local business community these boards can provide.

Participation in such efforts as career fairs, college recruiting events, innovation and entrepreneurship programs, "reality stores", etc. local workforce investment boards can better position their clients for the realities of the world of work and postsecondary education. As a third-party "expert", the local workforce system will be positioned as an objective resource for career, education and training information for youth.

Based on strengthened relationships, local workforce investment boards should position themselves as expert problem solvers by targeting services to youth identified by the schools as at-risk of dropping out.

### Strategic Benefit

- Increases communication and collaboration between workforce boards and boards of education, technical education, postsecondary education and economic development
- Increases the number of postsecondary and work-ready high school graduates
- Promotes educational options, including technical education, two-year and four-year college, apprenticeships and specialty training to younger students

### Nature of Change

This action item must be based locally and depends entirely upon the buy-in of local workforce investment boards. However, changing the perception of the One Stop Centers and the workforce system as whole may include such

outreach efforts as part of the branding architecture of a revitalized system.

### Cost

Costs will vary depending upon program specifics developed by local boards.

### Implementation Timing

This is mid-range action step (two - three years)

### Responsible Parties

Local Workforce Investment Boards  
Local Boards of Education

### Consequences of No Action

Local areas will continue to deal with high school dropouts as customers of the workforce system and dedicate increasingly scarce resources to remedial education rather than using those resources for career training and other services. Funds will be used to catch people up rather than advance the quality of the workforce.

### Benefit to Local Areas/Clients

Local workforce investment boards benefit by repositioning themselves within their regions as expert problem solvers, rather than just a service delivery organization.

An "intervene now, rather than expend greater resources later" approach should help local areas in the long run to advance the quality of their workforce by dedicating fewer resources to remedial skills development and greater dedication to advanced education and training.

Local schools and their students will benefit from early(ier) intervention to help prevent dropouts and better prepare students for the realities of employment and education.

### Potential Obstacles

Local workforce investment areas will likely be challenged to identify resources they can dedicate to these programs.

## Transparency/Accountability

Local workforce investment boards should monitor local efforts and report success stories and best practices to the state board

## Best Practices

### Cumberlands WIA High School Assessments

In 2005, the Cumberlands Workforce Investment Area (CWIA) in partnership with Kentucky Adult Education conducted a pilot program to work with businesses and individuals to raise awareness and use of the WorkKeys assessment and the significance of obtaining a Kentucky Employability Certificate (KEC) for both. During this pilot, the lack of knowledge by both groups became evident. Major inroads were made to educate and make the use of this certificate in the interviewing and hiring process. The project also revealed the need for access to a large population of workers that would help build a foundation and larger pool of individuals with the Kentucky Employability Certificate to demonstrate the quality of our local workforce for economic development purposes.

After research and thought, a decision to target high school seniors as the focus to build the larger pool was made. During the pilot, a limited number were selected, and the results were successful.

As a follow-up to that pilot, the Cumberlands Youth Council and Cumberlands Workforce Investment Board chose to continue the project. It has been in operation for the past five years.

During that period, 13,421 seniors took the test with 7,809 receiving either a gold or silver certificate. Those that do not attain a certificate or wish to obtain a higher certificate are encouraged to contact their local Adult Education Center after graduation.

This service to youth is a core service assessment that can lead to a certificate that will benefit them as they seek employment for years to come. The Cumberlands Youth Council and Cumberlands Workforce Investment Board consider this a great benefit to both the individual and the business community and one step in creating and showing the quality of workforce in our area.

### Region 1 West Virginia - Tipping Point Program

The Region 1 Workforce Investment Board has developed a youth initiative that encompasses the stated goals and objectives of the Workforce Investment Board, specifically: "Promote effective economic and workforce development partnerships that develop and sustain productive workers for business and create prosperous communities for our citizens."

The Tipping Point program was developed as a Youth Enrichment Service to introduce youth to the WORKFORCE West Virginia Career Center system and the services available including job preparation, job search activities, investigation of specific careers, required educational levels for specific jobs, labor market information, and demand occupations within the region/state.

An instructional and entertaining video containing the career information was transferred to computer-disk format, and 16,000 DVDs, CDs and videos were distributed to students in area high schools. The purpose of the project was to engage youth to think about career choices, and provide information to help them prepare to achieve in their chosen careers. This process will be repeated each year for students entering high school. Each youth can access the WORKFORCE West Virginia Web site through their DVD's or CDs.

The Region 1 Board is aware of the need for youth career awareness and job training. This was brought into focus by the U.S. Department of Labor statistics that report 11 percent of West Virginia teens (aged 16 to 19) are not attending school and are not working. The national average is eight percent.

## Action Step 5

# GED<sup>®</sup> Express: Lodge and Learn

### Description

Create an opportunity for dislocated workers and other unemployed individuals without a high school diploma to complete their GED in a compressed timeframe. Participants in the program will be required to meet certain selection criteria, including Test for Adult Basic Education minimum scores.

The program will compress the classroom work required to prepare students to take the GED exam into a four-week period. State and possibly university facilities (such as state park lodges and university dorms and classrooms) will be used as sites for the program so that classroom and sleeping accommodations can be provided on-site, immersing the students in a controlled environment and minimizing distractions during the program. Such locations also provide an environment that is not associated with prior failed attempts at completion of high school studies.

Rather than one-on-one, on-demand instruction, participants will receive instruction in a structured classroom environment with other students testing at or about the same level. The instruction provided will be in the GED content areas of reading, writing, math, science and social studies.

Participants completing the program will receive free room and board during the program and will be able to spend weekends at home. The program will be scheduled around non-peak demand times at state parks and possibly universities in order to obtain reduced rates for lodging, meals and classroom rentals.

Career exploration opportunities will be incorporated into the program curriculum as a means of breaking up the day, maintaining the interest of students and providing a context for importance of skill attainment.

Local workforce investment boards will also be asked to provide an orientation to the participants about the services offered through the One Stop system, including employment services, occupational training and postsecondary education.

Other opportunities can also be integrated into the program, such as Dress for Success, interviewing skills, resume preparation, etc.

Career-readiness will be a key component of this model. In addition to obtaining a GED, students who complete the program will have the opportunity to test for and receive a National Career Readiness Certificate, based on ACT, Inc.'s WorkKeys assessment, adding to their work-ready credentials.

### Strategic Benefit

Increases the number of college- and career-ready GED graduates

Promotes educational attainment, including transition to postsecondary education, technical education, apprenticeships and specialty training

Increases awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries

Establishes the concept of life-long learning as a norm in the 21st century



### Nature of Change

Removes the barrier of time investment required by individuals to obtain the academic and skills preparation necessary for the jobs of the future

## **Cost**

The estimated cost for personnel, materials and equipment for three pilot projects is \$625,000. Additional costs for room and board must be negotiated with participating state agencies such as Kentucky State Parks or individual colleges or universities.

## **Implementation Timing**

It is anticipated that several pilot projects in strategic locations will begin within one year. If successful, the program can be expanded throughout the state and throughout the year.

## **Responsible Parties**

Kentucky Adult Education, Council on  
Postsecondary Education  
Tourism, Arts and Heritage Cabinet  
Public University Partners  
Kentucky Community and Technical College System  
Local Workforce Investment Boards

## **Consequences of No Action**

Kentucky's ability to grow its human capital infrastructure and raise the educational attainment level necessary to compete economically will suffer. Kentucky will continue with business as usual and see programs diminish or disappear as budget cuts limit the resources to achieve gains in education attainment.

Employers see a value in the GED, in some cases as better than a high school diploma. Not implementing this program will constitute a missed opportunity to demonstrate the Commonwealth's commitment to innovate and provide business and industry with the skilled workforce they need to be competitive.

## **Benefit to Local Areas/Clients**

Local leaders have the opportunity to participate in an innovative and highly visible program designed to increase the competitive characteristics of its workforce.

Individuals who may not have had an interest in obtaining their GED due to the length of time required to achieve it will have an opportunity to see quick results.

Local areas will have an opportunity to market their services to a group of interested customers.

## **Potential Obstacles**

Funding for the program will be an issue. Assuming that the program has enough appeal to secure funding for the pilot projects, the sustainability and expansion of the program will need to be addressed. Other barriers may include childcare, transportation, undiagnosed learning disabilities and proper screening of individuals and their commitment to the program.

## **Transparency/Accountability**

Initial success of the program will be evaluated based on two or three pilot projects in different locations. Criteria will include: number of applicants, number selected, completions, GED and National Career Readiness Certificates awarded.

## **Additional Comments (optional)**

It is anticipated that the pilot projects will generate a significant amount of media attention, increasing visibility of the importance of educational attainment. This increased attention is also anticipated to increase interest in GED attainment for those who may also be unable to participate in the program as well. Kentucky Adult Education should use this attention to increase participation in its more traditional adult education programs throughout the state, as well as incorporate best practices and lessons learned from this program to improve efficiencies and results in those programs.

## ***Best Practices***

### **U.S. Army Prep School**

Want to join the Army, but you don't have a high school diploma, or a GED? Previously, this was not possible. However, the Army has now opened the Army Preparatory School (APS) at Fort Jackson, S.C. to help young men and women who fall short of the education requirements needed to join the military.

The four-week course is an Army one-year test program to help young men and women who want to enlist in the Army to obtain their General Educational Development Certificate..

Those accepted for the program enlist in the Army, but instead of attending basic training after their time in the Reception Battalion, they attend the prep school. Upon completion of the program and receiving a GED, they then attend basic training. In addition to intensive classroom training to prepare

for the GED examination, recruits attending the prep school will also undergo daily physical training, be subject to Army discipline, and learn customs and traditions to help prepare them for basic. Those who fail to successfully complete the program are given an entry-level separation, with no prejudices.

To be eligible, applicants must meet the normal enlistment standards (except for education requirements). The program is only open to applicants who score at least a 50 on the Armed Services Vocational Aptitude Battery (ASVAB) and those who aren't eligible to return to high school.

Once fully operational, officials said the prep school could accommodate upwards of 60 new students each week. The school will have the capability of educating 240 recruits at a time in core academic subjects over the course of four weeks. It is expected to yield nearly 3,000 graduates in its first year who upon completion, will continue directly to basic combat training and advanced individual training.

"The Army Preparatory School will help provide the Army with dedicated young men and women who until now were unable to serve their country," Capt. Brian Gaddis the Army Preparatory School company commander, told the Army News Service.

"Because of education requirements, there are high-quality, motivated citizens who can't join," he said. "The Army Preparatory School gives them an opportunity to serve their country."

The Army Training and Doctrine Command is also working with the South Carolina Department of Education to explore the possibilities of the state granting students with an actual high school diploma.

Gen. William S. Wallace, commanding general of Armed Services Vocational Aptitude Battery, believes that the health and fitness of America's youth is rapidly becoming a national security issue.

"Today only 28 percent of the 17 to 24 year-old population qualifies to wear a military uniform. The other 72 percent fail to meet minimum standards on education, character and health," said Wallace. "We will not lower our training standards so we're faced with helping to raise the health and education standards for our young people who want to serve."

A visit to Fort Knox by Cabinet and Adult Education

- Goal of 90 percent graduation rate has been exceeded, actual rate is 99 percent
- Majority of graduates show interest in postsecondary education opportunities
- Created a charter school on post so high school diplomas could be issued
- Currently able to issue a high school diploma from each candidate's original high school

### **New Opportunity School for Women – Berea, KY**

The New Opportunity School for Women was founded in 1987 with the mission of improving the educational, financial and personal circumstances of low-income, middle-aged women in Kentucky and the south central Appalachian region.

Twice a year, the New Opportunity School for Women chooses 14 women to attend its Berea College Campus to spend three weeks in extensive career exploration and leadership development. Placement in an internship on campus or in the community is included. Through testing and counseling, job skills are identified and program participants learn to write a resume and practice job interview skills.

Educational and cultural opportunities are also provided through field trips to museums, music programs, lectures, courses in Appalachian literature, writing and computer basics. Participants examine their personal situations and possibilities for their future through group and individual counseling. Seminars are held to build self-confidence and to help participants return to their communities and families with new self-awareness.

There is no cost for attending the New Opportunity School. Room and meals are provided as well. Grants for travel and childcare are available; however, childcare cannot be provided on campus during the three-week school.

Women living in Kentucky and the south central Appalachian region who have completed high

school, have a GED diploma (or actively working on a GED diploma) and do not have a college degree are eligible to apply. Participants should be between the ages of 30 and 55, of low income and should demonstrate motivation and eagerness to learn. Participants will remain on campus for the entire three-week program.

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The school operates two sessions each year. The winter session begins on the first Sunday in February and the summer session begins on the first Sunday in June.

# Economic Development Alignment

## *Action Steps*

1. Mind Your Own Business – Entrepreneurship Initiative
2. Work-Ready Communities
3. Rapid Response Redesign
4. Economic Development Academy



## Action Step 1

# Mind Your Own Business

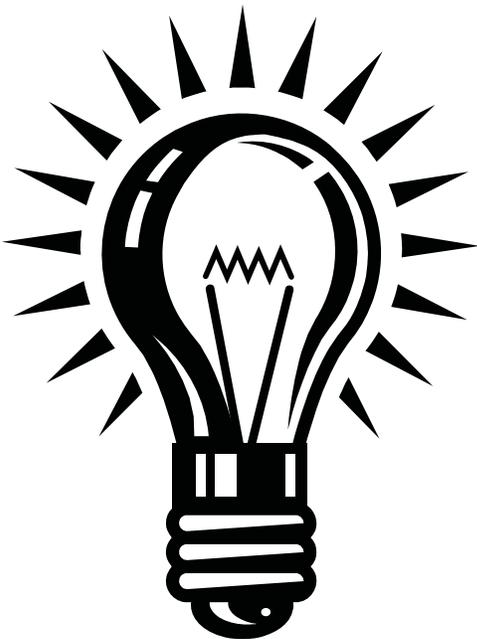
### Description

Promote entrepreneurship and innovation as employment and economic development options with training available through every One Stop Center and Area Technology Center throughout the state. Innovative thinking and local adaptation is encouraged by this strategic plan therefore, a standardized statewide curriculum is not recommended.

Local areas are encouraged to work with education, business and finance partners as well as small business development centers and the state's Innovation and Commercialization Centers to develop a comprehensive entrepreneurship training program that is responsive to local needs while meeting certain minimum standards to be established by the Governor.

In addition to providing opportunities for entrepreneurship training, local alliances are encouraged to link successful participants with venture capital, micro-finance, and other financing resources.

Area Technology Centers operated by the Kentucky Office of Career and Technical Education should work with the local workforce investment boards to create secondary-level versions of the entrepreneurship training opportunities.



### Strategic Benefit

This action provides increased opportunities for entrepreneurship in a culture of innovation.

### Nature of Change

Administrative, no legislation required

### Cost

Estimate to develop and staff program - \$175,000

This does not include training costs, as those will be covered by local formula funds.

### Implementation Timing

Program rollouts should occur no later than Jan 1, 2011.

### Responsible Parties

Governor Beshear  
Education & Workforce Development Cabinet  
Office of Career and Technical Education  
Local Workforce Investment Boards  
Small Business Development Centers  
Colleges and Universities (two and four year)  
Innovation and Commercialization Centers

### Consequences of No Action

Entrepreneurship and small business growth is expected to drive economic recovery in the United States. Without the availability of entrepreneurship training and support, Kentucky will lag behind other states and likely miss opportunities to innovate and grow locally-owned businesses, which are less likely to relocate and create unemployment issues in the future.

### Benefit to Local Areas/Clients

Local areas have the opportunity to invest in creating businesses and employers with local roots providing more stability to the local economy. This also provides local workforce officials with additional opportunities to partner and collaborate with economic development professionals in the creation of new jobs.

### Potential Obstacles

Local areas are unable to count new business start ups as placement in employment in their performance measures.

### Transparency/Accountability

Local workforce investment boards and area technology centers will provide quarterly reports to the state describing number of participants enter and completing training, approved business plans, referrals to financiers, and new businesses and jobs created by trained individuals.

### Additional Comments

“Intel believes that entrepreneurship is crucial to building local innovation capacity. It brings new technologies to market, and supports economic development through building strong local and regional economies. Both the public and the private sectors have important roles to play in advancing entrepreneurship around the world, including through enabling effective entrepreneurship education.”

– **Craig R. Barrett**, Chairman of the Board, Intel Corporation

“Entrepreneurship education for young people is the most powerful idea in youth development today- every young person on the planet should be exposed to the principles of entrepreneurship, ownership and socially responsible wealth creation.”

– **Steve Mariotti**, The National Foundation for Teaching Entrepreneurship



## Action Step 2

# Work Ready Communities

### Description

*“Although the exodus of manufacturing from the United States to offshore locations that became more pronounced during the past 20 years was devastating to many communities, it can be argued that the loss of these lower-skilled production operations made room for the next generation of manufacturing and production that is still occurring today. New industries such as biotechnology and advanced manufacturing require higher-skilled workers and flexible labor forces that many less-developed nations do not offer.”* – Area Development Online, March 31, 2010

In order for Kentucky to remain competitive for these new industries, our communities must promote the availability of that skilled workforce. To provide business and industry with the assurance of the availability of this resource, the Kentucky Workforce Investment Board proposes the certification of communities as “work-ready.” Communities must apply for this certification and meet certain high standards for education attainment and credentialing in order to receive the status.



Once certified, communities will receive a certificate and template that may be used to create signs for posting at gateway points and business areas within the community. Achievement of Work-Ready status will be announced by the Governor and communicated to the media and appropriate state agencies. They will also have the right to use this status in their own marketing and promotion.

Communities will be monitored on a regular basis to assure they continue to meet the “Work-Ready” standards.

Five or more contiguous counties with Work-Ready status may apply for Work-Ready Region status.

### Strategic Benefit

Increases communication and collaboration between workforce boards, economic development agencies, technical, secondary and post-secondary educators, and elected officials

Encourages an increase in the number of postsecondary and work-ready high school graduates

Recognizes educational options, including technical education, two-year and four-year college, apprenticeships and specialty training to younger students

Increases awareness of educational and skills requirements for high-demand jobs, as well as those in emerging industries

Reinforces the concept of life-long learning as a norm in the 21st century

### Nature of Change

Administrative, no legislation required

### Cost

Program Development and outreach in year one - \$200,000

### Implementation Timing

Program should be designed and rolled out within one year of plan adoption

### Responsible Parties

Governor’s Office  
Kentucky Workforce Investment Board  
Education and Workforce Development Cabinet  
Cabinet for Economic Development

### Consequences of No Action

This is a new project, however in the increasingly competitive world of economic development, such a program provides economic development professionals with additional differentiators when

courting new businesses and industry. Numerous economic development and workforce publications rank a skilled workforce in the top five factors in the site selection process.

**Benefit to Local Areas/Clients**

Local areas have the opportunity to bring together elected officials, economic development agencies and educators in an effort to focus collaboration on the improved competitiveness of the workforce.

**Potential Obstacles**

The political will to establish sufficiently high standards so that the certification is meaningful to business

**Best Practice**

**Georgia's Work Ready Program**

*The following are excerpts from the program's Web site.*

As part of Georgia's Work Ready initiative, counties throughout the state have made a commitment to earn Certified Work Ready Community status, a designation showing they have the talented workforce that business demands and the means to drive economic growth and prosperity.

By taking part in the effort, Georgia counties are transforming their economies and giving themselves a competitive advantage in attracting new businesses and jobs.

To be designated a Certified Work Ready Community, counties must drive current workers and the available workforce to earn Work Ready Certificates, demonstrate a commitment to improving public high school graduation rates and build community commitment for meeting these goals. Each community has created a team of economic development, government and education partners to meet the certification criteria. Counties are given three years to reach the goals necessary to become a Certified Work Ready Community. Those counties willing to complete the process in 18 months are eligible for state-funded grants and serve as models for the initiative, showcasing successes and best practices for others to follow.

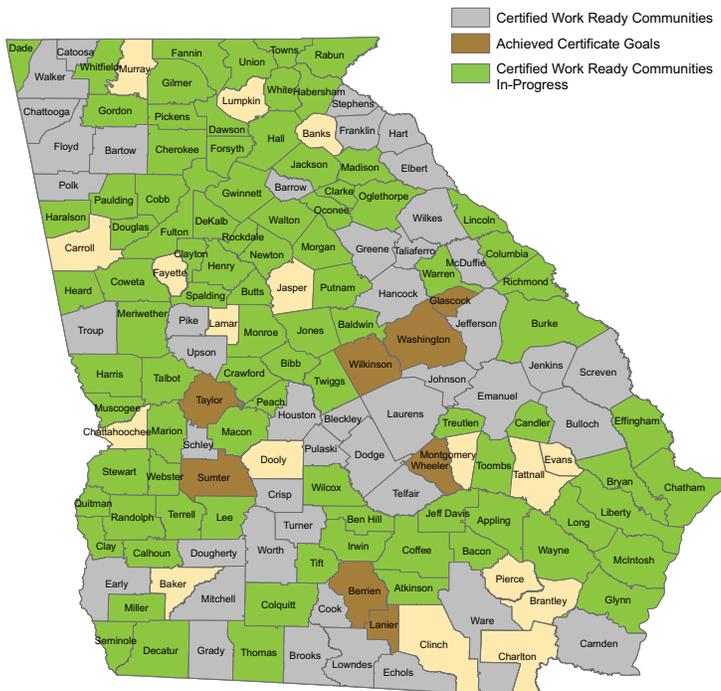
Built on a unique partnership between state government, the state chamber of commerce, local chambers, economic developers, education, private

industry and the state's workforce, Work Ready provides a concrete way to understand what businesses need from their workforce and what Georgians must know to fill those jobs. Through the Work Ready Certificate, job profiling and skills training components, the initiative guarantees workers have both the talent necessary for existing jobs and the skills to master the innovative technologies tomorrow's jobs will require.

Going further, Work Ready is assisting Georgia's communities in designing economic development strategies to attract new business and preserve the health of their existing economic base. The Certified Work Ready Community initiative offers a means of demonstrating that a county's current labor force can fill existing jobs and meet the changing labor needs of tomorrow, and Work Ready Regions encourage multiple counties to work together to build regional talent pools aligned to a common, existing strategic industry.



Certified Work Ready Communities



## Action Step 3

# Rapid Response Redesign

### Description

Evaluate and enhance Kentucky's delivery structure based on best practices across the country focusing on the following elements: the infrastructure; relationships with stakeholders; policies and procedures; gathering intelligence; promoting the services; assessing potential dislocations; and analyzing worker survey data.

The intent is to provide support to Kentucky companies throughout the business lifecycle as opposed to predominantly times of dislocation. These efforts will link with the Cabinet for Economic Development's Department of Business Development.

### Strategic Benefit

Maximize the Commonwealth's rapid response resources aligning them with economic development goals around business development and the Kentucky Reinvestment Act resulting in a more proactive systemic approach.

### Nature of Change

Administrative – Moving the rapid response system from a fundamental level of performance to an enhanced level of performance at both the state and local levels.

### Cost

Training - \$25,000

### Implementation Timing

Evaluate State and Local status (three months)  
Refine Policies and Procedures (three months)  
Develop and Deliver Training (three months)

### Responsible Party

Office of Employment and Training Division of Workforce and Employment Services

### Consequences of No Action

Maintain reactive rapid response practices.

### Benefit to Local Areas/Clients

Broaden the portfolio of services offered to the business community as well as foster a deeper relationship between economic development and workforce development professionals.

### Potential Obstacles

Resistance to a broader interpretation of rapid response services

### Best Practice

Use Education and Training Administration's Rapid Response action plan tool that includes best practices from across the nation as a launching point.





## Action Step 4

# Economic Development Academy

### Description

Establish a one-day program to be conducted throughout the state at various locations designed to bring together local workforce investment board members, economic development authorities, local elected officials, and members of the General Assembly representing the region.

The purpose is to explore how each can work together in a collaborative manner to achieve community and statewide economic development goals by integrating a workforce system that serves as a tool for recruiting and expansion of business and industry and the quality jobs they bring.

As a spin-off of the Academy, a half-day session focused on innovation leadership is recommended. This can be conducted in conjunction with or as a stand alone supplement to the Economic Development Academy. The Innovation Leadership Forum will expose local elected officials and economic development professionals to the importance of focusing on innovation for economic growth as an alternative to reliance solely on chasing the “big win” of a major manufacturing operation.

The Academy will also create a user-friendly directory of key players in workforce investment and economic development at the state, regional and local levels that can be used as a resource by business and industry as well as economic development, workforce and elected officials.

The directory should be available online in a format that allows users to search by county and region. Hard copies will not be printed, however an option for the user to print the directory should be available. Entries should include the roles and responsibilities of listed agencies and individuals, as well as brief information about programs, resources and funding sources.

### Strategic Benefit

Increases communication and collaboration between workforce boards and economic development agencies by bridging differences in “language”, goals and cultures

Focuses a seamless delivery of services provided by Kentucky or the community, not individual agencies

Helps improve and evolve methods of projecting jobs and training needs of the future by building and strengthening relationships between all parties prior to a crisis situation

Increases opportunities for entrepreneurship in a culture of innovation

### Nature of Change

This is a program that can be developed and implemented at the administrative level and does not require legislative change.

### Cost

Estimated cost per Academy - \$2,000  
Includes: Presentation materials, space rental, participant meals, travel for leaders

Estimated directory costs - \$40,000  
Includes: research, writing, and information technology services



### **Implementation Timing**

First Academy to be held in Fall 2010

### **Responsible Parties & Partners**

Kentucky Workforce Investment Board  
Commissioner of Workforce Investment  
Cabinet for Economic Development  
Kentucky Association for Economic Development  
Local Workforce Investment Boards

### **Consequences of No Action**

An inconsistent level of coordination between local workforce investment areas and the economic development and elected officials within the region will produce mixed results and does not make the best use of leveraged resources and community collaboration opportunities.

### **Benefit to Local Areas/Clients**

Local areas will benefit by the presence of a third party (the Academy) carrying messages that integrate best practices and bring with that, the attention of Frankfort officials such as Commissioners, Directors and Cabinet Secretaries.

The citizens and businesses in Kentucky benefit from opportunities to better leverage resources and align the workforce system to be responsive to the needs of local businesses and economic development prospects.

### **Potential Obstacles**

Interest of local officials will need to be developed

Scheduling to assure participation of key individuals in each location to assure return on investment

### **Transparency/Accountability**

Publication of notes from the Academy and all presentations on a state Web site, also made available to local agencies for posting, encourage media coverage of the Academy before, during and after the event.

Online survey emailed to all participants within 30 days of the event.

# System Simplification

## *Action Steps*

1. Alphabet Soup – Eliminate Acronyms
2. Partner for Success
3. Beyond Measure – Statewide Reserve Investments
4. Case Management Consistency
5. High Performing Local Workforce Investment Boards



## Action Step 1

# Alphabet Soup

### Description

The use of acronyms in many government systems has become a jumbled mess of letters leading to confusion and the creation of exclusive languages; the workforce system is no exception.

When a system's purpose is to serve clients, be they business and industry leaders, or workers who are un-or under-employed, communications must be inclusive and employ terms which can be quickly and clearly understood by all.

All communications intended for public or customer consumption should be free of all but the most common abbreviations and acronyms, such as USA, GED, IRS. In no instance shall system acronyms appear in a communication with a client, electronic or printed, without a definition of the acronym upon first reference.

The following acronyms may be common to those engaged with the workforce system on a daily basis but are not within the basic lexicon of our clients and should be avoided in their abbreviated form: UI, TANF, WIA, WIB, DOL, ETA (unless you mean estimated time of arrival), DW, TABE, AE, ATC, OET, OCTE, OFB, OVR, NEG, etcetera.

### Strategic Benefit

Increases understanding by clients

Simplifies online services and focus on innovative user-friendly applications

Reduces confusion and information overload for those unfamiliar with the system

### Nature of Change

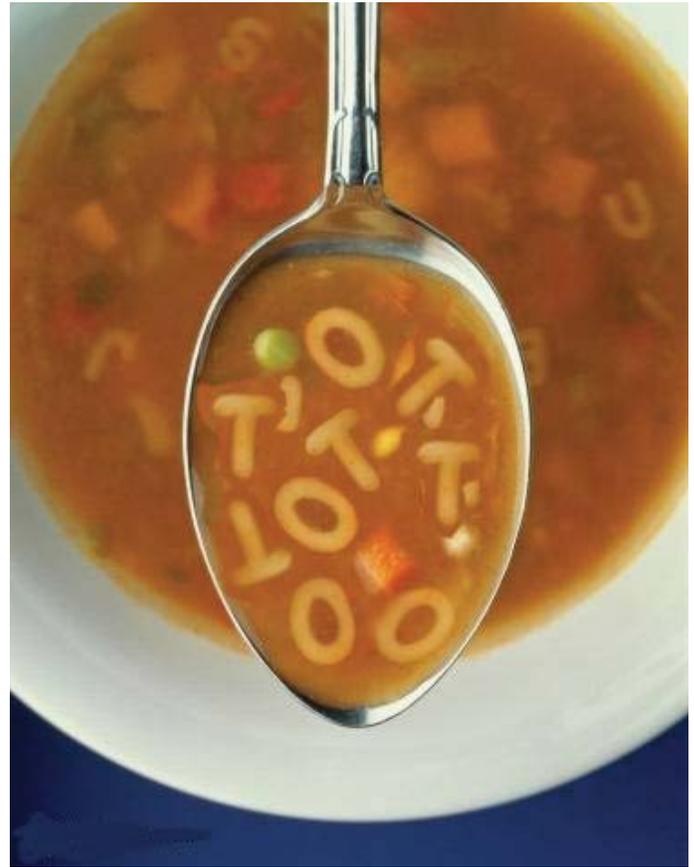
Change will require scrubbing of all existing online resources and monitoring of all new communications tools.

### Cost

None

### Implementation Timing

This will be an on-going effort but can begin immediately.



### Responsible Parties

Everyone who writes or approves any communication material for client or public consumption.

### Consequences of No Action

As more programs are added to the system, so too the number of acronyms increases exponentially. Currently, levels of frustration by clients, the public and even those within the system will lead to missed opportunities because of poor communications.

### Benefit to Local Areas/Clients

Better understanding should lead to better results in performance as well as participation by volunteer board members who may not have the interest or time to learn a new language.

With a better understanding of programs and funding tools communicated in simple terms, clients will have better opportunities for success.

**Potential Obstacles**

Old habits are hard to break.

Partner organizations should be encouraged to buy-in to this approach as well.

**Transparency/Accountability**

State and local review of materials prior to publication or posting

**Additional Comments**

According to acronymfinder.com, there are more than 8 million acronyms in use throughout the world.

The site lists 34 possible meanings for UI, 14 for WIA, 142 for ATC, and 8 for OET (not one of which is our Office of Employment and Training).

## Action Step 2

# Partner for Success

### Description

Within the Kentucky Department of Workforce Investment there are four offices that have meeting the needs of employers, individual training and job placement as a primary focus. There are also opportunities to partner effectively with agencies outside the Department as well, including adult education, housing, economic development, etc.

This initiative will establish an Achieving Success Together team to identify areas of common services and complementary services. This team will be composed of individuals from all levels of the Department's organization. Once those critical services have been identified, this internal group will look at ways to increase efficiency and effectiveness by simplifying service delivery driven by the employer customer and the individual consumer vantage points. This is expected to impact reporting, monitoring and performance outcomes as well.

Some early opportunities for collaboration are being explored such as the Microsoft Information Technology Academy, career coaches in the Area Technology Centers, and Work Now Kentucky. This could pave the way for state level memorandums of understanding for infrastructure costs for state agencies in One Stops, solutions-based approach to business services, joint policy guidance to the field, integrated case management and cross-training of staff.



### Strategic Benefit

Moves the Commonwealth from a confederated set of agencies to a unified system focused on investment in workforce. Streamlines service delivery to employer and individual customers. Leverages resources and shares credit for outcomes. Provides opportunities for individuals at all levels of the system to take ownership in the vision, direction and return on investment made by the department.

### Nature of Change

Policy, administrative and operational changes.

### Cost

Expenses - \$10,000

### Implementation Timing

Identify the team (one month)  
 Conduct a department summit (three months)  
 Develop the action plan (one month)  
 Begin implementing the action plan (six months)

### Responsible Parties

Commissioner of Workforce Investment  
 Agency Heads  
 Achieving Success Together Team

### Consequences of No Action

Continued examples of disjointed policy and service delivery in the Commonwealth for employer and individual customers will limit the opportunity to achieve a better return on investment.

### Benefit to Local Areas/Clients

More efficient and effective service delivery based on employer and individual customer feedback. A greater sense of teaming among One Stop based staff will provide customers with a more unified, goal-oriented seamless system.

### Potential Obstacles

Myths around the ability to leverage resources as well as turf issues



## Action Step 3

# Beyond Measure: Statewide Reserve Investments

### Description

Establish conditions for access to statewide reserve funding that encourage implementation of strategic priorities by local workforce investment boards and partner agencies, promise an increased return on investment and promote innovation in the delivery of services to customers of the system.

A policy statement developed by the Kentucky Workforce Investment Board and approved by the Governor will focus on smart investment of these limited resources on financing projects and programs that align with the state's goals. The policy will outline the purpose of the funding, eligibility requirements, application contents and criteria, and will create a competitive process to level the playing field and focus each investment.

Additionally, when statewide administration funds are used to make improvements which benefit local facilities and service delivery, criteria to assure these investments are also in alignment with state strategic goals should also be employed.

### Strategic Benefit

Reduce ad-hoc decisions by creating a strategic process for investment of statewide funding

Incentive for local and partner buy-in that is not tied to the common performance measures for program funds

### Nature of Change

An administrative policy statement will define the criteria for access to statewide reserve funding.

### Cost

None

### Implementation Timing

This is a short-term implementation step and should be accomplished in 2010.

### Responsible Parties

Governor's Office  
Kentucky Workforce Investment Board  
Education and Workforce Development Cabinet

### Consequences of No Action

Investment decisions made on an ad-hoc basis without established criteria tied to strategic goals will limit the ability of Kentucky to implement its strategic vision and achieve the best return on investment for our clients.

### Benefit to Local Areas/Clients

Each local area and partner organization will be assured of a level playing field as they compete for funds. Awards from the statewide reserve will be made on the basis of established criteria that support the realization of the vision.

### Potential Obstacles

Political will to adhere to the requirements of the policy



### Transparency/Accountability

Criteria established will include reporting requirements.

Recommendations for investment decisions will be made by a committee that includes subject matter experts, technical staff and representatives of the private sector.



## Action Step 4

# Case Management

### Description

One of the cornerstone elements that local workforce investment area directors agree should be part of the branding architecture for Kentucky's workforce system is a consistent approach to case management. To achieve this level of service and unify the approach across the system, case managers will be required to attend training and professional development on a continuing basis.

Training should be developed which will elevate case management principles and approaches akin to those used in the private sector by employment search firms. This training is foundational to specific programmatic training for each service discipline.

Case management staff should be trained, and possibly credentialed, through a training provider to be contracted by the Office of Employment and Training. This training should be available for frontline staff of partner organizations as well.

### Strategic Benefit

Transforms the identify of the "unemployment office"

Reduces confusion and information overload for those unfamiliar with the system

Increases communication among all service delivery points

### Nature of Change

This change to the system will require buy-in at the local and individual levels in order to produce a team of case workers who provide consistent approaches to service across the system.

### Cost

Phase One of Training - \$50,000

### Responsible Parties

Office of Employment and Training  
One Stop Managers

### Consequences of No Action

Case management throughout the system will remain inconsistent and not contribute to the implementation of the state's vision. Rebranding efforts will lack the foundational support of consistent service delivery required for success.

### Benefit to Local Areas/Clients

Clients will receive case management services delivered with consistency by trained professionals.

### Potential Obstacles

Funding and time commitments required for training and continuing education/professional development.

### Transparency/Accountability

Case managers will be required to receive training and professional development/continuing education.





## Action Step 5

# High Performing Workforce Investment Boards

### Description

In order to assure the effectiveness of local workforce investment boards and enhance the strategic nature of these boards, a technical assistance and recognition program will be developed based on an assessment of the following:

- The local workforce investment board is effectively using current information to guide policy and investments.
- The local workforce investment board is investing resources to promote the development of skills and career ladders in the Commonwealth's High Priority Occupations.
- The local workforce investment board has developed partnerships in key targeted industry sub-clusters and is developing innovative approaches to improve their competitiveness.
- The local workforce investment board has a clear strategic direction and has aligned relevant regional resources to that direction.
- The local workforce investment board has both a broad-based and a targeted cluster-linked integrated business services plan.
- The local workforce investment board is ensuring that its One Stops provide excellent and fully accessible services to both employers and job seekers.
- The local workforce investment board has established a youth strategy aligned with the regional and the Commonwealth's high priority occupations.
- The local workforce investment board maintains sound fiscal practices, develops the budget with board member's input and the budget process ensures that Workforce Investment Act investments are aligned with

the strategic direction established by the board.

- The local workforce investment board is in compliance with the negotiated requirements of the quantitative and qualitative measures in the Commonwealth.
- The local workforce investment board is structured, staffed, and funded so that it can carry out its oversight and strategic roles in the local area. The board itself is industry driven and the membership composition is reflective of vital existing and emerging industries.

A consultant will provide an initial high-performance analysis. A technical assistance and recognition program will be developed based on those findings.

### Strategic Benefit

Local boards are in direct control of a large percentage of the workforce investment resources, assuring that they are active and engaged in assuring the desired return on that investment will help realize the Commonwealth's vision.



**Nature of Change**

This is a new initiative to provide direct assistance to local boards and staff.

**Cost**

Assessment and development of the certification program - \$200,000

Technical assistance would be provided as required and funded by local workforce investment boards on a fee basis.

**Implementation Timing**

Initial analysis and report by outside consultant in 2010

**Responsible Parties**

Kentucky Workforce Investment Board  
Local Workforce Investment Boards  
Department of Workforce Investment

**Consequences of No Action**

Local boards will continue to operate with no clear level of performance expectations from the state. Some will operate efficiently and effectively, while

**Benefit to Local Areas/Clients**

Local areas will have a tool to use to measure their effectiveness and provide guidance for strategic direction. Following the best practice model described above will help assure local customers that investment decisions are based on defined strategies and sound data.

**Potential Obstacles**

Less effective boards may resist or reject findings of constructive criticism and recommendations for improving investment performance.

**Transparency/Accountability**

This action step is a means of helping local boards establish their accountability for directing the investment decision within their regions.

**Additional Comments**

This action item is intended as a tool to improve performance.

# Customer Service

## *Action Steps*

1. Workforce Academy
2. Outreach Initiative
3. Get Back to Work
4. One Stop Operations Improvements
5. Unemployment Insurance Customer Service Plan



## Action Step 1

# Workforce Academy

### Description

Both state and local workforce officials agree that a high level of customer service should be one of the cornerstones of the brand architecture for Kentucky's workforce system. In order to achieve system-wide consistency in the approach to customer service, a training program will be developed and provided to all service delivery staff.

Great customer service also depends on knowledgeable service delivery staff with the confidence and knowledge required to perform all aspects of their jobs and an understanding of the system itself. In addition to customer service training, opportunities for training in the following areas are also recommended:

- Workforce System Orientation
- Workforce Programs
- Management
- Media Relations
- Case Management
- Career Counseling
- Partner cross-training as appropriate

Development of the training programs should include a mix of live on-site and on-demand Web based training modules.

Local directors have identified case management as foundational element of what should be part of the brand architecture of the Kentucky workforce system.

As part of the workforce academy model, a collaborative case management approach with an emphasis on providing timely and accurate workforce intelligence to our employer and education partners as well as job seekers is seen as critical.

To accomplish this, it is recommended that each One Stop Center have a designated "super user" for the data collection and reporting system. That user should be trained in both technical and customer service areas. The "super user" will also work with business service and other case management staff to assure that all local information is accurate and current.

All other case management staff should be trained and possibly credentialed through a training provider to be contracted by the Office of Employment and Training.

In order to maintain a high level of customer service, development of evaluation methods and customer feedback will be developed and may include customer feedback cards available at the point of service, online feedback surveys, and Email follow up with business clients.

### Strategic Benefit

Increase awareness within the system that "clients" of the workforce system, and include those with jobs to fill as well as those seeking a job.

Provide customer service training to all service delivery staff.

Develop benchmarks and base-line standards for consistency within the system (physical, program and customer services) while allowing for local and regional adaptation.

### Nature of Change

Buy-in must be created by all partners in the system and a culture that focuses on solving clients' problems, rather than working in silos must be created.

### Cost

Academy Development and Expenses - \$200,000

*\*Case Management Training covered in another step - \$50,000*

### Implementation Timing

Roll out of first training modules expected in Fall of 2010.

### Responsible Party(ies)

Office of Employment and Training  
Local Workforce Investment Boards  
One Stop Managers  
Partner Agencies

### **Consequences of No Action**

Rather than a solutions center of choice, our One Stop and workforce systems risk falling behind and becoming the last resort for business and individual clients. Without this foundational element, rebranding the system will have little meaning other than a new logo for the same old ad-hoc approach to service delivery.

### **Benefit to Local Areas/Clients**

Local areas will have the opportunity to associate with and help build a new paradigm for what the One Stop service delivery system should be.

Consistency across the system will help everyone who makes up and uses the system more comfortable with the vision of a solutions-based rather than silo approach to serving our customers.

## ***Best Practice***

### **Virginia Front-Line Staff Certification**

Virginia's One Stop Centers are physical locations across the state where job seekers can visit to receive assistance with core employment services (including job search and placement assistance, access to computers, telephones, fax and copy machines, resume and cover letter development, employment-related workshops) and intensive services (including assessments and career counseling), and training and career education services to those who are eligible.

**Continuing Professional Development:** In June 2007, the Virginia Workforce Council (VWC) approved a policy that mandates every front-line staff member be certified. The objective of this required certification is to ensure that all front-line service providers have the skills needed to provide effective and consistent customer service throughout the entire Virginia Workforce Network.

The VWC's Workforce Services committee discussed the need for continuing the promotion of professional development, questions regarding the number of staff required to be certified, alternative pathways to certification and recertification requirements.

Businesses with operations across the state will become confident in their expectations of the system and its value to their operations.

### **Potential Obstacles**

Changing a culture that has existed for so long will not be easy, individuals may resist training.

### **Additional Comments**

In the future, the board may wish to consider requiring certification of all front line staff.



## Action Step 2

# Outreach Initiative

### Description

Among the benefits of a unified branding identity is a new opportunity to market a revamped, simpler, user-friendly workforce system. Because of the variety of local identities, marketing the entire system on a statewide basis to all customer groups has been difficult at best.

In addition to a new common name the core values and characteristics of the system, embraced as foundation elements across the system should be emphasized.

“Business should view us in the same light as a private, for-profit headhunter firm,” said one local director.

In order to achieve a status even close to that goal, outreach activities must include emphasis on the regional business service teams and a message that the workforce system is a solutions-based service for employers.

Federal and state regulations may necessitate a distinct division of labor within the One Stop system, however, clients should see the system as seamless and one brand not a series of silos to negotiate.

### Strategic Benefit

Increase awareness within the system that “clients” of the workforce system, include those with jobs to fill as well as those seeking a job.

Increase use of workforce system as a resource for employers to identify, screen, match, interview and prepare candidates for work.

Increase contacts with employers and economic development agencies regarding future workforce needs.

Develop benchmarks and base-line standards for consistency within the system (physical, program and customer services) while allowing for local and regional adaptation.

### Nature of Change

Some local areas already do an exceptional job

with outreach, including regular meaningful contact with employers. Under a new branding identity, a consistent level of service and approach to outreach should help all local areas become equally proficient.

### Cost

Training and program start up - \$25,000

### Implementation Timing

All areas are encouraged to continue to build upon current outreach efforts.

Marketing materials associated with the new branding architecture should be rolled out simultaneous with the rollout of the new identity.

### Responsible Party(ies)

Kentucky Workforce Investment Board  
Local Workforce Investment Boards  
Commissioner of Workforce Development  
One Stop Partners

### Consequences of No Action

Kentucky’s workforce system and One Stop Centers will continue to live with the identity of “the unemployment office,” an image that does not enhance the opportunity to reach business and industry in a competitive way as a solutions-based service provider.

### Benefit to Local Areas/Clients

Local workforce investment areas will become part of a greater whole, with a reliable set of foundational service expectations, while retaining the ability to customize for local and regional responsiveness.

### Potential Obstacles

Changing the identity of a public institution in the eyes of the business community will require persistence, time, energy, and consistency of message.

Training business liaisons to be problem solvers will be required.



## Action Step 3

# Get Back to Work

### Description

Create a partnership between the Office of Employment and Training and Adult Education to develop an education based redeployment strategy for individuals deemed education deficient.

This project provides those Unemployment Insurance claimants most likely to exhaust their benefits with special services to increase their education level and workforce skills. The Office of Employment and Training uses a profiling model which ranks characteristics of Individuals likely to exhaust their benefits:

- 1) Claimant has previously exhausted benefits
- 2) Tenure at last job
- 3) Years of education
- 4) Hourly wage desired
- 5) Base period earnings
- 6) Job search radius

Those profiled will be sent a letter indicating they have been selected for intensive education and reemployment services and asked to participate in an information/training session at the nearest One Stop.

Adult Education will participate in the One Stop information session to provide the educational resource. Individuals will be encouraged to enroll in Adult Education classes and provided with information on supportive services available to assist them.

WorkKeys, Test of Adult Basic Education and others may be used as a required assessment component. The intent is to use the period of unemployment as an opportunity to increase education levels and expand future opportunities for individuals.

Kentucky Employment Network classes should be offered to all, not just Unemployment Insurance customers.

### Strategic Benefit

It is a fact that wages are higher as the education level is raised. Additional education can reduce the cycle of unemployment which in the long run reduces duration of unemployment.

Up-to-date resources would be provided for all clients.

This program develops benchmarks and baseline standards for program consistency within the system while allowing for local and regional adaptation

### Nature of Change

This program is a partnership between the two agencies and the One Stop Centers.

### Cost

Programming - \$10,000

### Implementation Timing

This is a short-term implementation project.

### Responsible Parties

Kentucky Adult Education, Council on Postsecondary Education  
Office of Employment and Training  
One Stop Centers  
Local Workforce Investment Boards

### Consequences of No Action

Continued cycle of unemployment for undereducated clients with limited opportunities to pursue careers with higher wages and job security

### Benefit to Local Areas/Clients

This program will allow One Stops to tailor services to those participating in One Stop classes more effectively. Currently class participation can range from masters-level participants to those with little to no education.

### Potential Obstacles

Resistance to program by those receiving unemployment benefits.



## Action Step 4

# One Stop Operations Improvements

### Description

Create a tool to collect general information from the customer when entering a One Stop Center for the purpose of providing more efficient service and reducing customer wait times. A pilot project will test the potential of automated kiosks to serve this purpose.

Currently, One Stop Centers manually collect general information from customers and enter the information into an Excel spreadsheet. This spreadsheet is used to retrieve data on the count of customers and the types of services that are being requested in the offices.

A kiosk system would transition this function to a system similar to an automated teller machine where customers can enter information via a touch screen with a menu of options. The kiosks will be available at the entrance to the One Stop. Once customers enter their information, they will be placed in a queue for the staff to view and prepare for the consultation.

The system must produce reports that will allow for better and more efficient and responsive management of the One Stop Centers.

### Strategic Benefit

Decreases wait time for services

### Nature of Change

Pilot project to test for improved wait times, efficiency of service delivery, reporting

### Cost

Pilot project hardware and software for kiosks in three One Stop Centers - \$75,000

### Implementation Timing

Deployment of pilot kiosks in Fall of 2010

### Responsible Parties

Office of Employment and Training  
Local Workforce Investment Boards (in pilot areas)

### Consequences of No Action

Continued lengthy wait times for customers. Inability to easily track aggregate number of clients visiting One Stop Centers and for what purposes.

### Benefit to Local Areas/Clients

Reduced customer wait times, more efficient operation of One Stop Centers, management tool for analyzing business operations to improve responsiveness.

### Potential Obstacles

Ability to develop and maintain system as envisioned and interface with existing data bases.

Literacy skills of some potential users



*Kiosks like this one are becoming increasingly popular ways to minimize wait times and augment traditional services*



## Action Step 5

# Unemployment Insurance Customer Service Plan

### Description

The dramatic rise in unemployment during the current recession has strained the system in terms of financial solvency as well as the capacity of the system to efficiently and effectively provide service to our customers. Because Unemployment Insurance services are delivered through the One Stop system, the impact of so many customers converging on the centers simultaneously has often affected the staff's ability to provide all of the other services our clients expect.

Improving Unemployment Insurance customer service is expected to have spillover effects to other service areas.

The plan includes both short and longer term improvements:

#### Short Term Strategies:

- Implement Direct Deposit for disbursement of benefits
- Increase staff supporting the Help Desk
- Analyze Help Desk assistance and develop a FAQ
- Triage the emails to the Help Desk and calls to local offices
- Conduct programmatic training and follow-up Customer Service training

#### Long-Term Strategies:

- Accounts for claimants - Set up accounts for claimants on line that will allow them to perform self-service functions as well as access account information similar to services offered on line through a bank.
- Expand UI Call Center and online services - Include simple UI data retrieval issues (where is my check, reissue my check, reset my PIN, etc). Develop additional online UI services that could be self service or at least initiated by the customer via the internet such as eligibility reviews. The Interactive Voice Response unit also has a web chat functionality to address claimant issues during filing which would allow for timely assistance.

- Automate the UI appeals and tax processes - Move the process from a primarily manual and time intensive process to an electronic process

### Strategic Benefit

Decreases wait time for services

Provides customer service and other training to service delivery staff

Increases use of online tools and resources by automating several functions which currently require in-person contact with clients

### Nature of Change

All of the process changes included can be made internally with administrative policy changes.

### Cost

Unemployment Insurance stimulus package funding - \$500,000

### Implementation Timing

Short-term strategies to be completed in 2010

### Responsible Parties

Office of Employment and Training  
Commissioner of Workforce Investment

### Consequences of No Action

Without changes to our approach and philosophy for delivering quality services, gains in efficiency will not be realized, our clients will continue to feel frustrated, and an already overloaded system will be pushed closer to failure. Other customers of the workforce system will also suffer due to the overwhelming strain put on the system by unemployment.

### Benefit to Local Areas/Clients

Clients will benefit by having the opportunity to do more online at their convenience, system capacity will be expanded reducing wait times for information and assistance requests. One Stop Centers can expect a reduction in the number of customers there for the sole purpose of unemployment benefits.



# Evaluation Methodology

Although successful implementation of the recommendations of this plan is dependent upon the actions of a wide array of local workforce investment boards, partners, agencies and officials, the Kentucky Workforce Investment Board will monitor the progress of each action step.

## **Evaluation Framework**

With input from the Education and Workforce Development Cabinet, the Executive Committee will develop a basic framework for the evaluation of both implementation progress and success or failure of programs following implementation.

## **Committees**

Committees will develop specific criteria under a board-approved evaluation framework for each of the action steps assigned to them., Committees will meet on a regular basis to determine the level of progress made toward implementation or project completion as well as determining the level of return on the investment of each action item.

## **Board**

Each committee will provide staff with an update prior to meetings of the full board. These updates will clearly and concisely convey where progress is being made, where projects are stalled or lagging behind, as well as identifying and issues which should be addressed by the full board. As projects come on-line, tracking the results will be an additional component of each committee's update.

Each board meeting will provide an opportunity for presentation of one or more projects which are completed or nearing completion. These presentations will be led by a board member but may include presenters outside the board who are vital players in the implementation of the project.

Following each board meeting, copies of the committee reports and presentations will be made available to the public via the board's Web site.

Following the final meeting of the board each year, the board chair will submit a report to the Governor documenting the progress made that year and identifying any issues of concern.



Kentucky's Unbridled Future  
Strategic Economic Development Plan  
January 2012



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# Introduction

The strategic economic development plan for the Commonwealth of Kentucky, *Kentucky's Unbridled Future*, was developed with the involvement of nearly 2,200 participants during a six-month process. *Kentucky's Unbridled Future* is meant to provide direction to the Kentucky Cabinet for Economic Development and its partners over the next five years in guiding the state's economic development efforts.

Boyette Strategic Advisors conducted the following four-step process in development of *Kentucky's Unbridled Future*:



The plan includes both the identification of 10 strategic business/industry sectors for Kentucky to focus its economic development efforts over the next five years, as well as six priorities with actionable strategies related to each. Many of the targets and priorities identified are based on extensive research as well as input received from stakeholders across the Commonwealth.

BSA gives special thanks to the Kentucky Cabinet for Economic Development (KCED), the Kentucky Economic Development Partnership Board, and the many stakeholders who participated in the development of this plan, *Kentucky's Unbridled Future*.

## Stakeholder Input

### Nearly 2,200 Participants

- Visioning Meetings – 450+
- Interviews/Group Discussions – 50+
- Online Surveys – 1677
  - *Economic Development Partners Survey – 205*
  - *Company Survey – 845*
  - *Resident Survey – 627*
- Project Website:

[www.KentuckysUnbridledFuture.com](http://www.KentuckysUnbridledFuture.com)

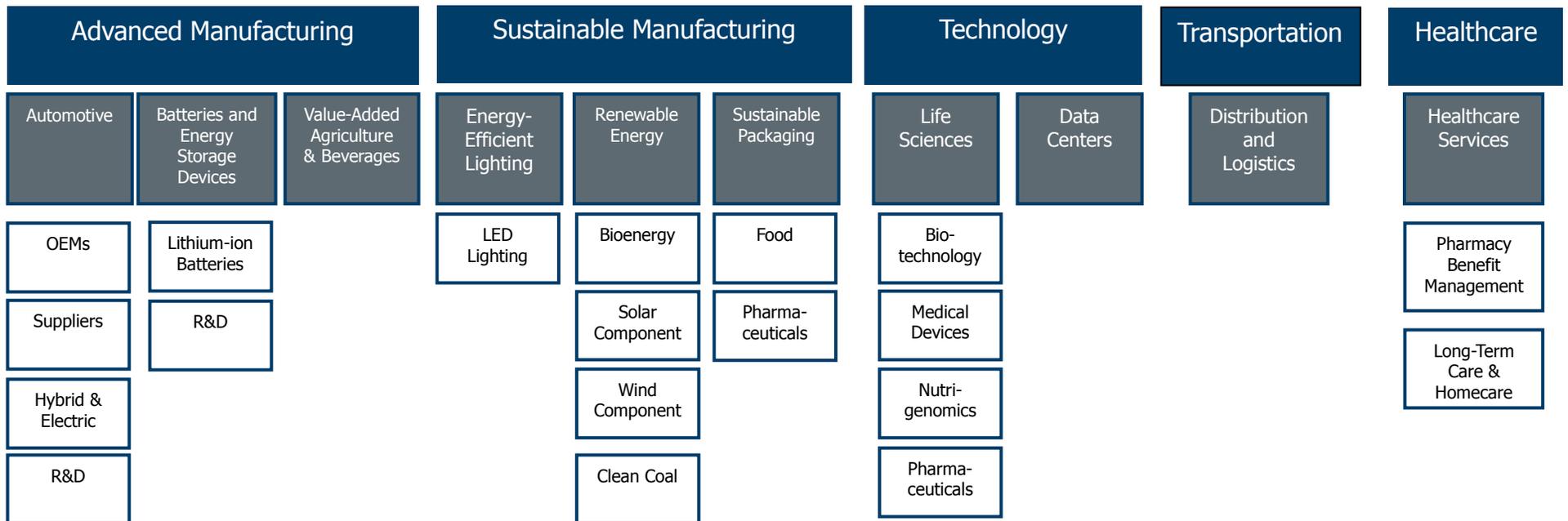


# Kentucky Targets



## STRATEGIC BUSINESS/INDUSTRY SECTORS

Five targeted categories and 10 strategic business/industry sectors, along with niche sectors for most, have been identified as priorities for the Commonwealth of Kentucky's recruitment and retention efforts over the next five years. The determination of these targets involved the review of the current business/industry base in the Commonwealth, current targeted sectors of various state, regional and local economic development organizations in Kentucky, recent project activity and other emerging sectors that have shown growth at the national, state and, possibly, local level. The targeted categories and sectors are outlined below and further defined in this section.





# Advanced Manufacturing

While there currently is not an official, widely-used definition for advanced manufacturing, a common one is that advanced manufacturing involves the use of advanced, innovative, or cutting-edge technology to improve products and/or processes. The National Council for Advanced Manufacturing (NACFAM) defines advanced manufacturing as “extensive use of computer, high precision, and information technologies integrated with a high performance workforce in a production system capable of furnishing a heterogeneous mix of products in small or large volumes with both the efficiency of mass production and the flexibility of custom manufacturing in order to respond rapidly to customer demands.”

The United States Department of Labor has classified advanced manufacturing as a high growth industry which is projected to add a substantial number of new jobs to the American economy. The manufacturing sector accounts for 14 percent of U.S. Gross Domestic Product and 11 percent of total U.S. employment. Advanced manufacturing jobs often require workers to possess advanced technical skills and such jobs typically offer higher salaries and benefit packages than traditional manufacturing jobs. The average salary and benefit package for manufacturing workers is \$65,000, which is higher than the average for the total private sector.

Manufacturing has traditionally been a significant contributor to the United States economy. Many companies are implementing process improvement techniques, incorporating quality management systems, and overhauling production operations with advanced technology in order to remain globally competitive. Additionally, many U.S.-based companies are bringing overseas manufacturing operations back to this country, further adding to the growth of the sector.

## Strategic Sectors

Targeted sectors within the Advanced Manufacturing category for which Kentucky offers key competitive strengths include:

- Automotive
- Batteries and Energy Storage Devices
- Value-Added Agriculture and Beverage Products



# Advanced Manufacturing

## Automotive

### GROWTH OPPORTUNITY AND TRENDS

The automotive OEM industry in the United States generates annual revenues of about \$200 billion, and the sector is forecast to grow at an annual rate of 14 percent per year between 2010 and 2015. After several sluggish years, numerous automotive companies are investing in equipment, expanding facilities, and creating new jobs. In May 2011, General Motors announced plans to invest \$131.1 million in the expansion and renovation of its Corvette facility in Bowling Green. The company is adding new machinery, equipment, and tooling to produce the new Corvette model and will also add 250 new jobs. Ford announced a \$600 million expansion that includes the addition of 1,800 new jobs late last year at its Louisville facility, and another \$600 million investment and 1,300 additional jobs were announced in October 2011.

A growing area of the automotive industry is in the production of hybrid and electric vehicles, and many major companies, including BMW, Ford, Honda, Mitsubishi, Nissan, Tesla, and Toyota, are already involved in the production of such vehicles. Although many OEMs are retooling existing facilities, new plants may be needed in the future. Growth of the hybrid and electric vehicle market could create opportunities for automotive suppliers as the sector's success is highly dependent on adequate supplies of the parts, components and other infrastructure needed to support the electric vehicle industry.

Major infrastructure components required include vehicle charging stations that enable drivers to refuel vehicles conveniently and advanced batteries for energy storage. Between 2010 and 2015, the demand for batteries for electric and hybrid electric vehicles is forecast to double, growing from \$7.7 billion in 2010 to \$14.5 billion in 2015. By 2017, the value of the global electric charging station market will reach \$8.1 billion and include 7.7 million locations, with 1.5 million in the U.S. Automakers Audi, BMW, Daimler, Ford, General Motors, Porsche, and Volkswagen are working together to design a single international standard for a vehicle fast charging system that will reduce the amount of time needed to fully recharge the battery. The standard system will enable vehicles made by any of the seven companies to share the same charging systems while accelerating the installation of systems into the overall infrastructure.

### Niche Sectors

- OEMs
- Suppliers
- Electric and Hybrid Electric Vehicles
- Research and Development

### Definition

#### **AUTOMOTIVE ORIGINAL EQUIPMENT MANUFACTURERS**

(OEM) are responsible for final assembly and completion of vehicles as well as research and development activities to design new vehicles and improve existing ones. **AUTOMOTIVE SUPPLIERS** design, engineer, and manufacture parts and components such as engines and engine parts, electrical equipment, steering and suspension components, brake systems, transmission and power train parts, seating, and interior parts, which are needed to assemble vehicles. An **ELECTRIC VEHICLE** is powered by an electric motor instead of a gasoline engine. Electric vehicles use energy stored in rechargeable batteries which can be replenished via electric vehicle charging stations. **HYBRID ELECTRIC VEHICLES** combine a gasoline engine with an electric motor and rechargeable batteries to improve efficiency and reduce fuel consumption.



## KENTUCKY ADVANTAGES

The automotive industry is one of the largest manufacturing sectors in Kentucky with approximately 440 automotive-related facilities, including automotive assembly plants for Ford, General Motors, and Toyota, and nearly 10 percent of all vehicles produced in the U.S. are assembled in the state. Kentucky ranks fourth among all states in light vehicle production. From January 2010 to October 2011, Kentucky had 114 automotive-related location or expansion announcements with a capital investment of more than \$2 billion and the creation of nearly 9,600 new jobs when full employment is attained.

This strong presence of automotive manufacturers and suppliers gives Kentucky an advantage for companies engaged in automotive-related research and development (R&D) activities. While much of automotive R&D activities are currently located in the Midwest and Northeast, there has been a definite shift in the industry to the South creating a logical need for new R&D centers to be located near automotive companies in southern states. The Institute of Research Technology Development at the University of Kentucky's College of Engineering is focused on research related to automotive coatings and painting technology.

Related to hybrid and electric vehicles, the Kentucky-Argonne Battery Manufacturing Research and Development Center in Lexington is focused on R&D activities related to the design and manufacture of lithium-ion batteries for use in vehicles and for energy storage purposes. Hitachi Automotive Systems Americas, Inc. recently said it plans to establish a \$74.5 million manufacturing facility in Berea which will produce electric drive motors for hybrid vehicles and employ 130 workers. Additionally, Toyota manufactures the Camry Hybrid in Georgetown.

Other advantages of Kentucky related to attracting automotive companies include its available sites and transportation resources. Kentucky has three certified megasites, located near the communities of Glendale, Hopkinsville, and Mayfield, which may be suitable locations for an automotive OEM facility. Kentucky's transportation resources include five major interstate highways, a strong network of main line and short line rail, an air freight hub for DHL North America at the Cincinnati/Northern Kentucky airport, and UPS's international air cargo hub at the Louisville International Airport.

Kentucky also offers competitive incentives, a low cost of doing business and affordable electricity rates with the fourth lowest average cost of electricity per kWh in the nation at \$.0673 in 2010 compared to the U.S. average of \$.0983 per kWh.

### Location Criteria

- Proximity to customer or supplier
- Availability of a workforce with manufacturing skills
- Supportive environment for R&D activities
- Transportation resources
- State support and financial incentives
- Cost of doing business
- Low cost of electricity
- Right to work (foreign manufacturers)

### Select Kentucky Companies

AKEBONO Brake

Ford Motor Company

General Motors

Hitachi Automotive Systems Americas

Montplast of North America

Toyota Motor Manufacturing

# Advanced Manufacturing

## Batteries and Energy Storage Devices

### GROWTH OPPORTUNITY AND TRENDS

The primary growth opportunities within the batteries and energy storage devices sector are in the areas of batteries for smart-grid energy storage for electrical power generation and the use of batteries in electric and hybrid electric vehicles. It is projected that the United States will have the manufacturing capacity to produce 40 percent of the world's advanced batteries by 2015.

Lithium-ion batteries are the most commonly used battery in electric and hybrid electric vehicles because they are lightweight, recharge quickly and are reliable in extreme weather conditions such as excessive cold or heat. Between 2010 and 2015, the market demand for batteries for electric and hybrid electric vehicles is forecast to double, growing from \$7.7 billion in 2010 to \$14.5 billion in 2015.

Funding for research and development activities is important to companies in this sector, and in August 2011, the Obama administration made available more than \$175 million to battery companies, automotive companies, and research centers to support production of batteries for use in vehicles.

Lithium-ion batteries and other energy storage devices are used in smart-grid energy storage systems to ensure the reliable distribution of power. Especially when integrating power generated from renewable sources, such as solar and wind, into the main electrical grid, batteries and energy storage systems are needed to capture and store the electrical power and allow it to be reliably dispatched as needed through the power grid. Both utility companies and governments are increasingly recognizing that energy storage systems are critical to incorporating renewable energy into the smart grid, and the market for batteries that can be used for utility-scale smart-grid energy storage is projected to nearly triple between 2010 and 2015, growing from \$5.4 billion in 2010 to \$15.8 billion in 2015.

### Niche Sectors

- Lithium-Ion Batteries
- Research and Development

### Definition

**BATTERIES AND ENERGY STORAGE DEVICES** store chemical energy and convert it into electrical energy using a chemical reaction that transfers electrons to create electricity. Batteries and energy storage devices are used in consumer electronics such as cell phones, laptop computers, cameras, appliances, cordless power tools, medical devices, electric and hybrid electric vehicles, and large renewable energy systems. A **LITHIUM-ION BATTERY (LIB)** is a type of rechargeable battery that is relatively lightweight, durable, and possesses a high energy density. LIBs are often used in electronics and electric vehicles as well as in the military and aerospace sectors.



## KENTUCKY ADVANTAGES

Kentucky has unique strengths and advantages related to the batteries and energy storage devices sector, especially in the area of research and development. The Kentucky-Argonne Battery Manufacturing Research and Development Center in Lexington, a state-of-the-art research center, is a partnership between the University of Kentucky, the University of Louisville, and Argonne National Laboratory focused on R&D activities related to the design and manufacture of lithium-ion batteries for use in vehicles and for energy storage purposes.

Conn Center for Renewable Energy Research at the University of Louisville is also focused on R&D activities related to battery and energy storage technology for distributed, grid scale, and solar or wind farms. The Center is researching manufacturing processes for cost-effective production of large-scale energy storage devices for solar and wind farms.

Lithium-ion batteries are being used more frequently by the automotive industry, and Kentucky is home to more than 400 automotive related facilities, including automotive assembly plants for Ford, General Motors, and Toyota. More than 10 percent of all vehicles produced in the United States are assembled in Kentucky making the state a good location for manufacturers of lithium-ion batteries for vehicles.

In October 2011, Hitachi Automotive Systems Americas chose Harrodsburg as the location of a new lithium-ion battery packs production facility. In the future Hitachi plans to make electric inverters for hybrid electric vehicles in Kentucky. The company is one of the few automotive suppliers which can develop and produce lithium-ion batteries, electric drive motors, and the electronic controls needed for electric vehicles. Also in October 2011, Johnson Controls said it will expand its automotive battery facility, investing \$24.2 million to add production lines and warehousing space resulting in the creation of 45 new jobs.

Kentucky also offers competitive incentives, a low cost of doing business and affordable electricity rates with the fourth lowest average cost of electricity per kWh in the nation at **\$.0673 in 2010 compared to the U.S. average of \$.0983 per kWh.**

### Location Criteria

- Proximity to market demand
- Supportive environment and availability of funding for R&D activities
- Availability of a workforce with manufacturing skills
- Transportation resources
- Financial incentives
- Cost of utilities

### Select Kentucky Companies

Energys

Hitachi Automotive Systems Americas

Interstate Battery System Of America

Johnson Controls

Spectrum Brands

Superior Battery Manufacturing

Swift Industrial Power



# Advanced Manufacturing

## Value-Added Agriculture and Beverage Products

### GROWTH OPPORTUNITY AND TRENDS

Awareness, development, and adoption of innovative value-added products in step with consumer demand will help to ensure future development and a further strengthening of Kentucky's food products and beverage industries. Food trend expert Innova Market Insights reports that new food and beverage products with an ethical platform, which may be defined as products manufactured with more respect toward animal or human welfare, are faring better during the recent economic downturn. Data shows consumers who may be saving money elsewhere are choosing more value-added, ethical foods and beverages. Consumers believe that products manufactured with more respect toward animal or human welfare and the environment are worth the extra cost. New food products with an ethical positioning grew from 3.7 percent in 2008 to 6 percent in the first quarter of 2011. The U.S. market accounted for 25 percent of all new global products tracked with a "FairTrade" positioning from April 2010 to March 2011. This trend will require food processors to create foods with an eye on agricultural practices and sustainable ingredient sourcing.

Future food processing investment will likely be focused on the trends and emerging tastes that represent the future of the market. These include food safety, health/wellness/organics, buying local, regional cuisine, sports nutrition, and sustainability. Food products that provide extra health and medicinal benefits in addition to basic nutrition have gained in popularity. These "nutraceuticals" include processed foods, genetically engineered foods, herbal products and supplements, spices and florals, organics, and detoxifying agents. Annual sales exceed \$85 billion and are growing. The demand for certified organic foods represents a growth market, driven in part by a perception that changes in production and processing can improve freshness, safety, taste, and nutrition. Nationally, sales in 2009 reached \$25 billion, with the largest growth sector, organic fruits and vegetables, representing 38 percent of total organic food sales.

The beverage industry is beginning to rebound from the economic downturn. According to 2010 economic data released by the Distilled Spirits Council of the United States, supplier volumes rose 2 percent to 190 million cases and revenue rose 2.3 percent to \$19.1 billion in 2010. Whiskey showed

### Definition

The term "**VALUE-ADDED**" includes an agricultural commodity or product that has undergone a change in physical state or was produced, marketed, or segregated (e.g. identity-preserved, eco-labeling, etc.) in a manner that enhances its value or expands the customer base of the product. As a result of the change in physical state or the manner in which the agricultural commodity or product is produced and segregated, the customer base for the commodity or product is expanded and a greater portion of revenue is made available to the producer of the commodity or product.

Companies in the **BEVERAGE** industry produce alcoholic and nonalcoholic drinks. Alcoholic beverages include beer, distilled spirits, and wine; while nonalcoholic beverages include carbonated drinks, juices, energy and sports drinks, water, coffee, and tea.



strong revenue growth, particularly in the super premium segment, which increased by 8.1 percent overall to over \$1.1 billion. The distilled spirits industry's annual growth rate is predicted to accelerate to 3.9 percent growth over the five years to 2015.

## KENTUCKY ADVANTAGES

Kentucky is home to an estimated 85,000 farms totaling 14 million acres and an average farm size of 164 acres. Major crops include corn, wheat, barley, soybeans, sorghum, and fruit, in addition to livestock such as cattle, poultry, eggs, and hogs. This agricultural history has contributed to the growth of the food manufacturing industry in Kentucky. Approximately 12 percent of the manufacturing jobs in the Commonwealth are in the food products manufacturing industry. The industry employs nearly 26,000 workers and includes almost 300 companies, with an additional 4,400 employed in beverage manufacturing. Some of the larger companies that produce food products in Kentucky include Kellogg's, Swift, Tyson Foods, Sara Lee, Unilever, JM Smucker, and Nestle.

In the beverage sector, Kentucky produces 90 to 95 percent of the world's bourbon supply. Leading distilleries in the Commonwealth include Jim Beam, Heaven Hill, Maker's Mark, and Wild Turkey. Bourbon production has increased more than 50 percent since 1999. Today, there are 19 distilling establishments in Kentucky, which are owned by 10 corporations. These distilling companies employ approximately 3,200 people, with an annual payroll of about \$244 million. In addition to the bourbon industry, Kentucky also has more than 110 grape producers growing almost 600 acres of grapes that serve more than 60 small farm wineries.

In addition to this significant employment, the University of Kentucky College of Agriculture conducts research at its Agricultural Experiment Station. Researchers address problems of agribusiness, consumers, international trade, food processing, nutrition, community development, soil and water resources, and the environment with over 300 externally funded projects.

Kentucky's transportation resources include five major interstate highways, a strong network of main line and short line rail, an air freight hub for DHL North America at the Cincinnati/Northern Kentucky airport, and UPS's international air cargo hub at the Louisville International Airport. Kentucky also offers competitive incentives, a low cost of doing business and affordable electricity rates with the fourth lowest average cost of electricity per kWh in the nation at \$.0673 in 2010 compared to the U.S. average of

### Location Criteria

- Reasonable energy costs
- Comprehensive transportation network
- Competitive labor costs
- Cost of doing business
- Financial incentives
- Proximity to supply chain and consumers

### Select Kentucky Companies

Bel USA Inc.  
 Jim Beam Brands  
 JM Smucker  
 Kellogg Snacks  
 Maker's Mark Distillery  
 Unilever Foods



# \$.0983 per kWh. Sustainable Manufacturing

The United States Department of Commerce defines sustainable manufacturing as “the creation of manufactured products that use processes that are non-polluting, conserve energy and natural resources, and are economically sound and safe for employees, communities, and consumers.” The National Council for Advanced Manufacturing (NACFAM) defines sustainable manufacturing as “the manufacturing of sustainable products such as renewable energy, energy efficiency, green building, and other 'green' and social equity-related products.”

Sustainable manufacturing will be an important driver of global efforts to tackle climate change and support a healthier environment. Sustainable manufacturing provides opportunities to develop new technologies and industries, increase competitiveness, and bring about structural change in economies. For entrepreneurs and small business, sustainable manufacturing provides excellent opportunities as such firms typically have flexible business models, are less reliant on established processes, and can more quickly adapt to change.

One trend leading to the growth of the sustainable manufacturing sector comes from retailers who are demanding their suppliers adopt sustainable manufacturing processes, introduce new “green” products, reduce packaging, or convert to more environmentally friendly packaging. A study by Harvard and London Business Schools found that financial analysts rate companies with a visible reputation for environmental responsibility higher than others. Additionally, younger workers tend to value sustainability and desire employers and workplaces that are environmentally friendly.

## Strategic Sectors

Targeted sectors within the Sustainable Manufacturing category for which Kentucky offers key competitive strengths include:

- Energy-Efficient Lighting
- Renewable Energy
- Sustainable Packaging



# Sustainable Manufacturing

## Energy-Efficient Lighting

### GROWTH OPPORTUNITY AND TRENDS

Perhaps the greatest factor contributing to the growth of the energy-efficient lighting sector is that such bulbs have a much smaller environmental footprint and can reduce energy costs up to 75 percent when compared to incandescent bulbs. Additionally, many countries around the world, including the United States, are phasing out commonly used incandescent light bulbs and replacing them with energy-efficient lighting. Beginning January 1, 2012, 100-watt incandescent light bulbs will no longer be manufactured in the United States, followed by a phase out of the 60-watt incandescent bulb in 2013 and the 40-watt incandescent light bulb in 2014. Such changes are very likely to increase the use of CFL bulbs, halogen bulbs, and LED lighting in residential homes, retail stores, and commercial buildings.

LED lighting has the strongest growth opportunity, and a report released by Greentech Media Research in 2010 predicted the LED lighting market in the United States will grow by 30 percent in 2011 and reach \$1 billion in annual revenue by 2014. Additionally, the global market for LED lighting is expected to grow to \$14.8 billion by 2015.

One trend impacting the strong growth of the market is the demand for LED lights for use in electronics such as displays for LCD televisions, laptop and tablet computers, mobile phones, and other handheld or portable electronic devices.

Another trend leading to growth in the market is the increasing use of LED lighting in automobiles. The advantages of using LED lights in vehicles are that they are more efficient, smaller in size, have a longer lifespan, and can turn on up to 10 times faster than incandescent bulbs, which improves safety especially when used as headlights or brake lights. LED lights can be used in interior lighting (such as dome, dash, and floor lighting), indicator lights on the dashboard, and "infotainment" lighting such as navigation systems and DVD players. Exterior lighting uses include tail lights, turn signals, brake lights, parking lights, fog lamps, and daytime running lights.

### Niche Sector

Light-Emitting Diode (LED) Lighting

### Definition

**ENERGY-EFFICIENT LIGHTING** includes compact fluorescent light (CFL) bulbs, halogen bulbs, or **LIGHT-EMITTING DIODE (LED)** bulbs. LED lighting uses a specific type of bulb in which a current is passed through a diode to start and regulate the flow of electricity so that the bulb operates at maximum efficiency. Advantages of LED lighting include that they offer greater energy efficiency, better lighting disbursement, less heat generation, greater durability and reliability, and longer lifespan. Such bulbs are used for residential, commercial and outdoor lighting; aviation lighting; automotive lighting; traffic signals; appliances; and in electronics such as televisions, DVD players, cell phones, computers and remote controls.



## KENTUCKY ADVANTAGES

Kentucky has a small base of companies that manufacture energy-efficient lighting products, including GE Lighting in Lexington, which recently announced a \$10 million expansion to produce a new line of energy-efficient halogen spotlights and floodlights in order to meet customer demand for such products. Another company, LSI Industries in Independence, expanded its facility in 2010 to install new equipment that will be used to make LED lighting for the outdoor advertising industry.

One of the location criteria used by energy-efficient lighting companies during the site selection process is the proximity of the new location to the company's customer base. Kentucky is located within a day's drive of more than 60 percent of the United States' population, and as the incandescent bulb is phased out, it will be important for energy-efficient lighting companies to be able to quickly transport their products to the consumer. Kentucky's transportation resources include five major interstate highways, a strong network of main line and short line rail, an air freight hub for DHL North America at the Cincinnati/Northern Kentucky airport, and UPS's international air cargo hub at the Louisville International Airport.

Additionally, LED lighting is being used more frequently by the automotive industry, and Kentucky is home to more than 440 automotive-related facilities, including automotive assembly plants for Ford, General

Motors, and Toyota. More than 10 percent of all vehicles produced in the United States are assembled in Kentucky making the state a good location for LED lighting companies that manufacture automotive bulbs.

Kentucky has a labor force of more than 2.1 million workers, of which more than 15 percent are employed in the manufacturing sector and likely have skills which could be transferable to positions with energy-efficient lighting companies. Kentucky also offers competitive incentives, a low cost of doing business, and affordable electricity rates with the fourth lowest average cost of electricity per kWh in the nation at \$.0673 in 2010 compared to the U.S. average of \$.0983 per kWh.

Location Criteria

- Proximity to market demand
- Availability of supply chain
- Supportive research and development activities
- Cost of labor and the availability of a workforce with manufacturing skills
- Financial incentives
- Cost of utilities

Select Kentucky Companies

- GE Appliances and Lighting
- HP Enterprise Services
- Humana Inc.
- Maximum ASP LLC
- Perot Systems
- QED, Inc.



# Sustainable Manufacturing

## Renewable Energy

### GROWTH OPPORTUNITY AND TRENDS

Bioenergy production has increased approximately 20 percent per year in the U.S. over the last 10 years, and in 2010, the industry produced a record 13.23 billion gallons of fuel. The best option for long-term production is fuels made from biomass such as wood chips and pellets, perennial grasses, and crop waste. Wood and wood pellets produced from trees grown in sustainably managed forests or forestry by-products are a good source of biomass and can be used for conversion into bioenergy. A small number of conventional power plants have begun substituting biomass for a percentage of the coal they normally burn. The process reduces emissions of sulfur dioxide and carbon dioxide, and it works best when the coal plant is located within close proximity to the source of biomass. It was announced in August 2011 that the U.S. Departments of Agriculture, Energy and the Navy will invest up to \$510 million over the next three years in partnership with the private sector to produce advanced biofuels used to power military and commercial vehicles, jets, and ships.

The growth of the solar industry is strongly influenced by government policy such as tax credits, financial incentives, capital expenditure grants, and renewable electricity credits, and the growth of the sector has slowed in the U.S. when compared to other countries. However, with additional government support, the solar industry in the U.S. has the potential to grow, and the presence of Hemlock Semiconductor in Clarksville, Tennessee, just south of the Kentucky state line, could present an opportunity for Kentucky to attract customers of Hemlock.

According to the American Wind Energy Association (AWEA), the wind power industry in the U.S. grew by 15 percent in 2010 and provided 26 percent of all new electric generating capacity. New reports indicate a fast-growing area is the market for small wind turbines used to power residential homes, small businesses, or small communities. The small wind power market is projected to double by 2015, reaching a value of \$634 million and creating a need for parts and components needed to manufacture the turbines.

Opportunities related to clean coal technologies include processes that reduce sulfur dioxide and nitrogen oxide emissions as well as capture and store carbon dioxide from coal-fired power plants,

### Niche Sectors

- Bioenergy
- Solar Component Manufacturing
- Wind Component Manufacturing
- Clean Coal Technology (*Existing Industry Target*)

### Definition

**RENEWABLE ENERGY** comes from resources that are naturally regenerative or nearly inexhaustible, such as biomass, geothermal, solar, hydro, and wind energy. **BIOENERGY** is produced from feedstocks, such as crops, trees, and forestry residues, and industrial and municipal solid wastes. **SOLAR COMPONENT MANUFACTURING** involves the production of semiconductors, solar cells, solar wafers, and solar panels, which are used to generate solar power. **WIND COMPONENT MANUFACTURING** refers to production of the parts and components needed to build and maintain wind turbines, which are used to generate wind power. **CLEAN COAL TECHNOLOGY** refers to the use of technologies that lessen the environmental impact of coal energy generation and improve the performance of coal-based electricity plants.



known as carbon capture and storage (CCS) technology, an emerging field.

## KENTUCKY ADVANTAGES

Kentucky's research activities related to renewable energy are among its greatest advantages. The Center for Applied Energy Research (CAER) at the University of Kentucky (UK) has research focused in the areas of biodiesel, biomass, carbon materials, coal cleaning, electrochemistry, emissions control in utilities, and fuels. CAER includes the new UK Renewable Fuels Laboratory, which is dedicated to advancing the state's renewable energy industries, including biomass and biofuels.

The University of Louisville is in the process of establishing the Conn Center for Renewable Energy Research, which will conduct major research initiatives in a number of areas including solar energy conversion; renewable energy storage; biofuels/biomass conversions; and energy efficiency and conservation.

A new research center at Eastern Kentucky University, the Center for Renewable and Alternative Fuel Technologies (CRAFT), is working on ways to break down biomass materials for fuel production. The Cellulosic-Derived Biofuels Project will develop processes needed to breakdown cellulosic materials from agricultural residues, forestry waste, and crops such as switchgrass and sorghum into sugars, which can be used to produce biodiesel and JP8 jet fuel. The largest source of renewable energy in Kentucky may be biomass, and there are at least 14 native Kentucky plant species considered to be suitable for biomass energy production.

Related to wind component manufacturing, Kentucky is located near a number of new wind turbine manufacturing projects, the majority of which have located in Indiana, creating an opportunity for parts and component suppliers of such companies to establish a location in Kentucky. One such company, Global Blade Technology, recently established a new wind turbine manufacturing facility in Evansville, Indiana, just north of the Kentucky state line.

The Kentucky New Energy Ventures Fund is administered by the Kentucky Science and Technology Corporation on contract with the Office of Commercialization and Innovation. The \$5 million appropriated to the fund is used to support the development and commercialization of alternative fuel and renewable energy products, processes, and services in Kentucky. The program offers grants of \$30,000 and investments from \$250,000 to \$750,000.

### Location Criteria

- Supportive governmental policies
- State and local financial incentives
- Proximity to market demand and supply chain
- Availability of funding for R&D activities
- Availability of a workforce with needed skills
- Cost of doing business

### Select Kentucky Companies

Agrifuels LLC

Commonwealth Agri-Energy LLC

H L Spurlock Power Station

LG&E and KU Energy LLC

Parallel Environmental Services Corporation



# Sustainable Manufacturing

## Sustainable Packaging

### GROWTH OPPORTUNITY AND TRENDS

While the overall packaging sector has experienced some slow down recently due to economic conditions and reduced consumer spending, some subsectors are growing. The sustainable packaging subsector, which has had strong growth during the economic recession, is the fastest-growing area of the packaging industry and is predicted to reach a value of \$142.4 billion by 2015.

One trend impacting such growth is a desire by companies to cut costs and reduce packaging waste by using recycled and reusable materials. The use of recycled materials and biodegradable materials in packaging has the greatest demand. Plastics comprise more than one-third of the total packaging industry, and environmentally friendly plastic packaging, such as bioplastics, is in high demand. Additionally, the increase in awareness by consumers about environmental hazards related to the manufacturing, transportation, and disposal of packaging materials, is leading some companies to incorporate sustainable packaging as a marketing tool, further driving the growth of the industry.

Specific markets using sustainable packaging that have growth potential, mainly due to consumer demand and preference, include pharmaceutical packaging and food packaging. Several major food and beverage companies, including H. J. Heinz Company, The Coca-Cola Company, and PepsiCo are using sustainable packaging for some products. In March 2011, Heinz began selling its ketchup in bottles partially made using the residue of sugar cane, a technology that Coca-Cola developed and has been using since 2009. In 2012, PepsiCo plans to introduce a plastic bottle made entirely from plant-based, fully renewable resources such as switchgrass, pine bark, and corn husks.

The global demand for pharmaceutical packaging is forecast to reach \$62 billion by 2015, and the U.S. will continue to be the largest consumer as drug companies bring sophisticated new therapies requiring specialized packaging needs to the market. New products such as prefillable syringes; single-dose packaging of products like skin patches, powders, creams, and ointments; and increased use of blister packs for pills instead of large plastic bottles also contributes to the growth of pharmaceutical packaging.

### Niche Sectors

- Food Packaging
- Pharmaceutical Packaging

### Definition

Packaging can be considered **SUSTAINABLE PACKAGING** if it meets one of a number of different criteria. Such packaging may be made from sustainable raw materials such as recycled or renewable materials. Packaging may also be considered sustainable if it is sourced, manufactured, and transported using renewable energy. Sustainable packaging must also be biodegradable or made from materials which are recyclable at the end of the packaging's life cycle.

Many companies are introducing new packaging designs which are more environmentally friendly, use less material, are more simply designed and are less costly but which do not compromise function, ease of use or convenience.



## KENTUCKY ADVANTAGES

Kentucky has a strong cluster of companies in the packaging industry, and the sector continues to grow as several companies have announced expansions or new locations in the state in the last few years. In October 2011, packaging company Danafilms Inc. announced it planned to create 25 new jobs and invest \$12 million in its Simpson County facility. The company makes custom films used for packaging in industries such as food and beverage, lawn and garden, pet care, industrial, construction, and roofing. In April 2011, flexible packaging manufacturer UFLEX announced plans to invest \$180 million in new facilities in Elizabethtown as well as add 250 new jobs in two phases. UFLEX, the world's largest supplier of polyester films for packaging applications, is based in India, and the new facility in Kentucky will be its first in the United States. Integrated Pharmaceutical Packaging expanded its Glasgow packaging facility in 2010 and created 100 new jobs. The company invested over \$5.1 million and converts bulk medication into unit-of-use and dose-sized packaging as specified by its customers. Integrated Pharmaceutical Packaging works closely with Amneal Pharmaceuticals, which also expanded its operations in 2010 and is located in Glasgow.

Kentucky has a large base of companies in both the pharmaceutical industry and the food and beverage processing industry that may need packaging solutions, and especially may be interested in sustainable packaging options. Sustainable packaging companies that supply packaging for those sectors and locate in Kentucky could have a large base of potential customers.

Kentucky is located within a day's drive of more than 60 percent of the United States' population, and the state's

### Location Criteria

- Proximity to market demand
- Cost of labor and the availability of a workforce with manufacturing skills
- Cost of utilities
- Cost of doing business
- Financial incentives

### Select Kentucky Companies

Anderson Packaging, Inc.

C. W. Zumbiel Company

Cascades Boxboard US

Colbert Packaging Corp.

Danafilms

Dart Container

Integrated Pharmaceutical Packaging

Multi Packaging Solutions, Inc.

Southern Standard Cartons, Inc.

UFLEX



transportation resources include five major interstate highways, a strong network of main line and short line rail, an air freight hub for DHL North America at the Cincinnati/Northern Kentucky airport, and UPS's international air cargo hub at the Louisville International



Airport. Kentucky also has a labor force of more than 2.1 million workers of which more than 15 percent are employed in the manufacturing sector and likely have skills which could be transferable to positions with sustainable packaging companies. Additionally, the state offers



competitive incentives, a low cost of doing business, and affordable electricity rates with the fourth lowest average cost of electricity per kWh in the nation at \$.0673 in 2010 compared to the U.S. average of \$.0983 per kWh. Technology

Technology can be defined as the application of math, science, and the arts to improve life and mechanical processes and often involves the production or use of advanced or sophisticated devices to solve a problem or accomplish a specific task. The technology sector in the United States includes about 145,000 companies that have a combined annual revenue of more than \$1 trillion. It includes the fields of telecommunications, information technology services, semiconductor manufacturing, software, Internet services, engineering, electronics, medicine, biotechnology, and scientific research.

### Strategic Sectors

Targeted sectors within the Technology category for which Kentucky offers key competitive strengths include:

- Life Sciences
- Data Centers



Technology-related jobs have typically been among the fastest growing over the last few decades. Mirroring many other industries, the economic recession has been difficult for the technology sector. However, global technology spending was forecast to grow 7.1 percent in 2011 and 8.7 percent in 2012, according to Forrester Research. Factors influencing growth of the technology sector include consumer demand for more high-tech electronic devices such as computers, tablet computers, and phones; an ongoing demand for technology to drive efficiency gains in business; and the increased need for more efficient and secure data storage space. Additionally, the research and consulting firm IDC estimates that one million new technology-related jobs will be created over the next four or five years, representing an increase of about 10 percent.



# Technology

## Life Sciences

### GROWTH OPPORTUNITY AND TRENDS

In general, life sciences may be defined as all sciences that have to do with organisms like plants, animals, and humans. More specifically, the life sciences sector includes companies in the fields of biotechnology, pharmaceuticals, biomedical technologies, life systems technologies, nutraceuticals, cosmeceuticals, food processing, medical devices, and organizations and institutions engaged in research and development, technology transfer, and commercialization.

The most promising areas for growth within the life sciences sector include medical devices, the emerging field of nutrigenomics, and pharmaceuticals. In 2011, the global medical devices market is expected to grow between 4 percent and 6 percent, reaching total sales of about \$312 billion. Investments and venture capital funding for medical device companies in the United States totaled \$841 million for second quarter 2011, representing a 9 percent increase over the previous quarter. Growth of the medical devices niche is being primarily driven by the aging population (persons 65 years and over) which accounts for 13 percent of the nation's population as well as one-third of healthcare consumption. The increased occurrence of "lifestyle" diseases such as cardiovascular disease, diabetes, hypertension, and obesity is also increasing the demand for medical devices.

The emerging field of nutrigenomics is growing as consumers seek to understand how the food they eat interacts with their genetic predispositions to diseases like heart problems, cancer, diabetes, and obesity; and how certain foods can prevent those diseases as well as contribute to longevity and healthier lives. The demand for direct-to-consumer (DTC) nutrigenomic tests to assess risk of disease, personalize diets, and identify nutritional supplements, which may offer potential health benefits, has been growing over the last 10 years as consumers have become more concerned for their health. The market for nutrigenomic tests and products is currently estimated to be growing by 20 percent per year.

While growth in the pharmaceuticals niche has slowed slightly in the last few years, the subsector is still expected to grow 5 to 8 percent through 2014. Key growth areas will be in the development of generic drugs, vaccines, highly specific drugs such as those to treat rare diseases, and therapeutic drugs to treat

### Niche Sectors

- Biotechnology
- Medical Devices
- Nutrigenomics
- Pharmaceuticals

### Definition

**BIOTECHNOLOGY** includes the development of technologies and products that help improve the health and lives of both humans and animals.

**MEDICAL DEVICE** companies develop and manufacture medical instruments and supplies for use in surgery, patient care, diagnostics and laboratories.

**NUTRIGENOMICS** is the study of how nutrients in food interact with a person's DNA and genetic code, and how such interactions may be able to prevent disease and improve overall health and wellness. **PHARMACEUTICAL** companies develop and produce commercially available drugs licensed for use as medications and for diagnostic purposes.



cancers, heart conditions, central nervous system disorders, diabetes, and inflammatory diseases.

## KENTUCKY ADVANTAGES

According to Bio.org, Kentucky has approximately 470 companies involved in activities related to biotechnology that employ over 7,800 workers. The state has experienced several expansions of biotechnology companies including an expansion by Neogen in June 2011. The company invested \$5.6 million in a 100,000-square-foot addition to its animal safety facility in Lexington and will add 75 new jobs. Neogen manufactures and distributes animal healthcare products, including diagnostics, pharmaceuticals, veterinary instruments, wound care, and disinfectants.

### Select Kentucky Companies

Alltech, Inc.

Coldstream Laboratories Inc.

International Processing Corporation

Mediscribes Inc.

Murty Pharmaceuticals, Inc.

Neogen Corp.

Q E D, Inc.

Solstice Neurosciences, LLC

US Worldmeds, LLC

Whip-Mix Corporation

Xanodyne Pharmaceuticals, Inc.

Another company, Alltech, recently opened a Center for Applied Animal Nutrition and Nutrigenomics in Nicholasville, which is the first of its kind in the world. Researchers at the facility study the health and performance of a number of different kinds of livestock to determine the best nutritional interventions for peak production.

One major advantage Kentucky has in attracting both start-up and existing biotechnology companies is that it matches both Phase I and Phase II SBIR/STTR grants awarded at the federal level. Kentucky matches Phase I awards up to \$150,000 and matches Phase II awards up to \$500,000 a year for two years for research and development activities. Kentucky is one of the only states that matches Phase II awards, and such funding is critical to start-up companies that need to develop the new technology and attract private investment needed for commercialization.

Each of Kentucky's eight public four-year universities offers programs of study related to biotechnology. Kentucky also offers competitive incentives and a low cost of doing business.

### Location Criteria

- Access to grants and investment funding
- Supportive university research and development activities
- Presence of other similar companies
- Available workforce with degrees in related fields
- Cost of doing business
- Supportive government environment



# Technology

## Data Centers

### GROWTH OPPORTUNITY AND TRENDS

The explosion of services now available on the Internet has fueled data center construction, which is one of the fastest growing industries today. The digitization of media and regulations related to record keeping continue to fuel demand for increased data center capacity.

The 2011/2012 Data Center Market Insights report published by Data Center Knowledge indicates approximately half of data center professionals who participated in the study are currently expanding or planning data center expansion in 2012.

A separate study by Digital Realty Trust also forecasts significant growth for the data center market in 2011 and 2012. It indicates that two-thirds of respondents had added data center capacity in the last 12 to 24 months, while 85 percent report that they will definitely or probably expand their data center capacity in 2011. Other research indicates that the growth of the data center industry extends beyond the major U.S. markets. Over the past few years, a number of companies have assembled networks of data centers in small and medium-sized cities. These are typically multi-tenant facilities that rely upon demand from local companies needing IT infrastructure. In addition to these collocation centers, other projects are also locating in small cities, which are likely the result of broadband penetration and the integration of the Internet in the everyday routine of businesses of all shapes and sizes.

The information technology industry, particularly data centers, is also becoming more focused on implementing solutions that will reduce energy, expenses, and carbon emissions. A report from Pike Research indicates that the investment in greener data centers will experience rapid growth over the next five years, increasing from \$7.5 billion in global revenue to \$41.4 billion by 2015. The report predicts that the data center of the future will be energy-efficient and virtualized to ensure optimal use of IT resources, space, and energy.

### Definition

A **DATA CENTER** is a centralized repository, either physical or virtual, utilized for the storage, management, and dissemination of data and information organized around a particular body of knowledge or pertaining to a particular business.

A private data center may exist within an organization's facilities or may be maintained as a specialized facility. These facilities are generally well equipped with hardware, software, peripherals, power conditioning and backup, communication equipment, and security systems.



## KENTUCKY ADVANTAGES

Kentucky offers a variety of advantages to companies seeking a new data center location. Several new centers have recently located in Kentucky as a result of these advantages.

Eaton Corporation, a diversified power management company, has invested almost \$100 million in data centers in Simpsonville and Louisville, both of which expect to receive LEED Gold Certification. GE also recently opened a new data center in Louisville to support its Appliances and Lighting division. This facility, which has achieved LEED Platinum Certification, features high-intensity cooling systems, high density servers, off-site renewable energy, and reduced water consumption. GE revitalized an existing building for the new data center and maintained 98.3 percent of the walls, floors, and roof of unutilized factory space.

Kentucky also boasts a certified data center site located in Adairville. The site was designated as suitable for data center development as a result of a project conducted by the Tennessee Valley Authority which reviewed criteria including accessibility, strong telecommunications infrastructure, and the availability of reliable electric power in making its determination. The study, conducted for TVA by Deloitte Consulting, considered more than 50 sites across the TVA service area to identify sites that are optimal for data center locations.

### Select Kentucky Companies

Eaton Corporation

GE Appliances and Lighting

HP Enterprise Services

Humana Inc.

Maximum ASP LLC

Perot Systems

Kentucky has the fourth lowest average cost of electricity per kWh in the nation at \$.0673 in 2010 compared to the U.S. average of \$.0983 per kWh. Kentucky also offers competitive incentives and a low cost of doing business.

### Location Criteria

- Low risk of natural disasters
- Cost of electricity
- Latency/telecommunications infrastructure
- Financial incentives (sales tax exemptions on equipment)
- Cost of construction
- Cost and skill set of workforce



# Transportation

The transportation sector provides services in areas related to warehousing, distribution, logistics, and supply chain management. Examples of services include planning, implementing, and controlling the movement and storage of raw materials, in-process inventory management, quality control, distribution networks, warehouse operations, and related information from the point of origin to the point of consumption. The warehousing industry has also evolved in the direction of providing logistics services by providing customers with the ability to identify, track, and expedite individual items through the supply chain. Many warehouse facilities are considered high throughput distribution (HTD) facilities rather than long-term storage buildings. These services have helped to improve the efficiency of relationships between manufacturers and customers by maintaining and retrieving computerized inventory information on the location, age, and quantity of goods available.

The U.S. warehousing and storage industry includes about 7,000 companies with combined annual revenue estimated at \$24 billion. The output of U.S. warehousing and storage services is forecast to grow at an annual compounded rate of 5 percent between 2010 and 2015. Total U.S. revenue for warehousing and storage rose 9.3 percent in the second quarter of 2011 compared to the same period in 2010.

## Strategic Sectors

The targeted sector within the transportation category for which Kentucky offers key competitive strengths includes:

Distribution and Logistics



# Transportation

## Distribution and Logistics

### GROWTH OPPORTUNITY AND TRENDS

U.S. freight traffic is expected to increase 100 percent by 2020, while over that same time period, foreign trade is projected to increase by 187 percent, with containerized cargo experiencing a 350 percent jump in volume. In addition, the number of wage and salary jobs in the truck, transportation, and warehousing industry is expected to grow 11 percent from 2008 through 2018.

Additional employment growth will result from manufacturers that outsource their distribution functions to trucking and warehousing companies that can perform these tasks with greater efficiency. As firms in other industries increasingly employ the industry's logistical services, such as inventory management and just-in-time shipping, many new jobs will be created.

Also, as more consumers and businesses make purchases online, the expansion of electronic commerce will continue to increase demand for the transportation, logistical, and value-added services offered by the truck, transportation, and warehousing industry. U.S. Department of Commerce data shows e-commerce sales in the U.S. totaled \$165.4 billion in 2010, which represented a 14.8 percent increase over 2009. Total online sales are projected to reach \$188 billion in 2011 and \$269.8 billion by 2015.

Another potential area of growth is in pharmaceutical distribution, which, in a post-healthcare reform world, will need to adopt the speed and agility of other more consumer-oriented industries. At the same time, the growth of biologics, bioengineered vaccines, and other advancements are diversifying the pharmaceutical portfolio with products that have a shorter shelf life and require more complex manufacturing and distribution processes than shelf-stable pills and conventional medicines.

### Niche Sectors

- Internet Fulfillment
- Pharmaceutical Distribution

### Definition

**DISTRIBUTION** involves the movement of goods and services from the source through a distribution channel to the final customer. Distribution centers are the foundation of a supply network that allow a single location to stock a vast number of products. Some organizations operate both retail distribution and direct-to-consumer out of a single facility, sharing space, equipment, labor resources and inventory. In general, distribution centers are usually viewed as demand driven. Distribution centers serve a broad range of industries, moving products as diverse as books, appliances, food, clothing, hardware, consumer electronics and others.



## KENTUCKY ADVANTAGES

Kentucky's central location and extensive multi-modal transportation system provide significant advantages for distribution and logistics facilities. Five major interstate highways (I-75, I-71, I-65, I-64, and I-24) provide direct routing to the Great Lakes and Canada, the Gulf States and Florida, the Atlantic Seaboard, and St. Louis. Kentucky is also a center for mainline rail services provided by CSX, Canadian National, and Norfolk Southern, which provides services from the Great Lakes to the Gulf of Mexico. Western Kentucky offers an extensive inland waterway and river port system with access to the Upper and Lower Mississippi River, the Ohio River, and the Tennessee-Tombigbee waterways.

UPS operates its Worldport worldwide hub from the Louisville International Airport. The facility, which is capable of handling 416,000 packages per hour, is the largest fully automated package handling facility in the world. With more than 20,000 employees and 5.2 million square feet, this facility serves all major domestic and international hubs with 31,000 flights from the Worldport facility in 2010. Several other air freight and parcel providers also operate through Kentucky's air system, including an air freight hub for DHL North America at the Cincinnati/Northern Kentucky airport.

The Logistics and Distribution Institute (LoDI) is a research center at the University of Louisville (U of L) that is focused on developing new models, technologies and decision support systems that will help the private and public sectors address changes taking place in the logistics and distribution industry. U of L offers a graduate certificate program in logistics that is designed primarily for individuals who already work in the field of distribution and logistics in the Louisville area, or for those people who want to gain general knowledge in the field that may lead to career opportunities in distribution and logistics.

Eastern Kentucky University offers a bachelor of business administration degree with a concentration in global supply chain management. In addition, Northern Kentucky University offers course work in supply chain management as part of its business management program. Hopkinsville Community College is considering adding a transportation, distribution, and logistics program that would train students in the moving and storage of products and goods.

An estimated 78,000 people, or more than 5 percent of Kentucky's labor force, are employed in the transportation and warehousing sector which indicates the presence of a skilled workforce for the distribution and logistics sector. Kentucky also offers competitive incentives and a low cost of doing business.

### Location Criteria

- Proximity to suppliers and customers
- Affordable and reliable workforce
- Telecommunications infrastructure
- Multi-modal transportation resources
- Financial incentives
- Cost of utilities

### Select Kentucky Companies

Amazon.com

Amerisource Bergen

DHL

Dollar General Corp.

Fruit of the Loom

PCA Pharmacy

Pulmo-Dose

UPS

Walmart



# Healthcare

The healthcare industry, or medical industry, is the sector of the economic system that provides goods and services to treat patients with curative, preventive, rehabilitative, or palliative care. The modern healthcare sector is divided into many sub-sectors, and depends on interdisciplinary teams of trained professionals and paraprofessionals to meet health needs of individuals and populations.

Subsectors of healthcare include the following:

- Biotechnology
- Diagnostic Substances
- Drug Delivery
- Drug Manufacturers
- Drug Related Products
- Healthcare Plans
- Home Healthcare
- Hospitals
- Long-Term Care Facilities
- Medical Appliances and Equipment
- Medical Instruments and Supplies
- Medical Laboratories and Research
- Medical Practitioners
- Specialized Health Services

The U.S. healthcare sector includes more than 780,000 hospitals, doctor offices, emergency care units, nursing homes, and social services providers with combined annual revenue of more than \$2 trillion. The U.S. output for healthcare is forecast to grow at an annual compounded rate of 7 percent between 2010 and 2016. Despite a pending shortage of doctors and nurses in the coming decade, employment in the healthcare sector increased over 30 percent in a recent 10-year period, with 40 percent employment gains among physician offices, medical and diagnostic labs, and home healthcare. It is expected to increase more than 22 percent between 2008 and 2018.

## Strategic Sectors

The targeted sector within the healthcare category for which Kentucky offers key competitive strengths includes:

Healthcare Services



# Healthcare

## Healthcare Services

### GROWTH OPPORTUNITY AND TRENDS

Ten of the 20 fastest growing occupations in the nation are healthcare related. As one of the largest industries in 2008, healthcare provided 14.3 million jobs in the U.S. It is estimated that the healthcare industry will generate 3.2 million new jobs between 2008 and 2018, more than any other industry, largely in response to rapid growth in the elderly population.

Within this rapidly growing sector, pharmacy benefit management (PBM) services plays a key role in efforts to control healthcare expenses. Currently, 95 percent of consumers with pharmaceutical drug benefits receive them through a PBM. Managing drug costs has become an even higher priority for health plans as the Rx benefit has come to represent a larger portion of outpatient healthcare expenses, and the role of PBMs has become increasingly more vital. Americans spend nearly \$200 billion a year on prescriptions, an amount that has increased 4.5 times since 1990. By 2015, that amount is expected to total \$450 billion.

Two leaders in the PBM services sector have recently expanded their capacity. Medco's mail-order business includes seven order-processing pharmacies and two automated dispensing pharmacies filling more than 100 million prescriptions a year. To expand capacity and improve efficiencies, the company recently built a third automated mail-order pharmacy fulfillment center in Indiana. Express Scripts opened a new pharmacy fulfillment center in St. Louis in 2010. The center supports the company's growing home delivery business, which is experiencing increased demand from clients and patients seeking to cut costs on traditional maintenance medications through the use of mail-order services.

Demand for senior care is another growing niche sector. By 2025, the U.S. senior population is projected to reach 72 million. As the elderly population increases, the long-term care market is expected to see steady growth. Since 2005, the market's value has grown from \$186 billion to \$258 billion. For the next five years, growth will continue at annual rates over 6 percent. Home care will also continue its strong expansion, accounting for revenues of \$112.6 billion in 2015 and 31.8 percent of all industry revenues.

### Niche Sectors

- Pharmacy Benefit Management Services
- Long-term Care/Home Care Services

### Definition

**PHARMACY BENEFIT MANAGEMENT SERVICES (PBM)** involves providing third party administration of prescription drug programs that process prescriptions for the groups that pay for drugs, usually insurance companies or corporations, and use their size to negotiate with drug makers and pharmacies.

A **LONG-TERM CARE** facility provides rehabilitative, restorative, and/or ongoing skilled nursing care to patients or residents in need of assistance with activities of daily living. **HOME CARE** includes a variety of health-related services provided in the home or community. The home care staff provides assistance with the activities of daily living.



## KENTUCKY ADVANTAGES

Healthcare and social assistance is the largest industry sector in Kentucky, with more than 215,000 employees representing 15.3 percent of the workforce. An additional 69,000 are employed in the finance and insurance sector, representing almost 5 percent of the workforce. The healthcare sector in Kentucky includes a wide-range of companies that offer data processing, pharmaceutical, computer support and help desk, medical management, and biomedical products and services. In addition, a number of healthcare companies are headquartered in Kentucky, including Humana, which offers a wide range of insurance products and health and wellness services; Signature Healthcare, a rehabilitative care provider; Health Warehouse.com, a mail-order pharmacy service; and Trilogy Health Services, which offers a variety of senior living services.

Kentucky is home to two comprehensive medical schools. The University of Kentucky (UK) Medical Center includes the colleges of Dentistry, Health Sciences, Medicine, Nursing, Pharmacy, and Public Health, as well as the clinical activities of UK HealthCare. UK developed the Kentucky medical curriculum, which is a recognized model for other medical colleges, emphasizing early clinical experiences, integration of the basic and clinical sciences, and innovative teaching methods. In 2010, UK was ranked among the top 20 medical schools in the U.S. based upon its "social mission score."

The University of Louisville (U of L) School of Medicine is part of a large Health Sciences Center that includes more than 200,000 square feet of research space, a comprehensive standardized patient clinic, and one of the largest academic medical simulation centers in the nation. In addition to the medical school, U of L also has schools of nursing, dentistry, and public health and has programs of distinction in Birth Defects and Oral Health, Cardiovascular Health, Genetics and Molecular Medicine, Neuroscience, Oncology, Ophthalmology, and Transplantation/Cellular Therapeutics. Nucleus, U of L's driving force behind the development of a life sciences hub in downtown Louisville, partnered with Signature HealthCARE to create the International Center for Long Term Care Innovation, the country's first long-term care innovation center, which works to develop early-stage health technology and services that companies need to bring new ideas to the aging care industry.

The University of Pikeville College of Osteopathic Medicine (KYCOM) has earned high marks as one of the top 20 medical schools in the nation in rural medicine. KYCOM also ranked fourth in the country in the percentage of graduates entering primary care residencies.

The Kentucky Biomedical Research Infrastructure Network is a collaborative network of biomedical researchers in state-supported and independent institutions of higher education that includes 13 colleges and universities across the state.

### Location Criteria

- Adequate telecommunications infrastructure
- Presence of other similar companies
- Available workforce with degrees in related fields
- Cost of doing business

### Select Kentucky Companies

Christian Care Communities, Inc.

First Health Services Corporation

First Source Solutions USA LLC

Kindred Healthcare Operating, Inc.

Pacific Pulmonary Services

Perot Systems – Dell Services

PharMerica Institutional Pharmacy Services LLC

Trover Solutions, Inc.

ZirMed, Inc.



# Kentucky Priorities



# Kentucky Priorities

Economic development does not result from the efforts or actions of any single person, organization or institution, but rather because of the collective energies of multiple entities working toward consistent and mutually dependent objectives. Since this strategy is intended for the Commonwealth of Kentucky and not just the KCED, it is designed to address various aspects of the state's economic ecosystem in order to maximize the probability of future success.

Achieving the proper balance between these six priorities should be the state's goal. Each goal contributes to the overall strategy's aim of balancing recruitment of new industry with supporting existing industry and nurturing new industry; balancing urban needs and opportunities with rural ones; balancing historically important industries with emerging ones; balancing the traditional image of Kentucky with the contemporary realities; and, balancing the needs for a business-friendly business climate with the needs of future generations of Kentuckians.

These six priorities, along with the associated set of strategies and action items, provide Kentucky with a holistic guide for development. As the plan is implemented, the precise balance between each may vary, but it is important that attention be paid to each since each will impact the state's ability to be successful in the attraction and retention of the strategic targeted business/industry sectors previously outlined, resulting in the creation of jobs for its citizens moving forward.

Kentucky needs to focus on the following six priorities and related strategies, which are not listed in order of importance.

### Continue to Create a More Competitive Business Climate

1. Continue to Strengthen Partnerships
2. Assess/Improve Incentive Programs to Support Business/Industry Targets
3. Evaluate Competitiveness of Existing Taxes/Regulations
4. Embrace Regionalism

### Attract, Develop, and Retain Business

1. Increase Global Direct Investment Efforts
2. Increase Human Capital by Recruiting/Developing the Workforce of the Future
3. Support Physical Capital by Determining Infrastructure/Site Needs
4. Develop/Implement Statewide Protocols for Supporting Existing Business
5. Support Corporate/Regional Headquarters Recruitment
6. Support Tourism Development and the Arts
7. Support the Military

### Create and Market a Powerful Kentucky Brand

1. Define the Kentucky Advantage
2. Take the Lead in State Marketing Efforts
3. Develop a More Aggressive Marketing Campaign

### Work Toward Sustainability

1. Develop a Sustainable Agenda for Kentucky
2. Support Renewable Portfolio Standards or Guidelines
3. Encourage Green Building Design/Construction

### Foster Innovation and Technology Support

1. Improve Partnerships Between Research Universities and Business/Industry
2. Increase Access to Capital
3. Support R&D Activities

### Create an Entrepreneurial Culture

1. Coordinate Entrepreneurial Resources
2. Support Local Entrepreneurial Activities
3. Increase Availability of Entrepreneurial Education



# Priority

## Continue to Create a More Competitive Business Climate

State economic development organizations should focus on identifying and eliminating any barriers to conducting business in their states. The Commonwealth of Kentucky has already made strides at making its business environment more competitive. In 2005, the Kentucky legislature passed a major tax-modernization initiative which eliminated the corporate license tax and lowered the corporate income tax rate to 6 percent. Such changes helped Kentucky's Business Tax Climate ranking rise faster than any other state since 2009, up 15 spots to 19<sup>th</sup> in the current rankings on the *2011 State Business Tax Climate Index*. In 2009, Kentucky's business incentives programs were streamlined, reforming existing incentives and creating new ones for new and expanding companies in the state. In addition, Kentucky continues to rank competitively from a business perspective as well. CNBC's 2011 *"Top States for Doing Business"* ranked Kentucky as the state having the 4<sup>th</sup> lowest cost of doing business.

The strategies and action items are designed to make the Commonwealth of Kentucky even more competitive from a business climate standpoint. This includes strengthening partnerships, improving incentive programs, increasing financial capital availability, evaluating competitiveness of existing taxes/regulations, and embracing regionalism.

### STRATEGY 1 CONTINUE TO STRENGTHEN PARTNERSHIPS

*Action Item:* Add a "Partners" section to the KCED website

The current KCED website does not appear to have a "partners" section, which lists all KCED partner organizations. In order to truly define the partners of the KCED, a section listing its partners with links to their websites should be provided.

*Action Item:* Coordinate with other Cabinets and partner organizations

It is important that the KCED, other Cabinets and other economic development partners continue to work together to create the most competitive business environment possible in the Commonwealth of Kentucky. As part of the implementation process, it is critical that these organizations are involved in the areas that affect them or in which they can play a critical role in ensuring that the strategy is brought to fruition. This will be discussed and outlined further during the implementation process.

### STRATEGY 2 ASSESS/IMPROVE INCENTIVE PROGRAMS TO SUPPORT BUSINESS/INDUSTRY TARGETS

*Action Item:* Conduct an assessment of Kentucky's incentive programs

Incentives are a critical component of maintaining a competitive business climate, and state and local governments continue to be more aggressive in the incentives they offer for certain projects. Although there have been some recent improvements to Kentucky's incentive



programs, there still appears to be a need to evaluate the competitiveness of these programs versus competitor states. BSA understands that such a study has been approved by the legislature, and has just begun. In addition to evaluating Kentucky versus its competitor states, such an assessment should also consider whether current programs meet the needs of the newly identified targeted business/industry sectors for the Commonwealth.

**Action Item:** Request an increase in cash funding to support targeted projects

Many states today have project closing funds that are utilized to persuade certain high-impact competitive projects to locate or expand in the state. Some of these "closing funds" are discretionary monies funded by general and special state revenues, with most of them funded annually by legislative appropriation. Most of these funds range from \$5 million to \$50 million but some are \$100 million plus. Although Kentucky was a pioneer in offering withholding incentives (or wage assessments) to certain qualifying projects, it does not have a formal closing fund. The Economic Development Bond (EDB) Program does allow bond funded grants to be used for "extraordinary project financing not covered with other funds, and there is also an option for "advance disbursement" or cash up-front for KBI or KEIA projects meeting certain requirements.

Kentucky should seek to increase the amount of funding under the EDB program to allow it to be more competitive for certain high-impact economic development projects.

### STRATEGY 3 EVALUATE COMPETITIVENESS OF EXISTING TAXES/REGULATIONS

**Action Item:** Communicate current rankings

On the *2011 State Business Tax Climate Index* prepared by The Tax Foundation on how state tax systems compare, Kentucky's ranking of 19<sup>th</sup> on the *2011 State Business Tax Climate Index* is higher than the majority of its competitor states including Mississippi (21<sup>st</sup>), Illinois (23<sup>rd</sup>), South Carolina (24<sup>th</sup>), Georgia (25<sup>th</sup>), Tennessee (27<sup>th</sup>), Alabama (28<sup>th</sup>), West Virginia (37<sup>th</sup>), North Carolina (41<sup>st</sup>), and Ohio (46<sup>th</sup>).

Although the KCED has communicated the current ranking, there appears to be a need to get the message out even more focusing on the fact that Kentucky outpaced its competitor states from a business tax perspective (it only ranks lower than Indiana (10<sup>th</sup>), Virginia (12<sup>th</sup>), and Missouri (16<sup>th</sup>)). The target of this effort should primarily be business/industry currently located in Kentucky or those considering a new location in the state.

**Action Item:** Consider modifications to inventory tax

An estimated 13 states currently impose an inventory tax at the state level, including Kentucky. However, the majority of competitor states do not have a state-level inventory tax including: Alabama, Georgia, Indiana, Illinois, North Carolina, Missouri, South Carolina, Tennessee, and Virginia.

Personal property taxes on inventory create a disincentive for companies to grow by acquiring more inventory. In Kentucky, some types of



inventory are exempt by law, while others are not, creating unequal treatment. This includes a tax that affects one of Kentucky's largest, oldest, and fastest growing industries, the distilling industry, which employs nearly 10,000 with an annual payroll of \$442 million. The personal property tax on inventory is levied every year on aging barrels full of bourbon in warehouses and is not assessed on any other alcoholic beverage such as beer, vodka, or Scotch whiskey.

The Kentucky Chamber supports repealing or phasing out the remaining property tax on business inventory. This phase-out approach was taken by Indiana beginning in 2002 and ending in 2006, while the state of Georgia completely eliminated its inventory tax beginning in 2011. The distillery industry in Kentucky supports a corporate tax credit that would offset the amount of inventory taxes paid each year but would require the distilleries to reinvest the credit in their Kentucky operations.

To be more competitive for new location projects, Kentucky should consider repealing or phasing out the remaining property tax on business inventory. Alternatively, it should at least consider some type of credit against the inventory tax to support the existing distillery industry in the state.

*Action Item:* Support and review funding for incentives at the local level

Review the ability of Kentucky communities to use local taxes to fund economic development projects, and support the ability of them to do so.

#### STRATEGY 4 EMBRACE REGIONALISM

*Action Item:* Explore ways to encourage regionalism

Economic development has changed a great deal over the last several decades with the economy increasingly defined by a global market. From a competitiveness perspective, probably no single strategy has become more important than thinking and acting regionally. Many rural leaders grappling with economic decline have realized that by forming regional alliances, they can pool resources and create the critical mass necessary to develop and implement new economic development strategies. Many states today are supporting a regional approach to economic development.

Regionalism is clearly the trend in economic development and there are already several active regional organizations in Kentucky. Regionalism should be encouraged in the state and the existing regional efforts supported.



# Priority

## Attract, Develop, and Retain Business

The Commonwealth of Kentucky has enjoyed a great deal of success. As the home to nine Fortune 1,000 companies and 82 announced new locations since January 2010, the state is clearly doing many things right. However, in the competitive market of today, it is necessary to continually seek better methods in order to maintain success.

The recommended strategies in this section are based on findings throughout this project and are focused on ensuring that Kentucky continues to thrive and successfully recruit companies in the strategic business/industry targets identified for the state. Strategies and action items address such areas as global direct investment, workforce and training needs, improving infrastructure, supporting existing business and industry, attracting corporate and regional headquarters, supporting tourism development and the arts, and the military.

### STRATEGY 1 INCREASE GLOBAL DIRECT INVESTMENT (GDI) EFFORTS

#### *Action Item:* Implement a Visitation and Contact Program

A Visitation and Contact Program should be approached as a subset of an existing industry retention program focused primarily on foreign-owned companies. Working with Kentucky-based international company representatives will be far more efficient and should result in Kentucky securing more than its fair share of expansions. In addition, these visits will contribute to the development of a network of contacts that will lead to additional business intelligence related to the country's connection to the targeted sectors.

New statistics show that U.S. operations of global companies are reinvesting what they earn back into their U.S. plants and factories, with reinvested earnings tripling from \$28.5 billion in 2009 to \$93.1 billion in 2010. This effort will ensure that the companies currently operating in Kentucky are aware that the state values their presence and share that sentiment up their chain of command. As such, not only should this effort result in more GDI expansions, it should also result in new greenfield project leads emanating from the home country of the existing company.

#### *Action Item:* Proactively implement a lead generation, sales, and marketing campaign in select countries

Kentucky is home to nearly 400 international companies that represent 30 countries. The KCED currently operates international offices in Japan, Mexico, China, and Germany to assist in promoting direct investment to the Commonwealth, as well as to increase trade between Kentucky companies and other countries.



Since the resources are not available to operate proactively in all countries of opportunity, Kentucky must reduce its list to a small group of countries that provide the highest likelihood of success. These countries should include: Canada, Germany, and Japan, which are traditional markets for GDI in the U.S., and emerging markets such as China, India and Brazil. The KCED already has offices in Germany, Japan, and China. It also has an office in Mexico, which mainly focuses on trade development. The KCED should consider adding offices in Canada, India, and potentially Brazil over the next five years.

*Action Item:* Capitalize on nearshoring opportunities

Nearshoring involves the relocation of manufacturing production to countries that provide less expensive production processes and are closer to the end consumer. Many experts believe that nearshoring offers the potential for a mass return of jobs from overseas to the North American market. A recent study from the Boston Consulting Group predicts an estimated three million jobs will return to the U.S. due to the rising cost of production in China, the rising cost of transportation and the improved efficiency and productivity in the U.S. and Europe. The KCED should explore the opportunity to recruit companies from overseas to Kentucky.

**STRATEGY 2 INCREASE HUMAN CAPITAL BY RECRUITING/DEVELOPING THE WORKFORCE OF THE FUTURE**

*Action Item:* Develop and implement a strategy to attract Kentucky alumni with specific skill sets back to the state

Kentucky should consider implementing a program focused on building a database of past college graduates of Kentucky institutions to make them aware of quality job opportunities in the Commonwealth. This effort could focus on graduates with engineering, technology or other identified skills that are needed in the state. The overall goal would be to build a substantial database of Kentuckians and Kentucky alums with needed skills in the state that would be interested in moving back to Kentucky for the right job opportunity. In addition, the program should also focus on attracting business operations whose decision makers are Kentucky college alums.

Possibly the best way to approach this is to work with the eight public universities in the state on marketing to their alumni list.

*Action Item:* Determine and address education, workforce, and training needs

In order to ensure the workforce in Kentucky has the skills and training needed, it is important to review the workforce skills and needs of the targeted business sectors. Each of the targeted sectors should be reviewed to determine the type of workforce skills, educational programs, and training programs needed, as well as the sufficiency of the existing workforce to meet the needs of the sector. In addition, the availability of educational degree or certification programs in Kentucky must be assessed.

The KCED may want to consider partnering with the Kentucky Workforce Investment Board (KWIB) in conducting the assessment of the workforce and educational capabilities in Kentucky related to meeting the needs for each targeted sector. The KCED'S BlueGrass State Skills Corporation may also want to assess the training capabilities available related to each targeted business/industry sector.



### STRATEGY 3 SUPPORT PHYSICAL CAPITAL BY DETERMINING INFRASTRUCTURE/SITE NEEDS

#### *Action Item:* Establish broadband internet access across the state

In order to be competitive from a site location and technological standpoint, broadband access must be available and should be a critical component of any state economic development program. The Federal Communications Commission (FCC), as quoted below in its 2010 National Broadband Plan to Congress, called for 90 percent of U.S. homes to have broadband access by 2020, which would be a 30 percent increase from current estimates.

Information from the FCC indicates Kentucky has broadband available to 99.2 percent of the urban population, which is on par with the national average, and 81.9 percent of the rural population, which is above the national average of 79.3 percent. However, according to the U.S. Department of Commerce's "Exploring the Digital Divide" report, Kentucky ranks near the bottom of states in the percentage of households using broadband connections and 43<sup>rd</sup> for speed availability. The state is making great strides to improve these statistics through use of more than \$300 million in federal grants to expand broadband access in rural America. As a result, rural residents in 71 of Kentucky's 120 counties received new and/or improved broadband service. Kentucky also leads the nation in USDA Recovery Act broadband investment.

Kentucky should continue to work to improve broadband internet access in rural areas of the state, should consider launching an educational campaign to increase the number of households that utilize broadband connections, and work to address the speed availability throughout the state.

*"Like electricity a century ago, broadband is a foundation for economic growth, job creation, global competitiveness and a better way of life."*

-Internet Innovation Alliance

#### *Action Item:* Develop river site certification program

The availability of buildings and sites ready for development is one of the key driving factors in most location searches. If a state or location does not show that it has an available potential site or building that fits a particular project, it will be eliminated early in the location search without any consideration. The KCED has an online sites and buildings database that as of October 2011 has more than 200 pre-screened "shovel-ready sites." While this information is critical to companies searching for a new location, Kentucky has not fully taken advantage of marketing the river sites available across the state.

There are currently 10 "shovel-ready" sites with river access (property is adjacent to a navigable river) in Kentucky. Those sites must be properly marketed, and additional sites should be identified and assessed. A River Site Certification program would accomplish both of these items.

If marketed properly a River Site Certification program, would provide Kentucky with an advantage over many of its competitor states of the presence of riverfront sites that many business/industry sectors search for when seeking a new location. Identified Kentucky targets,



including distribution/logistics, value added agriculture/beverage products, bioenergy, solar and wind component manufacturing, may need to be located near a river site. In addition, a River Site Certification program may create more opportunity for major steel and chemical manufacturing projects, which often want to be located close to water.

Note that the Duke Energy Site Readiness Program may be available to some of the communities in Northern Kentucky.

**STRATEGY 4 DEVELOP/IMPLEMENT STATEWIDE PROTOCOLS FOR SUPPORTING EXISTING BUSINESS**

*Action Item:* Support local communities/regions in BR&E efforts

Local/regional economic development organizations should have the ultimate responsibility for implementing and managing effective business retention and expansion efforts, but the KCED should have programs in place to support and encourage consistency in efforts across the Commonwealth.

KCED should consider partnering with AEP Kentucky Power, LG&E Energy Corporation (or its subsidiaries Kentucky Utilities Company or Louisville Gas and Electric Co.), Duke Energy, and TVA to develop a statewide existing industry program to be implemented at the local level with a focus on ensuring that key local business/industry are identified and visited annually by the appropriate local contact .

**STRATEGY 5 SUPPORT CORPORATE/REGIONAL HEADQUARTERS RECRUITMENT**

*Action Item:* Make headquarters/regional headquarters retention and recruitment a focus area of the KCED

The majority of the existing headquarters in Kentucky, as well as recent locations and expansions, were in Louisville or Lexington, but other areas of the state such as Northern Kentucky and other fast-growing cities in the state should also focus some efforts on corporate/regional headquarters retention and attraction. While national headquarters relocations of major firms are relatively rare and difficult to capture, recent successes in Kentucky and the benefits of such locations make this a viable focus effort.

Virginia is a state that actively targets corporate headquarters recruitment and has a Business Development Manager focused just on corporate headquarters recruitment. A separate webpage explains why Virginia is the best place for corporate headquarters and includes information about air transportation, workforce, educational attainment, recent announcements, and state rankings.

Although not included as a specific target for the Commonwealth of Kentucky, showing a focus at the state level on corporate/regional headquarters recruitment sends the right message to both existing

Location Criteria  
Corporate/Regional  
Headquarters

- Existing Headquarters Presence
- Size of City
- Growth Rate of City
- Cost of Doing Business
- Educational Attainment
- Ability to Locate, Attract and Retain Employees
- Airport Access
- Cost of Living
- Professional Services Availability
- Overall Quality of Place



headquarters in the state and potential new headquarters that Kentucky wants to meet their needs. It also supports the efforts of Louisville, Lexington, Northern Kentucky and others that are focusing on retaining or attracting corporate or regional headquarters. The KCED should list headquarters/regional headquarters as a priority focus area on its website along with the list other targets. There should be a specific page that outlines the strengths of Kentucky from a corporate headquarters perspective and that is updated regularly to reflect location and expansion successes throughout the state.

*Action Item:* Review existing incentive programs to ensure needs of corporate/regional headquarters are met  
Corporate/regional headquarters are eligible for the Kentucky Business Investment Program. However, there are at least six states that offer incentive programs targeted specifically to corporate headquarters. Tennessee, in addition to an income tax credit, offers a refund on sales tax liability, as well as a credit against franchise and excise tax based on the amount of relocation expenses incurred. Indiana, Mississippi, South Carolina, Tennessee, West Virginia, and Virginia offer tax credits to offset relocation costs based on the number of jobs the company creates and/or capital investment made in the state. Kentucky should consider incentive programs in other states that are specifically targeted to corporate headquarters and determine whether it should adopt more tailored incentives to support this sector.

## STRATEGY 6 SUPPORT TOURISM DEVELOPMENT AND THE ARTS

*Action Item:* Support future development of the wine and bourbon industry

The Kentucky Tourism, Arts & Heritage Cabinet is doing a good job of supporting the wine and bourbon sectors from a tourism standpoint. Due to the existing and potential impact of both the wine and bourbon industry in Kentucky long-term, the KCED should ensure that both are also supported from a business perspective and any business issues they face are addressed. The issue with property tax on business inventory has impacted the bourbon industry and could similarly affect the wine industry. The KCED should support changes to this law to support these sectors.

Related to specifically growing the wine industry in Kentucky, the KCED should work with the Kentucky Tourism, Arts & Heritage Cabinet and the Kentucky Vineyard Assistance Program to explore the possibility of developing a technical certificate in viticulture at one of the state institutions of higher education that would allow students to demonstrate the application of specific agricultural knowledge and techniques to improve vineyard health.

*Action Item:* Support tourism development in Eastern Kentucky

With the Appalachian Mountains, national parks, the Daniel Boone National Forest, rivers, and miles of hiking trails, adventure tourism is a focus in Eastern Kentucky. In August 2011, it was announced that a former railroad line will become a new trail for hikers, cyclists, and horseback riding.

While East Tennessee, which has the Smoky Mountains and Appalachian Trail, as well as a variety of tourist attractions, has been very successful from a tourism development perspective, Eastern Kentucky has not yet attracted a major tourist attraction. KCED should work



with the Kentucky Tourism, Arts & Heritage Cabinet to support tourism development as a potential wealth creating engine in Eastern Kentucky focusing on the development of a major tourist attraction in the region.

*Action Item*      **Support arts education**

As part of a Sustainable Agenda, the Tourism, Arts and Heritage Cabinet should consider supporting funding for arts education in public schools, working with the Kentucky Education Cabinet. Studies have shown exposure to arts education equips students with a unique set of critical thinking, innovative and creative skills they would be unlikely to develop elsewhere during their educational career.

**STRATEGY 7      SUPPORT THE MILITARY**

*Action Item:*      **Continue working with the Kentucky Commission on Military Affairs**

The military is a major employer in Kentucky and has a significant economic impact on the state with the presence of Fort Campbell and Fort Knox, as well as the Blue Grass Army Depot, the U.S. Army Corps of Engineers and other military units. The KCED should continue to partner and work with the Kentucky Commission on Military Affairs to determine any military-related job creation opportunities, as well as opportunities to find employment for military personnel returning from active duty.

*Action Item:*      **Partner with the Kentucky National Guard**

The Kentucky National Guard has an Employment Initiative Campaign focused on assisting national guardsmen and women and their spouses with obtaining employment in the state. The KCED should partner with the Kentucky National Guard on this initiative and may want to consider offering specific assistance in the area of entrepreneurship through the Small Business Services Division.



# Priority

## Create and Market a Powerful Kentucky Brand

Aggressive marketing and communications are critical functions of any effective economic development effort. In fact, product promotion may be the most important function of today's economic development organizations. It is critical that marketing tactics are used to communicate Kentucky's strengths to both internal and external audiences who impact the state's economic development future.

The KCED currently has a comprehensive marketing and communications effort in place that includes paid advertising, media relations, special events, sponsorships, and electronic media tactics. This plan recommends some additional strategies to incorporate into existing efforts, particularly as it relates to marketing the state as a prime location for companies in each of the targeted industry sectors.

The KCED has a variety of partners that support business development and marketing efforts. A coordinated effort, with the KCED assuming a leadership role, will ensure the most "bang for the buck" in enhancing awareness of Kentucky and its assets.

The ideas in this section are not intended to represent a comprehensive marketing program. Instead, they are recommendations that will supplement and enhance existing marketing activities for Kentucky. The recommendations were developed based on research completed for this project and are intended to provide support to key programs of the KCED. In order to change misperceptions that people may have about Kentucky, an increase in external marketing may be required. However, consideration was given to existing resources – both staffing and funding – in developing these recommendations.

### STRATEGY 1 DEFINE THE KENTUCKY ADVANTAGE

#### *Action Item:* Develop and adopt key messages

To communicate effectively with the identified target audiences, it is important to develop a core group of concise, clearly defined key messages that will guide all communications initiatives. These messages will serve as a framework to convey the benefits of Kentucky as a business location in all facets of marketing and communications.

The messages need to convey what differentiates Kentucky from its competitors – underscoring the fact that the Commonwealth is a prime and unique location for businesses to locate, relocate, or grow. Points to consider in developing key messages include infrastructure, product, workforce, education, quality of place, and business climate.



In addition to key messages, Kentucky should also strengthen its branding by using a “boilerplate” description of the state in most print materials. This description should include the most critical points of the key messages and should be no more than two sentences – something brief and memorable.

*Action Item:* Define the short- and long-term vision for Kentucky

A series of visioning sessions held with both internal and external stakeholders throughout Kentucky served as a key component in the research to develop this strategic plan. KCED staff, as well as community leaders and citizens in each region were given an opportunity to discuss their ideas related to a vision for Kentucky’s future economic development efforts. Participants were asked to consider the following issues, among others:

- How to enhance Kentucky’s economic development efforts with unlimited resources and expertise;
- What Kentucky would accomplish by 2016 in an ideal world;
- Programs and initiatives of other states that Kentucky should emulate; and
- What would be happening if Kentucky fulfilled its economic development potential?

The feedback gathered through the visioning session process should be used as the basis for defining the short- and long-term vision for Kentucky from an economic development perspective. This might result in development of a vision statement to guide the KCED in the coming years.

*Action Item:* Educate influencers on the realities of right-to-work in Kentucky

A right-to-work law secures the right of employees to decide whether or not to join or financially support a union. Kentucky, unlike its competitors to the South, is not a right-to-work state. Yet, the percentage of Kentucky workers that are union members at 8.6 percent is lower than the national average of 12.3 percent (as of 2009) and the majority of its surrounding states. In addition, Kentucky’s union membership decreased 28 percent between 2000 and 2009, compared to the national average decline of 9 percent during the same period. Only 4.1 percent of the facilities locating in Kentucky since 2000 are unionized and the majority of unionized Kentucky facilities are a result of a national contract.

KCED must have available key messages that clarify the misconceptions about the label “right-to-work” and what it means for Kentucky. These messages should be made available to regional and local economic development professionals across the Commonwealth. Additionally, these messages should be proactively communicated to target influencers such as consultants and company executives.

## Vision Statement Development

- A vision should express values, purpose, and progress toward a better future.
- It should be neither too specific nor too general.
- Detailed goals do not belong in the vision itself.
- The statement should be clear and compelling, aspirational for a better future, and describable in simple terms.
- It should be capable of being understood as a common purpose.



*Action Item:* Include target profiles on the KCED website

The identified targets for Kentucky should appear on the KCED website, as well as the individual profiles for each highlighting the niche sectors as well as the Kentucky advantage for each target. The profiles should be available in a downloadable format to a PDF document so that regional and local economic developers across the state can utilize them.

**STRATEGY 2 TAKE THE LEAD IN STATE MARKETING EFFORTS**

*Action Item:* Accelerate Kentucky United Efforts

Kentucky United is a public-private partnership focused on promoting Kentucky to companies, site location consultants, brokers, and others as a great place to do business. The KCED currently provides financial support to Kentucky United, and many communities throughout the state also participate in the program and its special events. However, some of the state's largest communities do not participate in the effort.

As the state's lead economic development agency, KCED should take more of a role in enhancing the site consultant marketing efforts and events that comprise the Kentucky United program. Hopefully, with the KCED's involvement, the larger communities that are not currently participating will become more involved in Kentucky United efforts.

The KCED should partner with the Kentucky Association for Economic Development (KAED) in the planning and execution of hosting events in select key geographic markets where there is a concentration and combination of three prospect groups – headquarters of existing companies, site selection consultants, and offices or facilities of targeted companies.

*Action Item:* Establish a Regional Marketing Grant Program

Regional economic development organizations are critical economic drivers in Kentucky. A marketing grant program could be established to assist regions in business retention, expansion, creation, and recruitment.

This program could be designed to assist in aligning the KCED marketing and branding efforts with regional programs to attract new businesses and increase economic development activity. The program should designate a maximum grant amount and require regional organizations to match the grant amount dollar-for-dollar. Marketing programs funded through these grants should align with the KCED's brand strategy, while at the same time allowing regional organizations to be innovative and unique in promoting the regions' strengths and assets.

**STRATEGY 3 DEVELOP A MORE AGGRESSIVE MARKETING CAMPAIGN**

*Action Item:* Explore increasing the Cabinet's marketing budget

A very important goal of this plan is to ensure that limited resources of the KCED are more efficiently allocated to critical economic development activities. However, the KCED marketing budget of \$500,000 per year is not at a level to allow the Commonwealth to be



competitive in enhancing the perception of Kentucky among key decision makers. While determining the economic development marketing budgets of competitor states is difficult, several stakeholders mentioned Michigan as an example of aggressive economic development marketing. The campaign they referenced, Pure Michigan, was originally funded at \$30 million. Although at the time, it primarily focused on a tourism message, it has recently been expanded to be the state's economic development marketing campaign, which will be funded at \$10 million. Michigan's spending at this level has set a very high bar, and other states are looking to increase their marketing budgets over time.

Based on this information and BSA's experience in economic development marketing, it is recommended that the KCED begin efforts over the next three to five years, to seek to increase the marketing budget to a minimum of \$1.5 million. This increase could potentially be funded through a public/private partnership.

### *Action Item:* Enhance social media efforts

The KCED has begun efforts to develop a social media presence, which is becoming an increasingly important component of economic development marketing. Following are some recommendations to enhance these efforts and increase the number of "followers" the KCED has:

- Add social media "follow us" buttons to marketing e-mails and electronic newsletters.
- Encourage all employees and partners to follow the KCED in all social media platforms, which will in turn expose their personal networks to the Cabinet pages. Also suggest they use the "share" button on the KCED Facebook page to share content with their personal networks.
- Develop a dedicated approach to using LinkedIn for business development prospecting by joining industry groups for economic development, as well as within the targeted industry sectors, by responding to posted questions in areas of staff expertise, and by connecting with site location consultants and other economic development decision makers.
- Optimize tweets, Facebook posts, and LinkedIn status updates with key words that will help the KCED and Kentucky Economic Development show up in search results.

### *Action Item:* Drive traffic to the website

The ThinkKentucky.com website is among the best of state economic development agencies in terms of both its content and its architecture. The next step to enhancing the website is to drive more traffic to it. Some of the ideas in the previous action item could also be applied to website traffic – ensuring that the ThinkKentucky.com link is included in all electronic communications, on all social media sites, etc. However, search engine optimization is perhaps the most direct and aggressive method of increasing site visits. Optimizing a website may involve editing its content and HTML to both increase its relevance to specific key words and to remove barriers to the indexing activities of search engines. Using these tools will help improve the frequency and the ranking of the ThinkKentucky.com content in search results, thereby encouraging more visits to the site.



# Priority

## Work Toward Sustainability

Sustainability, according to the United Nations World Commission on Environment and Development, can be most simply defined as the ability to meet our needs without compromising the ability of future generations to meet their own needs. Developing a sustainable agenda for the Commonwealth of Kentucky is important to preserving and enhancing qualities of the state that are important to its residents as well as supporting green building and design, and the development and use of renewable energy. In addition, many corporate location projects today are considering sustainable practices in their location decisions, particularly those involved with the development or support of alternative energy and solar and wind support manufacturers, all of which are designated targets for Kentucky. Other Kentucky targets that may want to locate in a sustainable state include energy-efficient lighting and sustainable packaging manufacturers, as well as any other sector that practices sustainability internally.

Kentucky has several statewide, community and university-based programs and initiatives that are related to sustainability. In addition, Governor Beshear's strategic energy action plan titled *Intelligent Energy Choices for Kentucky's Future* addresses sustainability by increasing the use of renewable energy sources, improving energy efficiency, developing cleaner methods to utilize fossil energy resources, diversifying the state's electricity and transportation energy portfolios, and better integrating the agricultural and energy economies. Increasing a state's use of renewable energy is important because it encourages job creation, energy security, cleaner air, and market demand for renewable and clean energy supplies. Many states have adopted Renewable Portfolio Standards (RPS) and Alternative Energy Portfolio Standards (AEPS) goals or requirements as part of this effort, which gives states a standard designating the amount of electricity utility companies must generate from renewable or alternative energy sources by a given date. As of October 2011, 27 states plus the District of Columbia had enacted RPS requirements; four states have an AEPS requirement; and another seven had RPS or AEPS goals for a total of 38 states. While Kentucky does not have RPS/AEPS requirements or goals, six border states (Missouri, Illinois, Indiana, Ohio, West Virginia, and Virginia) have such programs in place. North Carolina is another competitor state of Kentucky that has an RPS in place.

Leadership in Energy and Environmental Design (LEED) is an internationally recognized green building certification system developed and administered by the U.S. Green Building Council (USGBC). As of October 21, 2011, there were 44 LEED certified facilities in Kentucky, and another 154 projects registered for certification. Kentucky currently ranks 32<sup>nd</sup> overall in the number of LEED certified facilities. Kentucky has two programs in place which support construction of LEED certified facilities. In 2010, Governor Beshear signed legislation which supports and encourages the construction and renovation of school buildings using efficient design concepts that meet defined certification requirements. In 2009, Governor Beshear signed legislation requiring all new public facilities and renovations using 50 percent or more of state funding to achieve LEED certification. The below recommendations are designed to amplify and coordinate the efforts currently



underway.

### STRATEGY 1 DEVELOP A SUSTAINABLE AGENDA FOR KENTUCKY

*Action Item:* Create a statewide initiative focused on sustainability

The development of the Sustainable Agenda for Kentucky should be led by the Kentucky Energy and Environment Cabinet and KCED, but may ultimately be in the hands of the legislature.

### STRATEGY 2 SUPPORT RENEWABLE PORTFOLIO STANDARDS OR GUIDELINES

*Action Item:* Implement a Renewable Portfolio Standard or goal for Kentucky

If Kentucky is going to become a leader in the renewable energy sector and attract producers of bioenergy, as well as solar and wind component manufacturers, it will need to continue the planning process and consider the adoption of a RPS or AEPS requirement or goal.

### STRATEGY 3 ENCOURAGE GREEN BUILDING DESIGN/CONSTRUCTION

*Action Item:* Consider LEED or other incentives for private business/industry

Most state legislation passed to date specifies all government-owned or funded buildings be LEED certified, and some states also have tax credits and other incentives that apply to private business and industry obtaining LEED certification for their project. Kentucky should explore creation of an incentive or tax credit to offset part of the costs for developers to certify buildings as LEED Gold or higher, or another comparable level using the Green Globes or ENERGY STAR qualification systems. Such tax credits or incentives have the potential to increase the number of LEED or other certified green projects in Kentucky and also provides further support to the Renewable Energy, Energy-Efficient Lighting and Sustainable Packaging sectors, which are targeted sectors of Kentucky.

*Action Item:* Consider LEED or other certified incentives for historic buildings

According to the National Trust for Historic Preservation, the conservation and improvement of existing historic buildings, including the re-use of historic and older buildings, greening existing buildings, and reinvesting in older and historic communities, is an important component to sustainability efforts. The Tourism, Arts and Heritage Cabinet should consider encouraging renovation, restoration, and retrofitting of historic buildings using LEED, Green Globes, ENERGY STAR or other similar qualification systems.



# Priority

## Foster Innovation and Technology

As the recruitment of projects and jobs becomes more difficult and expensive, Kentucky must enhance its efforts to build an internal infrastructure to foster the organic growth of its own local companies. Kentucky has several established programs and efforts that acknowledge the importance of innovation and commercialization of homegrown technology, but these efforts appear to be underfunded, underappreciated and underutilized.

Kentucky's current programs to support innovation-based companies are delivered by two entities – the Cabinet's Office of Commercialization and Innovation (OCI) and the Kentucky Science and Technology Corporation (KSTC). Some of these programs, such as the SBIR/STTR Matching Fund Program, are recognized successful models, while others may need some modification to better address the needs of the constituents they are designed to serve.

Creating wealth and jobs through fostering innovation and commercialization requires the establishment of a closely knit array of knowledge, skills, money, programs, and services. It begins with the development of human capital through an effective K-12 education system and continues with quality university education, particularly in the Science, Technology, Engineering and Mathematics disciplines.

The intellectual property generated as a result of the investment in education, must then be supported through an array of funding vehicles that address the various stages of an idea's development from conception to commercialization and on into the growth cycle of the company. As the life cycle of the idea matures, the support and funding typically evolves from the public sector to the private sector, with some programs and policies being used to facilitate the transition.

The strategies and action items outlined below will support and enhance additional R&D activities in Kentucky. There are, however, some additional initiatives that are designed to better integrate the R&D in the state with the economic development efforts of the KCED that will hopefully result in additional improvement in Kentucky's ranking from an R&D expenditure and patent perspective.

### STRATEGY 1 IMPROVE PARTNERSHIPS BETWEEN RESEARCH UNIVERSITIES AND BUSINESS/INDUSTRY

#### *Action Item:* Inventory the private sector and university research base

Much research is done within companies and off the university campuses. It would therefore be beneficial for the OCI and/or KSTC to conduct a survey of Kentucky companies to determine the type of research taking place at their Kentucky operations. The survey should not



only ask what research is being done onsite, but what research the company would like to see take place, either at their facility or through partnership with a university in Kentucky. An inventory of the university research activities should also be part of this review. An outside consultant or consultants may need to be hired to conduct this survey and analyze the results.

*Action Item:* Enhance commercialization and technology transfer capabilities through more collaboration

Although research in and of itself greatly contributes to the state's economy, it is when the research conducted in the state's universities is applied commercially by companies located in the state that its full potential is realized. Typically, university-based faculty and corporate-based engineers live in very different worlds driven by very different demands. These two groups do not always naturally come together and see their common ground and purpose. Acting as an intermediary, the state can do several things to facilitate the connectivity between the university-based research faculty and the companies of Kentucky.

Kentucky should seek to bolster its research universities' capacity to innovate and develop patentable breakthroughs and discoveries, as well as the infrastructure to mine the economic benefits of those advancements. It was noted during the information gathering stage of this project that the engineering faculties at Kentucky's two primary research universities are smaller than that of competitive schools and states. Not only should this and other research deficiencies be addressed, but the state should harmonize the efforts of the Office of Technology Transfer through more collaboration.

*Action Item:* Develop a statewide Internship Program

Connecting university research with private-sector companies should be the ultimate objective of an innovation-based economic development strategy. One way to accomplish this is through researchers and engineers and another is through students and companies. Kentucky should develop a statewide internship program that places graduate and undergraduate students with innovation-driven companies in their chosen fields of study. Although a program to simply broker internships around the state would be beneficial, providing matching funds to the companies to ensure the internships will be paid will ensure greater participation from the companies as well as the students. The KSTC is already in the process of establishing such a program and it should take the lead.

**STRATEGY 2 INCREASE ACCESS TO CAPITAL**

*Action Item:* Continue funding and support for the Kentucky Enterprise Fund, Commonwealth Seed Capital and other similar programs

The Kentucky Enterprise Fund (KEF), the Kentucky New Energy Venture Fund (KNEV), and the Rural Innovation Fund (RIF) provide important sources of funding to early stage companies in the Commonwealth. In addition, the Commonwealth Seed Capital, LLC, (CSC) offers a private funding source to facilitate the commercialization of innovative ideas and technologies.

Continuing these programs is essential to the ongoing success of Kentucky in its efforts to organically grow the jobs of tomorrow from within.



States that do not have such a program are trying to find the political will to create and support them.

*Action Item:*      **Create a Matching Grant Program to support private-public research**

Kentucky has a well-respected SBIR/STTR grant program. While this successful program addresses needs of companies that use these federal programs, it does not reach the many companies that do not. To facilitate and incentivize collaboration with applied research between the private-sector and universities, Kentucky should consider a matching grant program that requires a joint application to be submitted by a principal researcher from a university, along with a Kentucky-based private sector company. For example, a similar program in Florida provides grants from \$20,000 to \$100,000 with the requirement that the company provides two times the state grant towards the research being supported.

*Action Item:*      **Enhance efforts to support second stage companies**

Second-stage companies are considered to be ones that have grown past the start-up phase, but are not yet mature. Whereas small business development centers, innovation centers and incubators typically deal with start-ups and early-stage companies, there is a need for focused, technical programs that search for companies that are on the cusp of growth and need specific assistance to identify their breakthrough strategies.

While the network of Kentucky ICCs and ICs operate on a local and regional level, a statewide initiative should develop a broad-based resource pool of technical assistance, proven CEOs, and entrepreneurs to serve as mentors, and seminar content aimed at specific challenges. With funding, this initiative could be managed by the OCI as an extension of its efforts.

*Action Item:*      **Modify KIFA or create a new state Angel Investment Tax Credit**

More than 20 states, including Kentucky, offer tax credits, most against business or personal income tax, to angel investors in new technology companies and most of those credits have been enacted since 2005. Credit amounts range from 15 percent in Colorado to 100 percent in Hawaii. Some states offer higher credits for investing in rural or economically distressed areas. All but three states limit the total amount of credits available to all investors and most impose an annual or aggregate cap with annual caps ranging from \$750,000 to \$18 million and aggregate caps ranging from \$20 million to \$45 million. Some states limit the amount of investment for which individual investors may claim the credit.

According to a report by the Northern Kentucky Tri-County Economic Development Corporation, KIFA has been underutilized in Kentucky with only 14 percent of the credits utilized in 11 years, and in 2009, only six investments were made under the program. Based on that information, a modification to KIFA or a new program to support angel investment in Kentucky is needed.

The main issue with KIFA appears to be that individual angel investors do not have access to the program. The program requires a certified investment fund have at least four unaffiliated investors. The minimum investment of \$500,000 should also be reduced. If these changes



were made, the KIFA program should be more effective.

### STRATEGY 3 SUPPORT R&D ACTIVITIES

#### *Action Item:* Create a state R&D Tax Credit

Kentucky currently has a Research Facilities State Income Tax Credit that provides an incentive for companies investing in facilities used to pursue research but does not provide an incentive for the actual amount invested in R&D in the Commonwealth. Many states have R&D tax credits that mirror the Federal R&D tax credit. A recent study conducted by Ernst & Young shows that the Federal R&D tax credit has been a boon to the U.S. economy with the existing credit estimated to increase annual private-research spending by \$10 billion in the short-term and \$22 billion in the long-term.

A state R&D Tax Credit should have similar effects, and as such should be created to supplement the Kentucky Investment Fund Act (KIFA). Although the KIFA is positive and helps create approved investment funds, it does not address individuals or corporations that are investing in R&D outside of approved funds. This new R&D Tax Credit does not need to be at the same 40 percent level provided by the KIFA, so as to still encourage investing via approved funds. The majority of states have an R&D tax credit that ranges from 10 percent to 100 percent of R&D expenditures, with most in the 25 percent to 30 percent range. It is possible to provide one level of credit when the company is conducting 100 percent of the research in-house (15 percent credit), and another level when the company is collaborating with a Kentucky university encouraging more public-private research cooperation (20 percent credit). The credit is also refundable providing companies investing in R&D with an additional incentive. This model should be considered in Kentucky.

#### *Action Item:* Fund and support "Bucks for Brains"

When an industry's production and R&D are co-located, it is better situated to grow and evolve along with the internal and external forces of change. When production is removed from R&D, it is much more likely for that production facility to become dated, inefficient and less productive. The result is the longevity of industries is significantly increased when supplemented with ongoing R&D.

Connecting R&D with industry is the objective of eminent scholar type programs. The presence of preeminent scholars not only supports existing industry, but also serves as a magnet for out-of-state companies wanting to locate close to the type of advanced support such scholars can provide. One example of such a program is the Georgia Research Alliance's Eminent Scholars Program.

This concept is not new to Kentucky. The Kentucky Postsecondary Education Improvement Act of 1997 created the Strategic Investment and Incentive Funding Program to provide strategic financial incentives to advance postsecondary education. Kentucky's Endowment Match Program known as "Bucks for Brains" (B4B) was designed to attract top researchers to Kentucky. The program requires that universities match the state funds with donations from corporations, foundations, other nonprofit agencies, and philanthropists. Public and private matched funds are invested and the earnings fund faculty positions, programs, or scholarships. From 1997 to 2007, the state of Kentucky invested over \$350 million in the B4B program.



The University of Kentucky (UK) and the University of Louisville (U of L) received state B4B funds through the Research Challenge Trust Fund, while funding for the other comprehensive universities is appropriated through the Regional University Excellence Fund. Since the program's inception, U of L has received more than \$99 million in state funds to match private contributions, bringing the total Bucks for Brains investment to more than \$198 million as of 2008. U of L has also been able to increase the number of endowed faculty from 25 to 133.

At UK, more than 12,000 donors have donated gifts qualifying for approximately \$230 million in matching funds, resulting in more than 78 endowed chairs.

However, even with all of its reported success, the B4B program has still experienced state cutbacks, with no funding received for the 2004-06 and 2006-08 biennium budgets and \$60 million received for the 2008-10 budget, which was half of the 2002-04 allocation.

More funding is needed for B4B. Once the survey/study is complete identifying the research needs of companies and the research capabilities at universities (recommended previously), the types of eminent scholars needed should be identified. Due to the existing strength of the automotive industry in Kentucky and the fact automotive R&D is a designated target, one or more scholars should be considered in that area.

### *Action Item:* Create Centers of Excellence

As Kentucky increases its focus on specific targeted industries, it should begin building greater research and academic support for these sectors. Whether through initiatives like the Eminent Scholar Program or through incremental prioritization of resources, Kentucky should begin the process of creating intellectual capacity in the industries that will provide the jobs moving forward in the 21<sup>st</sup> Century. Although these Centers should have a physical location and be tied to a particular university or community college, they should also be collaborative through a network of partnerships with other universities and community colleges involved in the same discipline.

Kentucky has a number of existing R&D centers that could be branded as a Center of Excellence. These should be reviewed and others created potentially based on targeted sectors.



# Priority

## Create an Entrepreneurial Culture

An entrepreneur may be best defined as “one who organizes, manages and assumes the risks of a business or enterprise.” The role of entrepreneurship and the importance of development of an entrepreneurial culture in economic development has often been underestimated. Over the years, however, it has become increasingly apparent that entrepreneurship does indeed contribute to economic development. Transforming ideas into economic opportunities is the crux of entrepreneurship. History shows that economic progress has been significantly advanced by pragmatic people who are entrepreneurial and innovative, able to exploit opportunities, and willing to take risks.

Kentucky has a wide variety of programs to encourage and support entrepreneurs and small business. However, it appears that many of these offerings operate in a silo, without consideration for how they might interface with and coordinate with other programs. A coordination of programs for entrepreneurs will help avoid duplication, maximize available resources, and ensure that all needs are addressed.

Creating entrepreneurial communities is a concept that recognizes the role communities can play in supporting entrepreneurs. Economic development and community development are two sides of the same coin, and communities that offer an entrepreneurial culture are much more likely to be successful in overall economic development activities.

Entrepreneurship education is also a potentially important component of creating an entrepreneurial culture. Many political leaders and educators believe that fostering an entrepreneurial culture through education will prepare youth and adults for success in an entrepreneurial economy. Entrepreneurship education can start as early as elementary school and progress through all levels of education.

### STRATEGY 1 COORDINATE ENTREPRENEURIAL RESOURCES

#### *Action Item:* Conduct inventory of entrepreneurial assets

It is recommended that KCED and any appropriate partners conduct an inventory of entrepreneurial assets and resources to begin developing an understanding of the assistance available to entrepreneurs and to identify any gaps in services that may need to be addressed. This inventory should consider programs offered by government entities, institutions of higher education, non-profit organizations, and private individuals. In addition to understanding the programs and services offered, the inventory should also consider what resources are utilized to support the programs, which programs are underutilized, and what uncommitted resources may be available to support additional offerings.



*Action Item:*      **Align assets and develop more coordinated effort**

Once the above described inventory is completed, KCED with other organizations should bring all entrepreneurial support organizations together to begin better coordinating these efforts. Obviously, increased coordination will lead to greater efficiency for all participants, but it is important to ensure that all groups are aware of the overall vision for an entrepreneurial culture in the Commonwealth. KCED can assist the groups in determining that vision and how they can all best support it in the most coordinated and efficient way possible.

**STRATEGY 2      SUPPORT LOCAL ENTREPRENEURIAL ACTIVITIES**

*Action Item:*      **Develop a Certified Entrepreneurial Community Program**

Just as companies locate in communities, not states, entrepreneurs seek communities that are supportive of their efforts. A Certified Entrepreneurial Community Program would provide the framework to allow Kentucky communities to be better prepared to support and develop entrepreneurial businesses. This initiative may best be led by the Department for Local Government.

*Action Item:*      **Market the entrepreneurial program across the state**

Once Kentucky officials determine the components of an Entrepreneurial Community Program, the Department for Local Government should initiate a marketing campaign with the goal to enhance community understanding of the role of local leaders in developing entrepreneurship programs. These marketing activities will highlight the importance of entrepreneurship in a local economic development effort and will provide communities with information about the tools available to them to assist in developing a stronger entrepreneurial culture.

This marketing effort might include media coverage, meetings with local leaders to discuss the program, presentations to civic groups that would support the program, and engagement with local entrepreneurs who could benefit from entrepreneurship activities.

**STRATEGY 3      INCREASE AVAILABILITY OF ENTREPRENEURIAL EDUCATION**

*Action Item:*      **Encourage development of entrepreneurial courses at K-12 level**

According to the 2007 Education Commission of the States, 18 states have taken legislative action to support entrepreneurship education for kindergarten through 12th grade (K-12) or post-secondary school students. Nine states have enacted legislation supporting some form of entrepreneurship education in grades K-12 including: California, Florida, Illinois, Iowa, Minnesota, Nebraska, Oregon, Virginia, and West Virginia. The legislation in California, Florida, and Iowa simply requires that the K-12 curriculum include the entrepreneurship concept, while Minnesota and Virginia mandate entrepreneurship programs.

While Kentucky is not among the states that have mandated entrepreneurship education at the K-12 level, the Kentucky Council on Economic Education has developed a high school unit of study in entrepreneurship. This entrepreneurship unit could be part of Tech Prep, High Schools That Work, career academies, work-based learning programs and in high schools that are structured around career themes.



This program is a great step toward exposing high school students to entrepreneurial opportunities, but Kentucky should consider expanding entrepreneurial education to at least the middle school level and possibly elementary school. A variety of programs are available for this purpose. One such program, Rural Entrepreneurship through Action Learning (REAL), was created in North Carolina and is now used in 43 states. The K-8 REAL curriculum encourages younger children to create an in-school community with an entrepreneurial sector, court system, and bank that addresses community needs.

*Action Item:*      **Assess existing entrepreneurial courses**

While many of Kentucky's public universities and community colleges have some kind of entrepreneurship coursework, it is unclear how extensive this is. In addition, the University of Kentucky is currently working to develop the Innovation Network for Entrepreneurial Thinking. This will involve an undergraduate certificate in innovation and entrepreneurship, an entrepreneur-in-residence program, an annual conference, and a research program on regional innovation ecosystems. Similar efforts may be underway at other colleges in the Commonwealth.

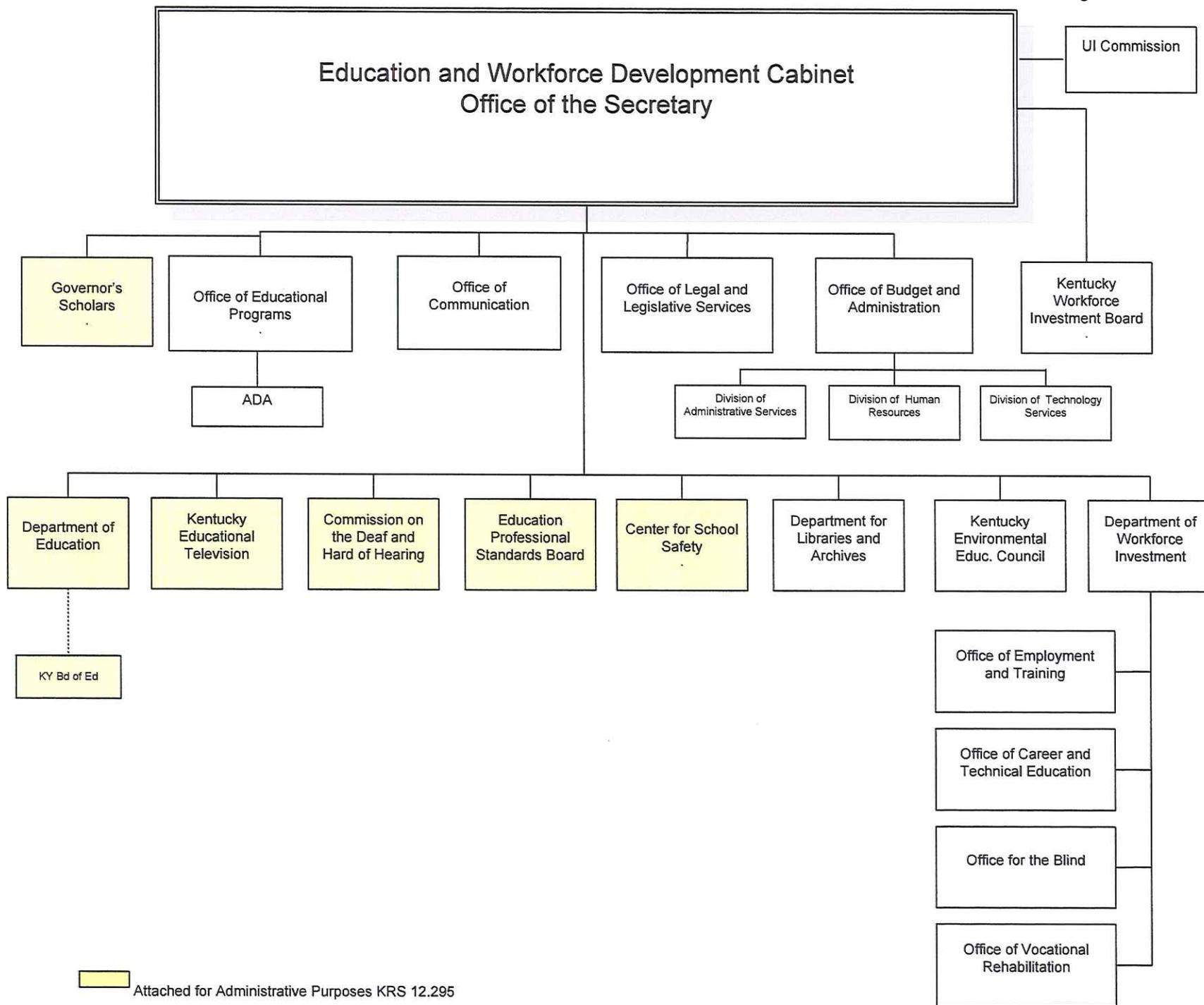
KCED should work with the Kentucky Council on Post-Secondary Education and the Kentucky Community and Technical College System to assess all existing entrepreneurial courses and any that are currently in the planning phase. In addition to looking at course offerings, this assessment should also include information about enrollment and graduates, which will be important in marketing the state as having a strong entrepreneurial culture.

*Action Item:*      **Encourage addition of entrepreneurship-focused curriculums**

Following completion of the above-described assessment, KCED should determine if there are voids in entrepreneurship offerings at the post-secondary level and advocate for additional programs to further develop potential entrepreneurs in the state.

Fourteen states have legislation supporting entrepreneurship at the postsecondary level: Florida, Illinois, Iowa, Kentucky, Massachusetts, Mississippi, Missouri, Nebraska, New York, North Dakota, Oklahoma, Oregon, South Carolina, and West Virginia. The programs supported by the legislation differ greatly across states. In addition, Kentucky is one of three states that have policies supporting "entrepreneurial commercialization" at their universities. Florida and New York allow universities to act as "incubator facilities" and Kentucky, Mississippi, and Oklahoma have encouraged rural economic growth through entrepreneurship. Though Illinois has not adopted K-12 or post-secondary legislation, it has developed a statewide Institute for Entrepreneurship Education charged with supporting entrepreneurship education throughout the state.

Kentucky officials might consider expanding its legislative support for entrepreneurial education at the college level by exploring legislation in other states mentioned above.



Attached for Administrative Purposes KRS 12.295

***EDUCATION AND WORKFORCE DEVELOPMENT CABINET***  
**Department of Workforce Investment**  
**Office of Employment and Training**

**Grievance, Complaint and Appeal Procedures for  
Kentucky's  
Workforce Investment Act Program**

## Introduction

The Workforce Investment Act of 1998, 29 U.S.C. Sections 2831(a)(5), 2842(g), 2871(h)(2)(B), 2931(c), 2931(f)(2)(B), (2934)(b)(2), and 2938 requires the Commonwealth to establish grievance and appeals procedures for participants and interested parties affected by the Workforce Investment Act of 1998.

*The procedures for filing grievances related to the following situations are included herein:*

- **Appeals of denial of request for designation as local area.**  
A unit or combination of units of local government or a rural concentrated employment program grant recipient that requests but is not granted designation of an area as a local area by the Governor may submit an appeal to the State Board pursuant to the process established in the State Plan.
- **Appeals of denial or termination of eligibility as a training provider.**  
State and local area procedures shall establish and maintain grievance and appeal procedures for training providers whose eligibility has been terminated or denied by the Local Board, the state agency or one-stop operator
- **Appeals by local area of reorganization due to failure to meet performance measures.**  
A local area subject to a reorganization plan due to the failure to meet local performance measures may appeal to the Governor within thirty days of receipt of the notification. The Governor's decision is subject to appeal to the United States Department of Labor Secretary.
- **Appeals by local area of intent to revoke approval of all or part of the local plan or to impose a reorganization plan due to a substantial violation.**  
A local area that has been found in substantial violation of WIA title I, and has received notice from the Governor that either all or part of the local plan will be revoked or that a reorganization will occur, may appeal to the U.S. Department of Labor Secretary within thirty days of receipt of the Governor's notification.
- **Appeals related to testing and sanctioning of participants for substance abuse.**  
A participant who is subject to testing for controlled substances or who has been sanctioned by the state agency after testing positive for the use of controlled substances may file a written appeal.
- **Grievances and appeals based on complaints of discrimination.**  
A person who believes that he or she or any specific class of individuals has been or is being subjected to discrimination prohibited under WIA on the basis of age, disability, sex, race, color, national origin, religion, or political affiliation or belief may file a written complaint.
- **Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by State Sub-Grantees, Subcontractors, and Local Workforce Investment System (Boards).**  
This section outlines the grievance, complaint and appeals process for the designated participants and other interested parties.
- **Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by Statewide Workforce Investment Programs.**  
This section outlines the grievance, complaint and appeals process for the designated participants and other interested parties. Grievous circumstances may include, but are not limited to, audit disallowances, imposition of sanctions with respect to audit findings, investigations, monitoring reports etc.

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**Section 1. Definitions.**

- (1) “Administrative process” means meeting, review, investigation, hearing, appeal, deliberation, decision, or exchange of documents or information between the agency, an applicant, participant, local area, Local Board, State Board, or an eligible provider.
- (2) “Agency” or “State Agency” means the Office of Employment and Training within the Education and Workforce Development Cabinet.
- (3) “Applicant” means an individual who submits an application for services under WIA title I.
- (4) “Cabinet” means the Education and Workforce Development Cabinet.
- (5) “Date received” means an appeal, grievance, or complaint shall be considered received as of the date it is filed with the appropriate office or entity with jurisdiction to hear the matter or deposited in the mail or with a commercial postal service on or before the due date, as indicated by the postmark applied by the U.S. Postal Service or official mark applied by a commercial postal service to the appropriate office or entity. The mark made by a privately-held postage meter shall not be considered in determining the date of receipt. When a due date falls on a day the appropriate office or entity is closed, the next day the appropriate office or entity is opened shall be considered the due date.
- (6) “Exclusion” means the termination of eligibility of a provider to perform services under WIA Title I.
- (7) “Fiscal agent” means the entity selected by the Local Board to administer sub-grants awarded by the agency.
- (8) “Hearing officer” means an individual who:
  - (a) Has not been involved in previous decisions regarding the subject matter of the appeal, complaint or grievance;

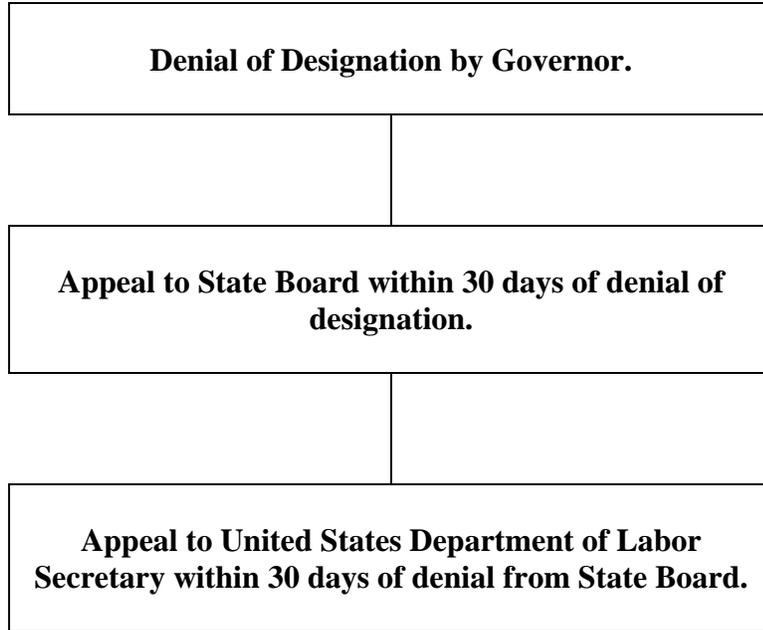
- (b) Has knowledge of the federal and state laws and administrative regulations governing the Workforce Investment Act of 1998, as amended;
  - (c) Has training with respect to performance of official duties; and
  - (d) Has no personal or financial interest that would be in conflict with the objectivity of the individual.
- (9) “Local area” means a local workforce investment area as established by an Executive Order.
- (10) “Local Board” means a local workforce investment board established under WIA sec. 117, to set policy for the local workforce investment system.
- (11) “One-Stop Operator” means an entity designated or certified under WIA section 121(d).
- (12) “Participant” means an individual who has registered and has been determined to be eligible to participate in and who is receiving services (except for follow-up services) under a program authorized by WIA title I. Participation commences on the first day, following determination of eligibility, on which the individual begins receiving core, intensive, training or other services provided under WIA title I.
- (13) “State Board” means the Kentucky Workforce Investment Board, established by Executive Order 2009-438 (May 12, 2009).
- (14) “State Plan” means the current Strategic Five Year State Workforce Investment Plan, as approved by the U.S. Department of Labor Secretary.
- (15) “Training provider” means as defined by WIA section 101(12).
- (16) “WIA” means the federal Workforce Investment Act of 1998, 29 U.S.C. Section 2801, et seq. (Pub. L. 105-220, Aug. 7, 1998), as amended, and its implementing regulations (20 CFR Part 652, et al.).

**Section 2. Appeals of denial of request for designation as local area.**

- (1) A unit or combination of units of local government or a rural concentrated employment program grant recipient that requests but is not granted designation of an area as a local area by the Governor may submit an appeal to the State Board. 29 U.S.C.A. § 2831(a)(5).
- (2) The appeal shall be filed no later than thirty days after receipt of the denial of designation of an area as a local area by the Governor.
- (3) The appeal shall be conducted pursuant to the administrative hearing requirements in KRS Chapter 13B.
- (4) A unit or combination of units of local government or a rural concentrated employment program grant recipient that is dissatisfied with the decision of the State Board may request a review by the United States Department of Labor Secretary.
- (5) The appeal shall be filed no later than thirty days after receipt of written notification of the denial from the State Board. The appeal shall be submitted by certified mail, return receipt requested, to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. A copy of the appeal shall be simultaneously provided to the State Board in care of the Executive Director, Office of Employment and Training, 275 East Main, Frankfort, Kentucky 40621.
- (6) On appeal, the United States Department of Labor Secretary shall consider whether:
  - (i) the unit or grant recipient was not accorded procedural rights under the appeal process set forth in the State Plan, or
  - (ii) the unit or grant recipient meets the requirements for designation as a local area under 29 U.S.C.A. § 2831(a)(2) or (a)(3), as appropriate.
- (7) The appeal shall be conducted in accordance with procedures established by the United States Department of Labor Secretary.

PROCESS FLOW

**Appeals of denial of request for designation as local area (Section 2)**



**Section 3. Appeals of denial or termination of eligibility as a training provider.**

(1) Local area procedures shall establish and maintain grievance and appeal procedures for training providers whose eligibility has been terminated or denied or other action by the Local Board or one-stop operator. Systems for resolving grievances and appeals shall conform to applicable state and federal requirements and shall provide:

(a) An opportunity for an informal resolution and hearing to be completed within sixty days of the filing of the grievance or complaint; and

(b) An opportunity for appeal to the state board if:

(i) No decision is reached within sixty days; or

(ii) Either party is dissatisfied with the local hearing decision.

(2) The local area shall describe the grievance and appeal procedures in the local area plan.

(3) (a) A training provider may submit an appeal to the State Board if:

(i) The local area has denied, terminated, or taken other action regarding the training provider's eligibility and the training provider has exhausted the administrative remedies described in the local area plan or a timely decision has not been issued; or

(ii) The state agency has denied, terminated, or taken other action regarding the eligibility of the training provider for a substantial violation of any requirement under WIA, for failure to meet established performance levels or for intentionally supplying inaccurate information required to be furnished under WIA.

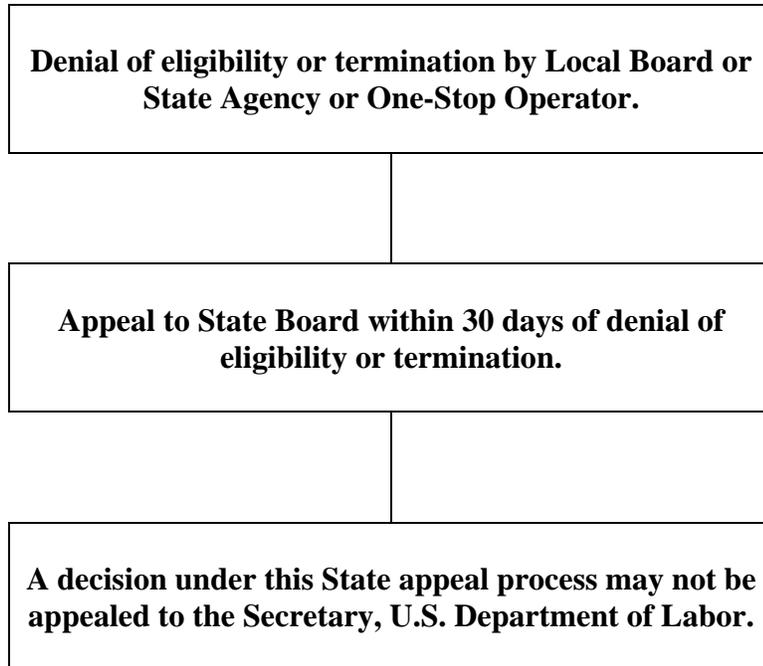
(b) An appeal under this paragraph shall be filed with the State Board no later than thirty days after receipt of the final notice of denial, termination, or other action regarding eligibility from the Local Board or the state agency. The statement of appeal shall be addressed to the Kentucky Workforce Investment Board, 500 Mero Street, Capital Plaza Tower, 3rd Floor, Frankfort KY 40621.

(c) An opportunity for an informal resolution and a hearing shall be conducted under this section within sixty days of the State Board's receipt of the request for appeal.

(d) The appeal shall be conducted pursuant to the administrative hearings requirements in KRS Chapter 13B.

**PROCESS FLOW**

**Appeals of denial or termination of eligibility as a training provider (Section 3)**

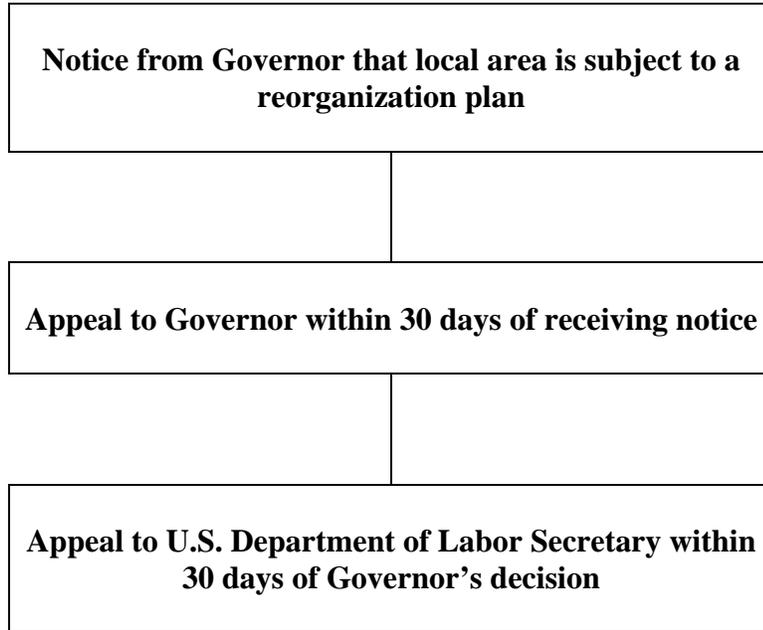


**Section 4. Appeals by local area of reorganization due to failure to meet performance measures.**

- (1) A local area subject to a reorganization plan due to the failure to meet local performance measures pursuant to 29 U.S.C.A. § 2871(h)(2), may appeal to the Governor to rescind or revise the reorganization plan. The appeal shall be filed within thirty days of receipt of the notification. A final decision shall be issued no later than thirty days after the receipt of the appeal.
- (2) A local area may, no later than thirty days after receiving notification from the Governor, file an appeal with the United States Department of Labor Secretary, Washington, D.C. 20210, Attention: ASET. A copy of the appeal shall be simultaneously provided to the Governor.
- (3) The United States Department of Labor Secretary shall make a final decision no later than thirty days after the receipt of the appeal.
- (4) The appeal shall be conducted in accordance with procedures established by the United States Department of Labor Secretary.

**PROCESS FLOW**

**Appeals by local area of reorganization due to failure to meet performance standards  
(Section 4)**



**Section 5. Appeals by local area of intent to revoke approval of all or part of the local plan or to impose a reorganization plan due to a substantial violation.**

(1) A local area that has been found in substantial violation of WIA title I, and corrective action has not been taken shall receive from the Governor notice that either all or part of the local plan will be revoked or that a reorganization shall be imposed in accordance with 29 U.S.C.A. § 2934(b)(1). The actions taken by the Governor may be appealed to the United States Department of Labor Secretary within thirty days of receipt of the Governor's notification. The Governor's actions shall not become effective until:

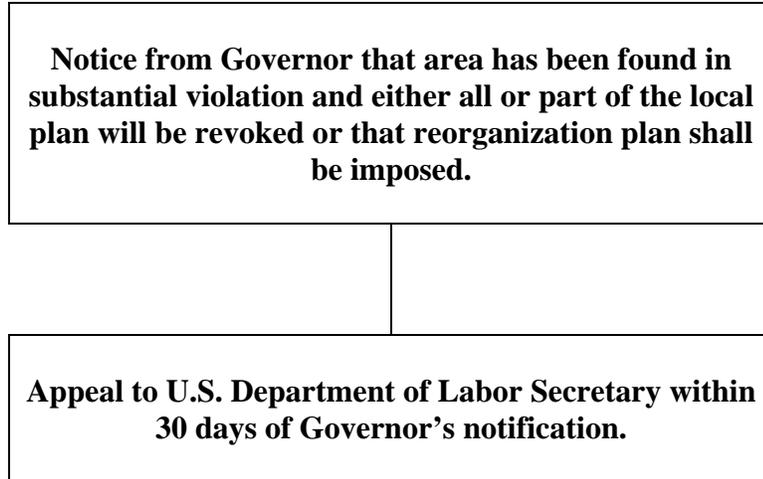
- (a) The time for appeal has expired; or
- (b) The United States Department of Labor Secretary has issued a decision.

(2) An appeal shall be submitted by certified mail, return receipt requested, to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. A copy of the appeal must be simultaneously provided to the Governor.

(3) The appeal shall be conducted in accordance with procedures established by the United States Department of Labor.

**PROCESS FLOW**

**Appeals by local area of intent to revoke approval of all or part of local plan or to impose a reorganization plan due to a substantial violation (Section 5)**



**Section 6. Appeals related to testing and sanctioning of participants for substance abuse.**

(1) A participant who is subject to testing for controlled substances and the imposition of sanctions by the state agency after testing positive for the use of controlled substances may file a written appeal no later than thirty days after the date of the incident that is the subject of the appeal. 29 U.S.C.A. § 2931(f)(2)(B).

(2) The participant who wishes to file an appeal under this section shall submit a written statement to the Executive Director, Office of Employment and Training, 275 East Main Street, Frankfort, Kentucky 40621. The statement shall be signed and dated by the person submitting the appeal, and shall contain:

(a) The full name, address and telephone number (if any) of the person submitting the appeal;

(b) The full name and address of the person or entity against whom the complaint is made;

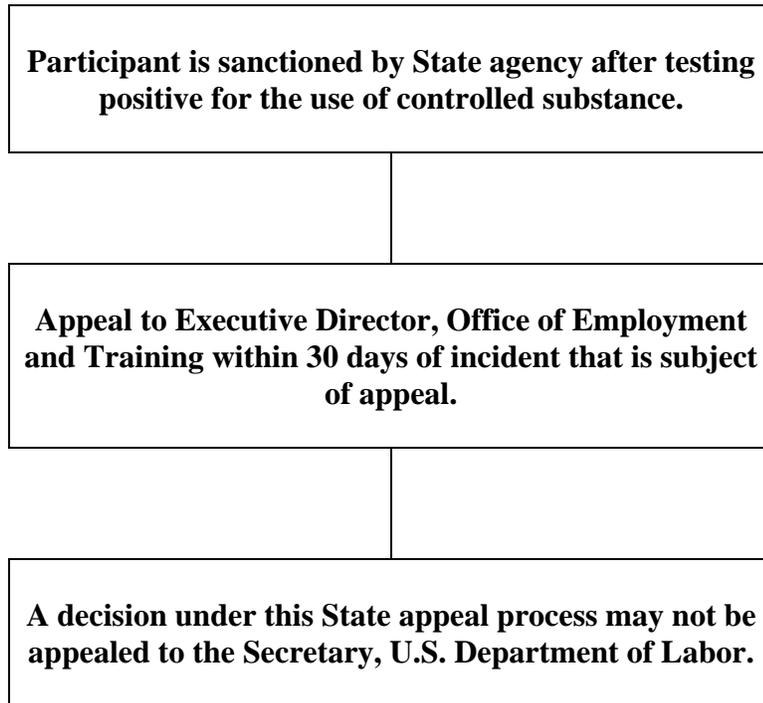
(c) A clear and concise statement of the facts, including pertinent dates, constituting the alleged violation; and

(d) The provisions of the law, regulations or other agreement believed to have been violated.

(3) Appeals under this section shall be conducted pursuant to the administrative hearings requirements in KRS Chapter 13B.

**PROCESS FLOW**

**Appeals related to testing and sanctioning of participants for substance abuse (Section 6)**



**Section 7. Grievances and appeals based on complaints of discrimination.**

(1) This section applies to applicants for WIA participation or employment, participants or employees of any WIA, Title I-funded entity, and applicants for WIA funding.

(2) Definitions. The following definitions apply to grievances and appeals filed under this section:

(a) “Beneficiary” means an individual intended by the United States Congress to receive aid, benefits, services, or training from a recipient.

(b) “Director” means the director of the Civil Rights Center, United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

(c) “Recipient” means an entity that receives financial assistance under WIA Title I, either directly from the United States Department of Labor or through the Commonwealth of Kentucky or another recipient. “Recipient” includes, but is not limited to:

(i) State agencies that administer, or are financed in whole or in part with, WIA Title I funds;

(ii) The Office of Employment and Training;

(iii) The Kentucky Workforce Investment Board;

(iv) Local Workforce Investment Boards;

(v) Local workforce investment area grant recipients;

(vi) One-stop operators;

(vii) Service providers, including eligible training providers;

(viii) On-the-job training employers;

(ix) Job Corps contractors and center operators, excluding the operators of federally-operated Job Corps centers;

(x) Outreach and admissions agencies, including Job Corps contractors that perform these functions;

(xi) One-stop partners, as defined in WIA section 121(b), to the extent that the one-stop partner participates in the one-stop delivery system.

(3) (a) A person who believes that he or she or any specific class of individuals has been or is being subjected to discrimination prohibited under WIA on the basis of age, disability, sex, race, color, national origin, religion, or political affiliation or belief may file a written complaint with the recipient or with the Civil Rights Center, United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. The Director of the Civil Rights Center may extend the filing date for good cause shown.

(b) A beneficiary who believes that he or she has been denied participation in programs or activities financially assisted in whole or in part under WIA Title I on the basis of citizenship may file a written complaint with the recipient or with the Civil Rights Center, United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. Only the Director of the Civil Rights Center may extend the filing date for good cause shown.

(4) A complaint shall contain the following information:

(a) The full name, address and telephone number (or message number) of the person making the complaint (the complainant);

(b) The full name and address of the entity or individual against whom the complaint is made (respondent);

(c) A description of the complainant's allegations in sufficient detail to allow determinations to be made regarding jurisdiction, timeliness, and apparent merit (whether the allegations, if true, would violate any nondiscrimination and equal opportunity provisions under WIA).

(d) The complaint shall be signed and dated by the complainant or the complainant's authorized representative.

(5) The recipient shall forward a copy of a complaint filed with the recipient to the EO officer of the state agency. If the complaint is filed with the Civil Rights Center (CRC), the complainant may complete and submit the CRC's Complaint Information and Privacy Act Consent Form, which may be obtained from the recipient's EO Officer, or from the Civil Rights Center at the United States Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

(6) The local workforce investment board shall designate an EO officer who is responsible for receiving, investigating, and offering resolutions of complaints, and for assuring all WIA Title I applicants are advised of their rights. Service providers shall follow the procedures established within the local workforce investment area. The local workforce investment board grievance procedures shall contain the following minimum requirements:

(a) Upon receipt of a complaint, the recipient shall provide written acknowledgment to the complainant that the recipient has received the complaint, and shall notify the complainant of the right to be represented in the complaint process;

(b) The recipient shall thereafter provide a written statement of the issue(s) to the complainant that includes the following:

(i) A list of the issues raised in the complaint, and

(ii) For each such issue, a statement whether the recipient accepts the issue for investigation or rejects the issue, and the reasons for each rejection;

(c) A period for fact-finding or investigation of the circumstances underlying all complaints.

(d) A period during which the recipient attempts to resolve the complaint. The methods available to resolve the complaint shall include an alternative dispute resolution (ADR) method. The complainant shall be given the choice whether to use ADR or the customary process. If the recipient breaches an agreement reached under ADR, the complainant may file a discrimination complaint with the CRC Director within thirty days of the date on which the complainant learns

of the alleged breach. If the parties cannot reach agreement under ADR, the complainant may file a discrimination complaint with the CRC Director.

(e) A written Notice of Final Action shall be provided to the complainant within ninety days of the date on which the complaint was filed. The Notice of Final Action shall include, for each issue raised in the complaint, a statement of either (i) the recipient's decision on the issue and an explanation of the reasons underlying the decision, or (ii) a description of the way the parties resolved the issue. The Notice of Final Action shall include notice that the complainant has a right to file a complaint with CRC within thirty days of the date on which the Notice of Final Action is issued if he or she is dissatisfied with the recipient's final action on the complaint.

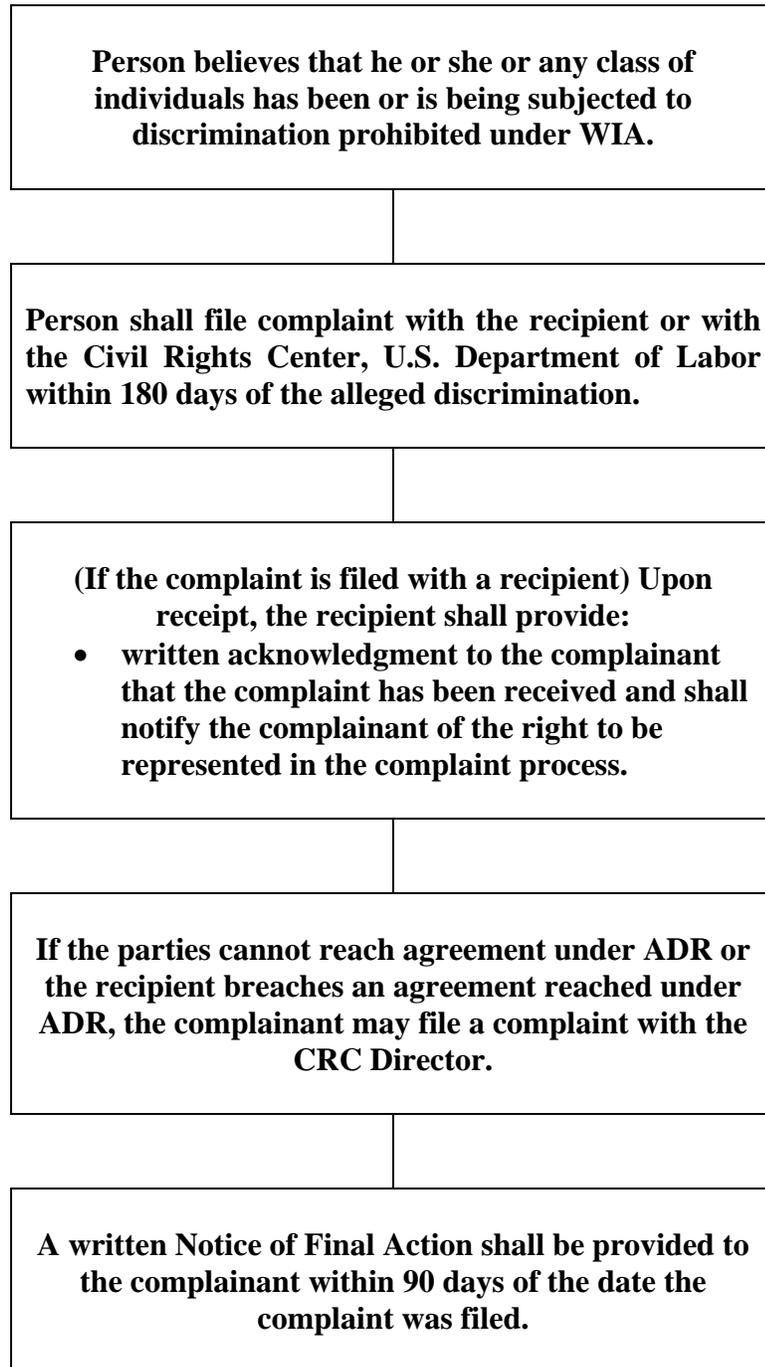
(f) The EO officer shall notify the complainant in writing immediately if it is determined that the local workforce area does not have jurisdiction over a complaint. The notification shall include the basis for the determination as well as a statement of the complainant's right to file a written complaint with the Civil Rights Center within thirty days of the date on which the complainant receives the notice.

(g) The complainant shall be notified of the right to file a complaint with the Civil Rights Center if the local workforce investment board representative has not completed processing the complaint or if no resolution has been offered within ninety days following receipt of the complaint. The complainant may file a complaint with the Civil Rights Center within thirty days of the expiration of the ninety-day period.

(7) The recipient shall maintain records of complaints for at least three years from the date of resolution of the complaint.

## PROCESS FLOW

### Grievances and appeals based on complaints of discrimination (Section 7)



**Section 8. Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by State Sub-Grantees, Subcontractors, and Local Workforce Investment System (Boards).**

This section does not apply to complaints of discrimination under WIA Section 188 or 29 CFR Part 37, fraud or criminal activity.

(1) State sub-grantee, subcontractor and local area procedures.

(a) A state sub-grantee, subcontractor and local area shall establish and maintain a system for resolving grievances and appeals by participants and other interested parties affected by the local workforce investment system, including one-stop partners and service providers. At a minimum, the sub-grantee's, state subcontractor's and local area's procedure shall provide:

1. An opportunity for an informal resolution and hearing to be completed within sixty (60) days of the filing of the grievance or complaint;

2. A process to allow an individual alleging a labor standards violation to submit the grievance to binding arbitration procedure, if a collective bargaining agreement covering the parties to the grievance provides for binding arbitration.

and

3. An opportunity for appeal to the state agency if:

a. No decision is reached within sixty days; or

b. Either party is dissatisfied with the state sub-grantee, subcontractor or local area hearing decision.

(b) The state sub-grantee, subcontractor and local area shall provide information about its grievance procedure to participants and other interested parties.

(2) State procedures.

(a) Appeals from decisions of the state-subgrantee, subcontractor or local area.

1. The participant or other interested party may appeal the state-subgrantee, subcontractor or local area's hearing decision by submitting a written request for appeal to the Office of Employment and Training, Attention: Executive Director, 275 East Main Street, 2WA, Frankfort, Kentucky 40621 within ten workdays of receipt of the hearing decision or within fifteen workdays of the date the complainant should have received the hearing decision.

2. The state agency shall conduct an investigation and issue a decision within seven days of receipt of the written request for appeal.

(b) 1. The complainant may appeal the state agency's decision by submitting a written request for appeal to the Office of the Secretary, Education and Workforce Development Cabinet, 3<sup>rd</sup> Floor Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky 40601 within ten days of the date of receipt of the state agency's decision or within ten days of the date the state agency should have issued a decision. The request for appeal shall:

a. Indicate the name, address, and telephone number of the complainant; and

b. Include the reason for appeal.

2. The hearing shall be conducted pursuant to KRS 13B.080 and KRS 13B.090.

3. A hearing officer shall be selected on a random basis from a pool of trained hearing officers in the Administrative Hearings Division of the Office of the Attorney General or an impartial hearing officer appointed by the Cabinet.

4. The hearing officer's recommended order shall be mailed, postage prepaid, to all parties and their attorneys of record within ten (10) days of the hearing.

5. Exceptions. The parties shall be granted the right to file exceptions within five (5) days of receipt of the recommended order.

6. The Secretary of the Education and Workforce Development Cabinet shall consider the record and recommended order, any exceptions filed, and issue an order upon the matter. The Secretary may remand the matter to the hearing officer, adopt the recommended order of the

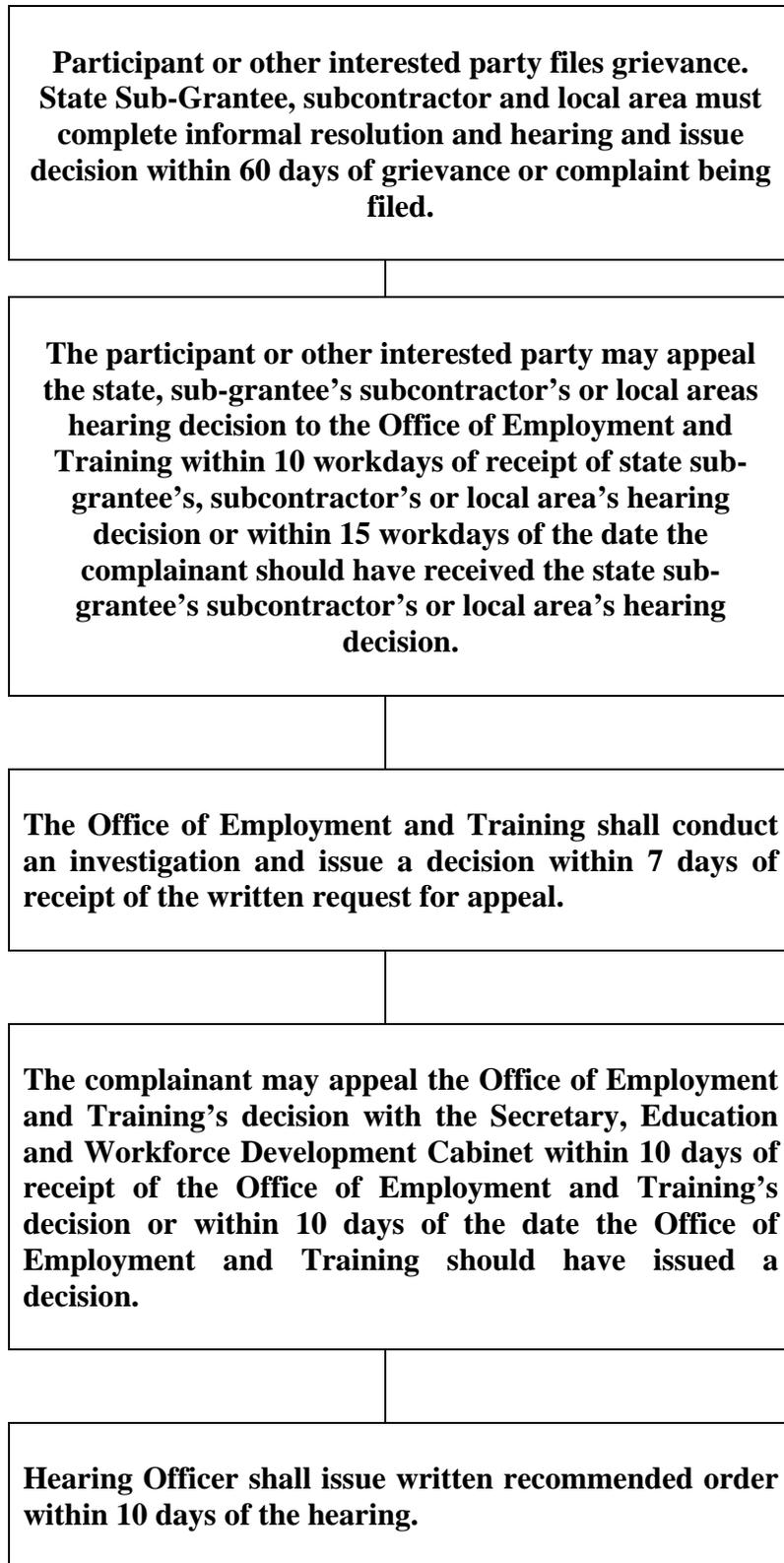
hearing officer as the final order, or issue his own final order within seven (7) days from issuance of the recommended order by the hearing officer.

7. Either party may appeal the final order of the Secretary of the Education and Workforce Development Cabinet to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 60 days of the receipt of the final order and must be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, U.S. Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.

8. If no decision has been reached within sixty days of receipt of the request for approval of a local level grievance, either party may appeal to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 120 days of the filing of the grievance with the State or the filing of the appeal of a local grievance with the State. The appeal must be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, U.S. Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.

**PROCESS FLOW**

**Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by State Sub-Grantees, Subcontractors and Local Workforce Investment System Boards (Section 8).**



**The Secretary, Education and Workforce Development Cabinet shall issue a final order within 7 days from issuance of recommended order.**

**Either party may appeal the Secretary, Education and Workforce Development Cabinet's final order to Secretary, U.S. Department of Labor within 60 days of receipt of final order.**

**Section 9. Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by Statewide Workforce Investment Programs.**

This section does not apply to complaints of discrimination under WIA Section 188 or 29 CFR Part 37, fraud or criminal activity.

(1) A participant or other interested party affected by the statewide workforce investment system may file a complaint with the state agency within one year of the alleged occurrence.

The complainant shall submit the complaint to the Secretary, Education and Workforce Development Cabinet, 3<sup>rd</sup> Floor Capital Plaza Tower, 500 Mero Street, Frankfort, Kentucky 40601. The complaint shall contain:

(a) The full name, address and telephone number of the person or agency filing the complaint; and

(b) A clear and concise statement of the facts, including pertinent dates, constituting the grievous action.

(2) The complainant shall have the opportunity for an informal resolution and a hearing to be completed within 60 days of the filing of the grievance or complaint. An individual alleging a labor standards violation is allowed to submit the grievance to a binding arbitration process if a collective bargaining agreement covering the parties to the grievance provides for binding arbitration.

(3) The hearing shall be conducted pursuant to KRS 13B.080 and KRS 13B.090.

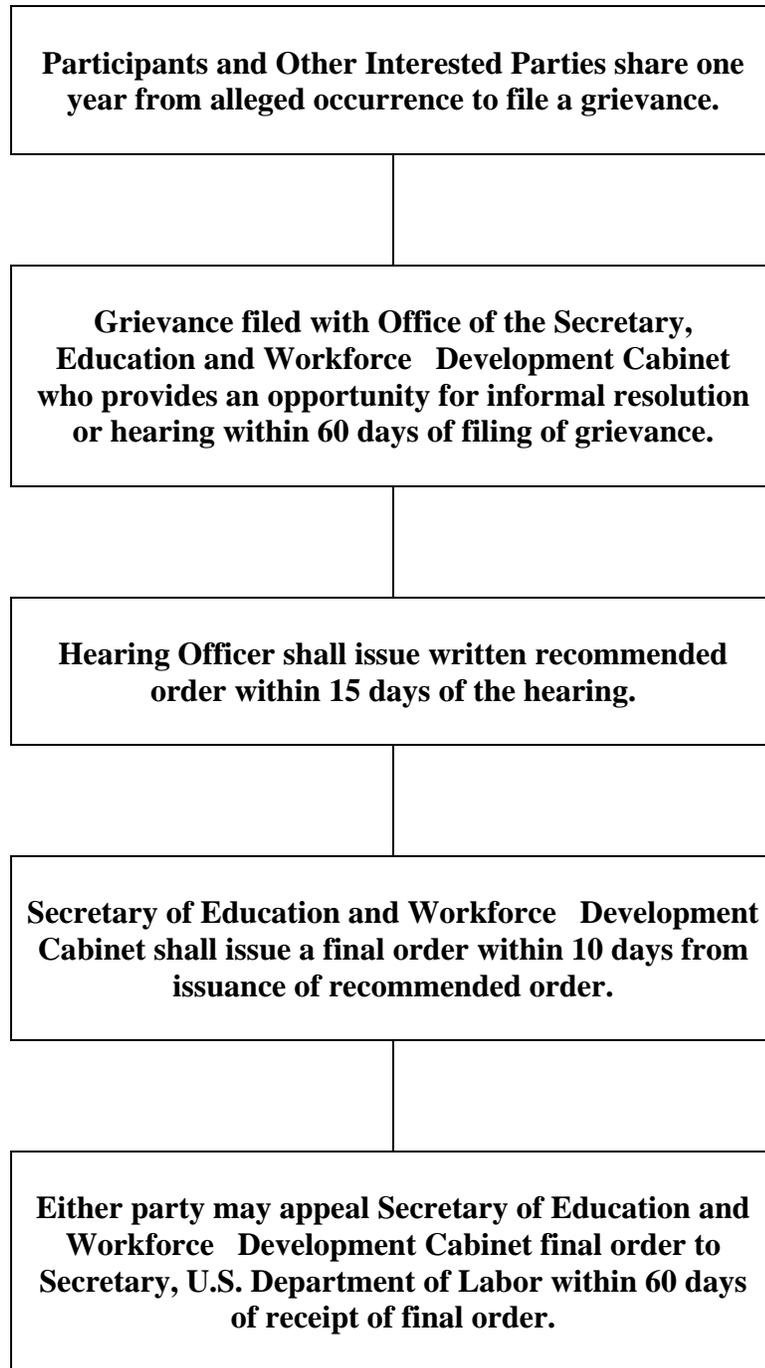
(4) A hearing officer shall be selected on a random basis from a pool of trained hearing officers in the Administrative Hearings Division of the Office of the Attorney General or an impartial hearing officer appointed by the Cabinet.

(5) The hearing officer's report and recommended order shall be mailed, postage prepaid, to all parties and their attorneys of record within fifteen (15) days of the hearing.

- (6) Exceptions. The parties shall be granted the right to file exceptions within five (5) days of receipt of the recommended order.
- (7) The Secretary, Education and Workforce Development Cabinet shall consider the record and recommended order and any exceptions filed, and issue an order upon the matter. The Secretary may remand the matter to the hearing officer, adopt the report and recommended order of the hearing officer as the final order, or issue his own final order within ten (10) days from issuance of the recommended order by the hearing officer.
- (8) Either party may appeal the final order of the Secretary of the Education and Workforce Development Cabinet to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 60 days of the receipt of the final order and must be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, U.S. Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.
- (9) If no decision has been reached within sixty days of filing the grievance or complaint, either party may appeal to the Secretary, United States Department of Labor, Washington, D.C. 20210, Attention: ASET. The appeal shall be filed within 120 days of the filing of the grievance with the state. The appeal shall be submitted by certified mail, return receipt requested. A copy of the appeal shall be simultaneously provided to the opposing party and to the Regional Administrator, United States Department of Labor, Employment and Training Administration, 61 Forsythe Street, Room 6M12, Atlanta, Georgia 30303.
- (11) The state agency may remand a grievance or complaint related to a local WIA program for resolution at the local level.

## PROCESS FLOW

### Grievances, Complaints and Appeals by Participants and Other Interested Parties affected by Statewide Workforce Investment Programs (Section 9)



**Grievances and Appeals based on Complaints of Discrimination:**

1. This section applies to applicants for WIA participation or employment, participants or employees of any WIA, Title I-funded entity, and applicants for WIA funding.

2. Definitions. The following definitions apply to grievances and appeals filed under this section:

(a) "Beneficiary" means an individual intended by the United States Congress to receive aid, benefits, services, or training from a recipient;

(b) "Director" means the director of the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210; and

(c) "Recipient" means an entity that receives financial assistance under WIA Title I, either directly from the United States Department of Labor or through the Commonwealth of Kentucky or another recipient. "Recipient" includes, but is not limited to:

- (i) State agencies that administer, or are financed in whole or in part with, WIA Title I funds;
- (ii) The Office of Employment and Training;
- (iii) The Kentucky Workforce Investment Board;
- (iv) Local Workforce Investment Boards;
- (v) Local workforce investment area grant recipients;
- (vi) One-stop operators;
- (vii) Service providers, including eligible training providers;
- (viii) On-the-job training employers;
- (ix) Job Corps contractors and center operators, excluding the operators of federally-operated Job Corps centers;
- (x) Outreach and admissions agencies, including Job Corps contractors that perform these functions; and
- (xi) One-stop partners, as defined in WIA section 121 (b), to the extent that the one-stop partner participates in the one-stop delivery system.

3. (a) A person who believes that he or she or any specific class of individuals has been or is being subjected to discrimination prohibited under WIA on the basis of age, disability, sex, race, color, national origin, religion, or political affiliation or belief may file a written complaint with the recipient or with the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. The Director of the Civil Rights Center may extend the filing date for good cause shown.

(b) A beneficiary who believes that he or she has been denied participation in programs or activities financially assisted in whole or in part under WIA Title I on the basis of citizenship may file a written complaint with the recipient or with the Civil Rights Center, U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210 within 180 days of the alleged discrimination. The complaint may be filed by a representative. Only the Director of the Civil Rights Center may extend the filing date for good cause shown.

4. A complaint shall contain the following information:

(a) The full name, address and telephone number (or message number) of the person making the complaint (the complainant);

(b) The full name and address of the entity or individual against whom the complaint is made (respondent);

(c) A description of the complainant's allegations in sufficient detail to allow determinations to be made regarding jurisdiction, timeliness, and apparent merit (whether the allegations, if true, would violate any nondiscrimination and equal opportunity provisions under WIA); and

(d) The complaint shall be signed and dated by the complainant or the complainant's authorized representative.

5. The recipient shall forward a copy of a complaint filed with the recipient to the EO officer of the state agency. If the complaint is filed with the Civil Rights Center (CRC), the complainant may complete and submit the CRC's Complaint Information and Privacy Act Consent Form, which may be obtained from the recipient's EO Officer, or from the Civil Rights Center at the U.S. Department of Labor, Room N-4123, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

6. The local workforce investment area shall designate an EO officer who is responsible for receiving, investigating, and offering resolutions of complaints, and for assuring all WIA Title I applicants are advised of their rights. Service providers shall follow the procedures established within the local workforce investment area. The local workforce investment area grievance procedures shall contain the following minimum requirements:

(a) Upon receipt of a complaint, the recipient shall provide written acknowledgment to the complainant that the recipient has received the complaint, and shall notify the complainant of the right to be represented in the complaint process.

(b) The recipient shall thereafter provide a written statement of the issue(s) to the complainant, that includes the following:

(i) A list of the issues raised in the complaint; and

(ii) For each such issue, a statement whether the recipient accepts the issue for investigation or rejects the issue, and the reasons for each rejection.

(c) A period for fact-finding or investigation of the circumstances underlying all complaints.

(d) A period during which the recipient attempts to resolve the complaint. The methods available to resolve the complaint shall include an alternative dispute resolution (ADR) method. The complainant shall be given the choice whether to use ADR or the customary process. If the recipient breaches an agreement reached under ADR, the complainant may file a discrimination complaint with the CRC Director within thirty days of the date on which the complainant learns of the alleged breach. If the parties cannot reach agreement under ADR, the complainant may file a discrimination complaint with the CRC Director;

(e) A written Notice of Final Action shall be provided to the complainant within ninety days of the date on which the complaint was filed. The Notice of Final Action shall include, for each issue raised in the complaint, a statement of either (i) the recipient's decision on the issue and an explanation of the reasons underlying the decision, or (ii) a description of the way the parties resolved the issue. The Notice of Final Action shall include notice that the complainant has a right to file a complaint with CRC within thirty days of the date on which the Notice of Final Action is issued if he or she is dissatisfied with the recipient's final action on the complaint;

(f) The EO officer shall notify the complainant in writing immediately if it is determined that the local workforce area does not have jurisdiction over a complaint. The notification shall include the basis for the determination as well as a statement of the complainant's right to file a written complaint with the Civil Rights Center within thirty days of the date on which the complainant receives the notice;

(g) The complainant shall be notified of the right to file a complaint with the Civil Rights Center if the local workforce investment area representative has not completed processing the complaint or if no resolution has been offered within ninety days following receipt of the complaint. The complainant may file a complaint with the Civil Rights Center within thirty days of the expiration of the ninety-day period.

7. The recipient shall maintain records of complaints for at least three years from the date of resolution of the complaint.

## EQUAL OPPORTUNITY IS THE LAW

It is against the law for this recipient of Federal financial assistance to discriminate on the following bases:

- Against any individual in the United States, on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief; and
- Against any beneficiary of programs financially assisted under Title I of the Workforce Investment Act of 1998 (WIA), on the basis of the beneficiary's citizenship/status as a lawfully admitted immigrant authorized to work in the United States, or his or her participation in any WIA Title I-financially assisted program or activity.

The recipient must not discriminate in any of the following areas:

- Deciding who will be admitted, or have access, to any WIA Title I-financially assisted program or activity;
- Providing opportunities in, or treating any person with regard to, such a program or activity; or
- Making employment decisions in the administration of, or in connection with, such a program or activity.

What to Do If You Believe You Have Experienced Discrimination:

If you think that you have been subjected to discrimination under a WIA Title I-financially assisted program or activity, you may file a complaint within 180 days from the date of the alleged violation with either:

- The recipient's Equal Opportunity Officer (or the person whom the recipient has designated for this purpose); or
- The Director, Civil Rights Center (CRC), U.S. Department of Labor, 200 Constitution Avenue NW, Room N-4123, Washington, DC 20210.

If you file your complaint with the recipient, you must wait either until the recipient issues a written Notice of Final Action, or until 90 days have passed (whichever is sooner), before filing with the Civil Rights Center (see address above).

If the recipient does not give you a written Notice of Final Action within 90 days of the day on which you filed your complaint, you do not have to wait for the recipient to issue that Notice before filing a complaint with CRC. However, you must file your CRC complaint within 30 days of the 90-day deadline (in other words, within 120 days after the day on which you filed your complaint with the recipient).

If the recipient does give you a written Notice of Final Action on your complaint, but you are dissatisfied with the decision or resolution, you may file a complaint with CRC. You must file your CRC complaint within 30 days of the date on which you received the Notice of Final Action.

### CERTIFICATE OF NOTICE

I certify that I have been furnished a copy of this Equal Opportunity Is The Law notice, and that the notice has been discussed with me.

\_\_\_\_\_  
Applicant/Participant/Employee

\_\_\_\_\_  
Date

**Original -to file**  
**Copy -to customer**

**KENTUCKY STATE PLAN  
2012-2017**

**FULL WAIVER PLANS**

## KENTUCKY WAIVER PLANS

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**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**1. Waiver Request  
Workforce Investment Act  
Subsequent Eligibility of Training Providers**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to extend the period of Initial Eligibility of Training Providers, deferring the requirement of the Subsequent Eligibility of Training Providers.

**A. Statutory Regulations to be Waived:**

Kentucky requests a waiver of WIA Section 122(c)(5) and WIA Regulations 20 CFR 663.530 requiring a time limit for initial eligibility for training providers, followed by the implementation of a subsequent eligibility process. This waiver requests an extension of the initial eligibility period, deferring the implementation of the subsequent eligibility process. Additionally, the waiver provides an opportunity for training providers to re-enroll as initial eligible providers.

**B. Goals to be Achieved by the Waiver:**

- Provide quality performance data to align resources to support state and regionally identified targeted industry sectors;
- Increase the data pool for calculation of performance on providers and programs; and,
- Continue to offer customer choice while developing the new on-line data collection system and phasing in “substantially similar” meaningful performance measures.

**C. State or Local Statutory or Regulatory Barriers:**

There are no state or local statutory or regulatory barriers.

**D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:**

As workforce development resources have become scarce and demand has skyrocketed it is imperative that Kentucky’s investment in training and skill enhancement yield maximum benefits. In consultation with local boards, local partners, employers, training providers and the Kentucky Workforce Investment Board (KWIB), a new policy was proposed to guide operation of the statewide ETPL in Kentucky. The policy will require eligibility requirements for training providers that take into account the performance of providers and whether the training programs relate to occupations that are in demand. The policy will require training providers to submit student level data for all students as a condition of eligibility.

The commonwealth understands the need for accountability and supports efforts to ensure customers are making informed decisions based on quality data. However, the mandate to provide the data could be a severe hindrance to the entire training system, until the alternative

## ATTACHMENT H – Full Waiver Plans

options are made available. This waiver is not being requested in order to circumnavigate the accountability requirements of WIA, but to ensure that Kentuckians can continue to access training services in their local areas with the highest degree of informed customer choice. Employers will be assured that they are receiving a skilled and trained workforce.

The vast majority of providers do not have internal systems or capacity to produce the “all students” performance data to meet the re-certification requirements under Subsequent Eligibility. An extension of this waiver will provide the additional time necessary to fully develop and implement a system for collecting “substantially similar” performance indicators. Technical assistance and a providers’ tool-kit will be available to ensure continued participation by providers offering an array of training programs meeting the needs of both employers and training participants. The system in development will allow providers to submit readily available data for the “all students” population and generate meaningful performance reports without placing an undue burden on providers.

E. Description of the Individuals Impacted by the Waiver:

All WIA-eligible customers will be positively impacted by this waiver. Individual customers will continue to have a choice in selecting their training providers, employers will continue to have a steady flow of newly skilled workers entering the job market, and training providers will be able to continue serving present and new customers.

F. Description of the Process to Monitor Progress:

This waiver will be incorporated into the administrative entity’s monitoring procedures including a periodic review of how well the measures/standards are being met. Periodic reviews and reports will provide participant outcomes (common measures) by training provider to ensure participants are able to obtain employment.

The Office of Employment and Training (OET) is the agency responsible for monitoring the goals established in this waiver request. OET is also responsible for monitoring the local area processes during the annual on-site review.

G. Opportunity for Local Boards to Comment on Waiver Request:

This waiver request was originally initiated by the local area boards. All ten local areas committed their support to the waiver request.

H. Public Comment on the Waiver Request:

Notice of this waiver request is incorporated into the 2012-2017 State Plan and was posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board’s Web site at: <http://www.kwib.ky.gov/>.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing and provide the options and resources to meet the training needs of the WIA customer.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**2. Waiver Request  
Workforce Investment Act  
Individual Training Accounts for Older Youth and Out-of-School Youth**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to waive the regulatory prohibition of using Individual Training Accounts (ITAs) for older and out-of-school youth.

**A. Statutory Regulations to be Waived:**

Kentucky requests a waiver of WIA Regulations 20 CFR 664.510 on the use of Individual Training Accounts (ITAs) for older youth and out-of-school youth program participants. The commonwealth will continue to make the 10 youth program elements available as described at WIA Section 129(c)(2).

**B. Goals to be Achieved by the Waiver:**

- Ensures the local workforce investment areas have the flexibility to design and deliver programs based on the needs of their customers, rather than restrictions based solely on age.
- Reduces the paperwork and tracking processes requirement in dual enrollment (Youth/Adult) as is necessary for older youth to access training through the Adult ITA and Eligible Training Provider List (ETPL) process.
- Offers youth the real-life learning experience of making an informed decision that has a direct impact on his/her life. Using the ITA/ETPL process with older youth and out-of-school youth offers case managers the opportunity to discuss the process of decision-making (training provider, finances, etc.) and the possible results.

**C. State or Local Statutory or Regulatory Barriers:**

There are no state or local statutory or regulatory barriers.

**D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:**

Under WIA, the focus of youth programs have changed from the provision of short-term, stand-alone job training to providing year-round, long-term services designed to assist both in-school and out-of-school youth to make the transition to post-secondary training and careers. Older youth and out-of-school youth continue to be the most difficult populations to serve because their interest lies in obtaining self-sufficient, full-time employment rather than a structured setting that youth contracts provide. Many of these youth would benefit from the real-life informed decision-making involved in using ITAs and the ETPL.

Although the older youth may access ITAs through dual enrollment in youth and adult services, this waiver would allow the flexibility for youth funds to be expended on youth services and retain adult funds for adult services. The option for dual enrollment in youth and adult services would remain accessible if the need of the individual so indicates or funding in one stream becomes limited.

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This waiver is not being requested to circumnavigate the older youth and out-of-school youth requirements of WIA, but to bring service delivery for youth closer to the intent of the Act—to serve the customer efficiently according to their individual needs.

In the past, this waiver has allowed continued flexibility in utilizing Youth funds to provide training services while retaining the limited Adult funds to be used for Adult training services. It has increased the efficiency and customer choice for older youth and out-of-school youth. The workforce system has a full array of services to offer older and out-of-school youth that have benefited them in decision-making processes, such as choosing a rewarding career, selecting a training provider and making smart financial decisions.

E. Description of the Individuals Impacted by the Waiver:

The waiver can positively impact all older and out-of-school WIA eligible youth. These customers will receive the type of services that most closely and immediately meet their needs without unnecessary paperwork and tracking.

F. Description of the Process to Monitor Progress:

This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met. All WIA enrolled youth are entered and tracked in Kentucky's MIS system, Employ Kentucky Operating System (EKOS). Performance outcomes for youth served under this waiver are reported in the Workforce Investment Act Standardized Record Data (WIASRD).

The Office of Employment and Training (OET) is the agency responsible for monitoring the goals established in this waiver request. OET is also responsible for monitoring the local area processes during the annual on-site review.

G. Opportunity for Local Boards to Comment on Waiver Request:

This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.

H. Public Comment on the Waiver Request:

Notice of this waiver request is incorporated into the 2012-2017 State Plan and was posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing and provide the options and resources to serve the most hard-to-serve youth populations.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**3. Waiver Request  
Workforce Investment Act  
Common Measures**

The Commonwealth of Kentucky, Education and Workforce Development Cabinet, the Administrative entity for the Workforce Investment Act (WIA), is requesting an extension of the waiver of the 17 state and local performance measures under WIA. The commonwealth will continue reporting and tracking the common measures as described in TEGL 17-05.

This waiver request is being written in the format identified in Section 189(i)(4)(B) of the Act and §661.420(c) of the regulations.

**A. Statutory Regulations to be waived:**

The Commonwealth is seeking to waive the provisions of WIA Section 136(b) and (c) and accompanying Regulations §666.100(a) and §666.300(a) that specify the state and local performance currently required for WIA Title I programs.

**B. Goals to be Achieved by the Waiver:**

- Provide a more simplified and streamlined performance measurement system,
- Reduce paperwork and labor costs associated with performance data collection
- Provide a more useful program management tool,
- Consistency with demand-driven performance outcomes
- Greater degree of efficiency in program delivery

**C. State or Local Statutory or Regulatory Barriers:**

There are no State or Local statutory or regulatory barriers to the requested waiver. Nothing in this waiver is intended to prevent the State or any local workforce board from implementing additional measures to assess performance.

**D. Goals to be achieved by the Waiver and Expected Programmatic Outcomes:**

This continuation of this waiver will allow Kentucky to renew its performance focus and will facilitate system integration across partner programs. The common measures provide a simplified and streamlined performance measurement system that is more cost effective and understandable to the Local Workforce Investment Boards (LWIBs). Case management, customer service, and operational effectiveness have been enhanced through the implementation of this waiver.

This waiver is viewed as a continuous improvement measure that has had the following far reaching benefits and outcomes:

- Facilitate the goal of a fully integrated workforce system;
- Provide clear and understandable information to stakeholders concerning public funds and return on investment;
- Improve case management integration, service coordination and information sharing;

## ATTACHMENT H – Full Waiver Plans

- Simplified and streamlined performance measurement system;
- Assist in the realignment of youth program designs to better implement DOL's Youth Vision and targeting out-of-school youth;
- Use a single set of measures for youth, thus eliminating the need to track younger versus older youth;
- Reduce labor intensive data collection;

### E. Description of Individuals Impacted by the Waiver:

All customers of the workforce system will benefit from this waiver. The quality and quantity of services to participants will continue to be enhanced by focusing on fewer targeted outcomes. State and local program administrators will continue to benefit as the State progresses toward a fully integrated workforce system that concentrates on demand-driven accountability measures.

### F. Description of the Process to Monitor Progress:

The Office of Employment and Training (OET) will continue to monitor the impact of the waiver, as well as progress toward meeting expected outcomes. This will be accomplished as follows:

- Employ Kentucky Operating System (EKOS) is a participant tracking system used for case management, tracking services, follow-up scheduling and activity reporting. EKOS currently monitors the data collection and reporting of the Common Measures at both state and local levels, thus allowing the Commonwealth the ability to customize data validation reports for all requirements.
- The OET will review applicable policies, procedures and manuals and modify them accordingly.
- The Commonwealth will report performance on the Common Measures to DOL quarterly and annually via the WIA Performance System.
- The Commonwealth of Kentucky's incentive and sanction policies will be developed around the Common Measures to reward excellence in performance and require timely corrective action to increase the performance of failed measures.

### G. Opportunity for Local Board to Comment on Waiver Request:

The continuation of this waiver impacts all 10 local workforce boards in Kentucky. This waiver request was originally initiated by the local area boards. All 10 local areas have committed their support to the waiver request.

### H. Public Comment on the Waiver Request:

Notice of this waiver request is incorporated into the 2012-2017 State Plan and was posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**4. Waiver Request  
Workforce Investment Act  
Transfer Authority**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current transfer authority waiver of local workforce investment boards of up to 50 percent in Adult and Dislocated Worker funds. Kentucky believes that empowering the local boards to transfer larger amounts of funds than the Act currently permits, will provide them greater flexibility to respond to changes in the local labor market.

In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

- A. **Statutory Regulations to be Waived:**  
WIA Section 133(b)(4) and WIA Regulations §667.140 state that a local board may transfer, if such a transfer is approved by the Governor, not more than 20% of the funds allocated to Adult and Dislocated Worker employment and training activities.  
  
Kentucky requests that the local boards have the option to continue to transfer up to 50% of a program year allocation for adult employment and training activities and up to 50% of a program year allocation for dislocated worker employment and training activities between the two programs.
- B. **Goals to be Achieved by the Waiver:**  
Continue to allow increased local flexibility to manage funding and respond to changes in the labor market.
- C. **State or Local Statutory or Regulatory Barriers:**  
There are no existing state or local statutory or regulatory barriers to this waiver request extension.
- D. **Description of the Goals of the Waiver and Expected Programmatic Outcomes:**  
The waiver will provide local workforce investment boards the continued ability to better respond to changes in the economic environment and the local labor market. The only programmatic impact will be the flexibility to channel resources to the population with the greatest need at that time.
- E. **Description of the Individuals Impacted by the Waiver:**  
All Adult and Dislocated Workers will be positively impacted by the waiver since local boards will be able to move significant funding to reflect the needs of the area.
- F. **Description of the Process to Monitor Progress:**

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The Office of Employment and Training, Division of Workforce and Employment Services (DWES), will be the entity responsible for monitoring all transfers of funds. This waiver extension will be incorporated into DWES's current monitoring procedures.

All transfers must be requested in writing by the local area and submitted to DWES financial staff. Funding availability and costs limitations is verified before granting the transfer.

- G. Opportunity for Local Boards to Comment on Waiver Request:  
This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.
  
- H. Public Comment on the Waiver Request:  
Notice of this waiver request was incorporated into the 2012-2017 State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**5. Waiver Request**

**Workforce Investment Act**

**Minimize the collection of participant data for incumbent worker training programs**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to reduce the data collection burden for employers served under WIA-dislocated worker funded and rapid response funded incumbent worker training programs. In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

**A. Statutory Regulations to be Waived:**

Reporting requirements at 20CFR 667.300(a) to permit the Commonwealth to discontinue the collection of the following Workforce Investment Act Standardized Record Data (WIASRD) elements: single parent (117), unemployment compensation eligible status at participation (118), low income (119), TANF (120), other public assistance (121), homeless individual and/or runaway (125), and offender (126). Under the waiver, the Commonwealth will continue to collect and report information on incumbent workers trained with local WIA dislocated worker funds and rapid response funds awarded to local areas for layoff aversion, in the WIASRD Section II, Program Activities and Services Information, and Section III, Program Outcomes Information, to account for the use of funds.

**B. Goals to be Achieved by the Waiver:**

The waiver will minimize collection of data that do not supply significant program information. The waiver will apply to incumbent worker participants served through rapid response and formula funds. This waiver will simplify the process of serving businesses and incumbent workers and allow positive program outcomes to be captured without the burden of extensive collection of data not applicable to incumbent workers or incumbent worker training.

**C. State or Local Statutory or Regulatory Barriers:**

There are no state or local statutory or regulatory barriers.

**D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:**

The goal of this waiver is to minimize the data capture requirements impacting skills upgrade training programs through incumbent worker training so that employers are not unnecessarily burdened with federal data collection requirements that do not provide relevant program information. The goal is to simplify the process of serving businesses and industries and the incumbent workers. Expected program outcomes include allowing local area flexibility to offer incumbent worker services and enhancing services to businesses along with increasing flexibility to engage and work with businesses in improving skills of the employer's workforce. Additionally, eliminating the requirement to capture information that does not impact program outcome, this waiver will allow local areas to timely assist employers in averting layoffs and improving employer customer satisfaction.

## ATTACHMENT H – Full Waiver Plans

- E. Description of the Individuals Impacted by the Waiver:  
All incumbent worker trainees, employers seeking incumbent worker training services, and the local workforce investment boards. Incumbent worker services will be positively affected by the adoption of the proposed waiver. Services will be provided to increased numbers of the employed workers who are in need of skills upgrading and retraining. Local boards will improve linkages with employers and economic development in their areas and assist in layoff aversion.
- F. Description of the Process to Monitor Progress:  
This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met.
- G. Opportunity for Local Boards to Comment on Waiver Request:  
This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.
- H. Public Comment on the Waiver Request:  
Notice of this waiver request was incorporated into the 2012-2017 State Plan and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing and eliminate the burden of collection of federal data that do not provide relevant program information.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**6. Waiver Request**

**Workforce Investment Act**

**Use up to 20% of Rapid Response Funds to Serve Incumbent Workers**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to allow up to 20 percent of Rapid Response funds to be shifted, as needed, to local workforce investment areas for the purpose of providing incumbent worker training. In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

**A. Statutory Regulations to be Waived:**

Kentucky requests the waiver of WIA Section 134(a)(2)(A) and WIA Regulations 20 CFR 665.310 through 20 CFR 665.330 that establish allowable statewide Rapid Response activities and uses for set-aside Rapid Response funds.

**B. Goals to be Achieved by the Waiver:**

Promotes maximum investment of available funds as well as increases levels of service. Focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promoting flexibility of local workforce investment areas to further expand incumbent worker activities.

**C. State or Local Statutory or Regulatory Barriers:**

There are no state or local statutory or regulatory barriers.

**D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:**

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill-upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, Kentucky will be able to strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting Kentucky's goals related to layoff aversion, skill enhancement and business services.

By upgrading the skills of incumbent workers, they will quickly move into more specialized jobs within their industries, creating new job possibilities for the lower skilled workforce to enter.

The average incumbent worker will gain a great deal from this waiver. The worker will retain employment thus avoiding the mental, physical, and financial stress that comes from unemployment. The worker will gain upgraded skills that will allow him/her to better work within an expanding and more complicated economy. And in the event that a worker does get laid off after receiving incumbent worker training, they will need fewer (if any) dislocated worker program dollars to get them back on their feet and in a new career.

## ATTACHMENT H – Full Waiver Plans

It is expected that the measures and standards will be developed in the areas of post-training retention, promotion, and wage increase. Specific skill enhancements, productivity gains and layoff avoidance will also be intended outcomes. The use of rapid response funds will not diminish the ability of Kentucky to provide dislocated worker services as needed.

### E. Description of the Individuals Impacted by the Waiver:

Employers and incumbent workers will be impacted by the waiver. Employers will have the human resources to remain competitive, and perhaps expand. Workers will keep good jobs, improve their skills, and increase their confidence that they can compete in a more technologically sophisticated, knowledge based global economy.

The state and local areas continue to assess the essential needs of businesses and industries facing layoffs or closures and the economic impact such action would have on the community and/or state. Requests from businesses and industries to provide assistance with upgrading the skills of their employees are reviewed on a case-by-case assessment. The state and local areas consider the type of training to be delivered and the skills that will result. The assessment includes an analysis of the needs of the employer and how to best meet those needs and provide a positive impact for the community and/or state. Before a commitment to incumbent worker training is made, other One Stop Career Center services are considered. Additionally, services provided by other partners, especially economic development, educational institutions and other training providers, are examined to evaluate the most practical and profitable avenue to address the employers' needs.

Criteria considered before awarding funds to provide incumbent worker training include, but are not limited to: 1) will the training provide the employer with the skilled workforce to maintain operations and avoid layoffs or closure; and, 2) commitment from the employer to either retain the employee, increase the employee's wages, or provide some benefit to the employee.

Incumbent Worker Training in Kentucky continues to prove successful in many areas and diverse economic sectors. It plays a vital role in Kentucky's workforce development transformation by keeping job skills updated and supplying businesses with the needed skill sets to make workers more competitive. Positive impact is achieved in both large and small businesses. The following are only a few of the examples of incumbent worker training provided:

- Ford Motor Company - Louisville: Incumbent Worker training provided to the Ford Motor Company in 2003-2004 to upgrade employees in Lean Manufacturing resulted in the company maintaining its operations in Kentucky while some other states experienced closure of their Ford facilities.
- Titan – Owensboro: There continues to be a great demand for high-skilled welders in the energy industry. Through incumbent worker training, Titan was able to graduate 46 entry level welding students and 13 from a specialty welding class. Entry level welders started at \$8.00 per hour and are now earning \$18.00 per hour. The specialty welders received a two to five percent wage increase. (2008)
- Stidham Cabinet, Inc. – Corbin: A family-owned business with 55 employees. The company was experiencing a decline in business that could result in layoffs. Incumbent worker training provided the up-grade in skills of the employees in the

## ATTACHMENT H – Full Waiver Plans

operation of multiple machines. The results are the ability to competitively compete for contracts and hire additional employees. (2009)

- Monomoy-Fortis Plastics – Henderson: An incentive package was developed by the local WIB and partner agencies to save 147 production jobs slated to leave the area. Through a proposal of incumbent worker training and other valuable services, the industry made the decision to invest in retaining and retraining the existing workforce. A successful layoff aversion! (2009)

### F. Description of the Process to Monitor Progress:

This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met. Incumbent Worker funds are tracked by funding stream. Quarterly Incumbent Worker reports are required to be submitted to the Office of Employment and Training. The reports contain the number of companies and participants served in addition to the grant number, funding amount and expenditures. Incumbent Workers are entered and tracked in Kentucky's MIS system, Employ Kentucky Operating System. Performance outcomes for incumbent workers served under this waiver are reported in the Workforce Investment Act Standardized Record Data (WIASRD).

### G. Opportunity for Local Boards to Comment on Waiver Request:

This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.

### H. Public Comment on the Waiver Request:

Notice of this waiver request was incorporated into the 2012-2017 State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver, with modifications, will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing. In addition to layoff aversion, this waiver will enhance the state's efforts toward job retention and rapid re-employment as well as provide new job prospects for presently employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**7. Waiver Request**

**Workforce Investment Act**

**Use up to 10% of Local Dislocated Worker Funds to Serve Incumbent Workers**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to allow up to 10 percent of local dislocated worker funds as described by WIA Section 133(b)(2)(B) to be expended on incumbent worker training activities pursuant to the rules adherent to statewide activities described by WIA Section 134 (a) (3). These funds will be connected to layoff aversion activities. In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

A. Statutory Regulations to be Waived:

Should the above request related to incumbent worker training funds be deemed to be not in accord with any provision of WIA Section 134 or WIA federal regulations at 20 CFR 667.160, 663 or 665, Kentucky requests waiver of the federal regulations.

B. Goals to be Achieved by the Waiver:

Promotes maximum investment of available funds as well as increases levels of service. Focuses on employer and worker layoff aversion and competitiveness through skills upgrade training, therefore, strengthening regional economies and promoting flexibility of local workforce investment areas to further expand incumbent worker activities.

C. State or Local Statutory or Regulatory Barriers:

There are no state or local statutory or regulatory barriers.

D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill-upgrading, businesses will be able to remain viable and prevent layoffs and closures. With this waiver, Kentucky will be able to strengthen the regional economy and retain and train the current workforce. Creating more flexibility within WIA regulations through this waiver is critical to meeting Kentucky's goals related to layoff aversion, skill enhancement and business services.

By upgrading the skills of incumbent workers, they will quickly move into more specialized jobs within their industries, creating new job possibilities for the lower skilled workforce to enter.

The average incumbent worker will gain a great deal from this waiver. The worker will retain employment thus avoiding the mental, physical, and financial stress that comes from unemployment. The worker will gain upgraded skills that will allow him/her to better work within an expanding and more complicated economy. And in the event that a worker does get laid off after receiving incumbent worker training, they will need fewer (if any) dislocated worker program dollars to get them back on their feet and in a new career.

## ATTACHMENT H – Full Waiver Plans

It is expected that the measures and standards will be developed in the areas of post-training retention, promotion, and wage increase. Specific skill enhancements, productivity gains and layoff avoidance will also be intended outcomes. The use of rapid response funds will not diminish the ability of Kentucky to provide dislocated worker services as needed.

### E. Description of the Individuals Impacted by the Waiver:

Employers and incumbent workers will be impacted by the waiver. Employers will have the human resources to remain competitive, and perhaps expand. Workers will keep good jobs, improve their skills, and increase their confidence that they can compete in a more technologically sophisticated, knowledge based global economy.

The state and local areas continue to assess the essential needs of businesses and industries facing layoffs or closures and the economic impact such action would have on the community and/or state. Requests from businesses and industries to provide assistance with upgrading the skills of their employees are reviewed on a case-by-case assessment. The state and local areas consider the type of training to be delivered and the skills that will result. The assessment includes an analysis of the needs of the employer and how to best meet those needs and provide a positive impact for the community and/or state. Before a commitment to incumbent worker training is made, other One Stop Career Center services are considered. Additionally, services provided by other partners, especially economic development, educational institutions and other training providers, are examined to evaluate the most practical and profitable avenue to address the employers' needs.

Criteria considered before awarding funds to provide incumbent worker training include, but are not limited to: 1) will the training provide the employer with the skilled workforce to maintain operations and avoid layoffs or closure; and, 2) commitment from the employer to either retain the employee, increase the employee's wages, or provide some benefit to the employee.

Incumbent Worker Training in Kentucky continues to prove successful in many areas and diverse economic sectors. It plays a vital role in Kentucky's workforce development transformation by keeping job skills updated and supplying businesses with the needed skill sets to make workers more competitive. Positive impact is achieved in both large and small businesses. The following are only a few of the examples of incumbent worker training provided:

- Ford Motor Company - Louisville: Incumbent Worker training provided to the Ford Motor Company in 2003-2004 to upgrade employees in Lean Manufacturing resulted in the company maintaining its operations in Kentucky while some other states experienced closure of their Ford facilities.
- Titan – Owensboro: There continues to be a great demand for high-skilled welders in the energy industry. Through incumbent worker training, Titan was able to graduate 46 entry level welding students and 13 from a specialty welding class. Entry level welders started at \$8.00 per hour and are now earning \$18.00 per hour. The specialty welders received a two to five percent wage increase. (2008)
- Stidham Cabinet, Inc. – Corbin: A family-owned business with 55 employees. The company was experiencing a decline in business that could result in layoffs. Incumbent worker training provided the up-grade in skills of the employees in the

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operation of multiple machines. The results were the ability to competitively compete for contracts and hire additional employees. (2009)

- Monomoy-Fortis Plastics – Henderson: An incentive package was developed by the local WIB and partner agencies to save 147 production jobs slated to leave the area. Through a proposal of incumbent worker training and other valuable services, the industry made the decision to invest in retaining and retraining the existing workforce. A successful layoff aversion! (2009)

### F. Description of the Process to Monitor Progress:

This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met. Incumbent Worker funds are tracked by funding stream. Quarterly Incumbent Worker reports are required to be submitted to the Office of Employment and Training. The reports contain the number of companies and participants served in addition to the grant number, funding amount and expenditures. Incumbent Workers are entered and tracked in Kentucky's MIS system, Employ Kentucky Operating System. Performance outcomes for incumbent workers served under this waiver are reported in the Workforce Investment Act Standardized Record Data (WIASRD).

### G. Opportunity for Local Boards to Comment on Waiver Request:

This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.

### H. Public Comment on the Waiver Request:

Notice of this waiver request was incorporated into the 2012-2017 State Plan and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver, with modifications, will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing. In addition to layoff aversion, this waiver will enhance the state's efforts toward job retention and rapid re-employment as well as provide new job prospects for presently employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**8. Waiver Request**

**Workforce Investment Act**

**Required 50 percent employer match for OJT training**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting to continue the waiver to change the required 50 percent employer match for OJT Training to a match based on a sliding scale. Through this approach, WIA would reimburse up to 90 percent to employers with 50 or fewer employees and up to 75 percent of the costs for employers with 51-250 employees. Businesses with over 250 employees would be reimbursed at the 50 percent rate. In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

- A. Statutory Regulations to be Waived:  
Kentucky requests the waiver of WIA Section 101(31)(B).
- B. Goals to be Achieved by the Waiver:  
Will create a better opportunity for smaller businesses or businesses with smaller budgets to take advantage of the opportunities available through WIA. Grants optimal flexibility to local areas to better serve businesses and their needs.
- C. State or Local Statutory or Regulatory Barriers:  
There are no state or local statutory or regulatory barriers.
- D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:  
OJT training optimizes the resources available under workforce development initiatives to meet the needs of employers, as well as job seekers. OJT training focuses on employers' and job seekers' needs while minimizing programmatic barriers. The current 50 percent employer contribution requirement limits the ability to market OJT training programs to employers, especially those from small businesses. Oftentimes, employers conclude that the 50 percent contribution requirement creates costs that outweigh the benefits of participating in a WIA OJT training program.

The proposed sliding scale for the cost reimbursement will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small employer budget. Local areas will be able to more effectively market WIA-funded OJT training services to the private sector in support of building relations with employers in high demand, high growth industries.

The specific goals to be achieved by the waiver are to: 1) Improve the ability of the Commonwealth to respond to changes in employer and industry needs; 2) Increase employer/Board collaboration to address industry needs and worker training; 3) Allow the smaller employer to grow and expand; 4) Provide the employer with a trained workforce; and 5) Provide greater flexibility in designing and implementing WIA programs.

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- E. Description of the Individuals Impacted by the Waiver:  
Employers, WIA customers, and job seekers will be positively affected through this waiver. Kentucky's smaller employers will benefit due to the increased reimbursement rate. The time the employer has to devote to the OJT employee, will make them more valuable to the present and future employers. As more employers are able to access OJT training, it will provide training to more adults and dislocated workers eligible for services under WIA.
- F. Description of the Process to Monitor Progress:  
This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met.
- G. Opportunity for Local Boards to Comment on Waiver Request:  
This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.
- H. Public Comment on the Waiver Request:  
Notice of this waiver request was incorporated into the State Plan modification and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of this waiver will empower the local boards to be even more responsive to the volatile economic situations they are experiencing. This waiver will enhance the state's efforts toward job retention and provide new job prospects for the presently employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**9. Waiver Request  
Workforce Investment Act  
Required 50 percent employer match for customized training**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting an extension of the current waiver to change the required 50 percent employer match to a match based on a sliding scale. Through this approach, the employer match would range from a minimum of 10 percent to a maximum of 50 percent, based on the employer's size. Specifically, Kentucky shall establish the required portion of the costs, which shall not be less than 10 percent of the costs for employers with 50 or fewer employees and not less than 25 percent of the costs for employers with 51-250 employees. Businesses with over 250 employees would be charged the 50 percent rate. In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver extension.

- A. Statutory Regulations to be Waived:  
Kentucky requests the waiver of WIA Section 101(8)(C)
- B. Goals to be Achieved by the Waiver:  
Will create a better opportunity for smaller businesses or businesses with smaller training budgets, opportunities available through WIA. Grants optimal flexibility to local areas to better serve businesses and their needs.
- C. State or Local Statutory or Regulatory Barriers:  
There are no state or local statutory or regulatory barriers.
- D. Description of the Goals of the Waiver and Expected Programmatic Outcomes:  
Customized training optimizes the resources available under workforce development initiatives to meet the needs of employers, as well as job seekers. Customized training focuses on employers' and job seekers' needs while minimizing programmatic barriers. The current 50 percent employer contribution requirement limits the ability to market customized training programs to employers, especially those from small businesses. Oftentimes, employers conclude that the 50 percent contribution requirement creates costs that outweigh the benefits of participating in a WIA Customized training program.

The proposed sliding scale for the employer contribution will create the necessary flexibility for employers to provide the required contribution at a rate that more appropriately fits the small employer budget. Local areas will be able to more effectively market WIA-funded customized training services to the private sector in support of building relations with employers in high demand, high growth industries.

The specific goals to be achieved by the waiver are to: 1) Improve the ability of the Commonwealth to respond to changes in employer and industry needs; 2) Increase employer/Board collaboration to address industry needs and worker training; 3) Allow the

## ATTACHMENT H – Full Waiver Plans

smaller employer to grow and expand; 4) Provide the employer with a trained workforce; and 5) Provide greater flexibility in designing and implementing WIA programs.

E. Description of the Individuals Impacted by the Waiver:

Employers, WIA customers, and job seekers will be positively affected through this waiver. Kentucky's smaller employers will benefit due to the reduced contribution requirement. The training provided to individuals will make them more valuable to current and future employers. As more employers are able to access customized training, it will provide training to more adults and dislocated workers eligible for services under WIA.

F. Description of the Process to Monitor Progress:

This waiver will be incorporated into the administrative entity's monitoring procedures including a periodic review of how well the measures/standards are being met.

G. Opportunity for Local Boards to Comment on Waiver Request:

This waiver request was originally initiated by the local area boards. All ten local areas have committed their support to the waiver request.

H. Public Comment on the Waiver Request:

Notice of this waiver request was incorporated into the 2012-2017 State Plan and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.

Kentucky is very proud of its commitment to support local flexibility whenever possible. We believe that the approval of the extension of this waiver will continue to empower the local boards to be even more responsive to the volatile economic situations they are experiencing. This waiver will enhance the state's efforts toward job retention and provide new job prospects for presently employed individuals. The state and national economy will benefit from the increased productivity and upward mobility of workers.

**KENTUCKY WAIVER REQUEST FOR PERIOD: JULY 1, 2012 - JUNE 30, 2017**

**Kentucky requests continuance of previously approved waiver:**

**10. Waiver Request**

**Workforce Investment Act**

**Statewide Reserve Performance Incentive Awards to Local Areas**

The Commonwealth of Kentucky Education and Workforce Development Cabinet, the administrative entity for the Workforce Investment Act (WIA) is requesting a continuation of the current waiver requiring provision of incentive grants to local workforce investment areas be waived. In compliance with WIA Section 189(I)(4)(B) and WIA Regulations 661.420(c), please accept the following as a request for a waiver for PY 12 statewide reserve funds through the current approved waiver date of December 31, 2012.

**Statutory and/or regulatory requirements to be waived**

The Kentucky Education and Workforce Development Cabinet (EDWC) is requesting that WIA §134(a) (2) (B) (iii) and 20 CFR §665.200(e) requiring provision of incentive grants to local workforce investment areas be waived.

**Actions undertaken to remove state or local barriers**

There are no state or local barriers.

**Goals and expected programmatic outcomes of waiver**

The reduction to five percent in the WIA allotment for PY 11 and PY 12 Governor's Reserve funds restricts the state's ability to effectively fund and carry out all of the required statewide workforce investment activities and current obligated statewide innovative projects. The current unobligated funding level in the governor's reserve is insufficient to cover the cost of incentive grants to workforce areas. The state's reduced funds are being used to cover the following required activities:

- Carrying out statewide rapid response activities
- Disseminating Kentucky's list of eligible providers of training services
- Conducting evaluations
- Providing technical assistance to workforce areas
- Assisting in the establishment and operation of the one-stop delivery system
- Operating fiscal and management accountability information systems

Kentucky's goal in seeking this waiver is to ensure that the state can prioritize the use of governor's reserve funds for the required activities deemed most essential to the basic functions of the workforce investment system and any carryover funds from Governor's Reserve in PY 10 be reserved for identified innovative statewide projects. (This waiver is currently in place through December 31, 2012 for funds under PY 2012.)

**Individuals impacted by the waiver**

The waiver will provide Kentucky with more flexibility in directing governor's reserve funds to those activities that best preserve basic functions of the statewide workforce investment system.

**Process for monitoring progress in implementation**

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Kentucky will monitor progress and ensure accountability for federal funds in connection with this waiver by reviewing monthly expenditures, performance, and other reports through regular contact with the U.S. Department of Labor Employment and Training Administration's regional office liaisons, and through Kentucky's monitoring and performance accountability system.

### **Notice to affected local boards**

An email was issued to Local Workforce Investment Board chairs and local WIA Directors on May 1, 2012 notifying them that the Commonwealth intends to post this waiver for comment on the Kentucky Workforce Investment Board's website for two weeks beginning the week of May 1.

### **Public Comment**

Notice was posted to the Kentucky Workforce Investment Board (KWIB) - [www.kwib.ky.gov](http://www.kwib.ky.gov) and the Education and Workforce Development - <http://educationcabinet.ky.gov/> websites for review and comment from May 4, 2012 to May 18, 2012. A total of 11 comments were received. A general response to the comments was issued on June 8, 2012. Kentucky received notice on August 6, 2012 that the waiver had been approved for PY 2012 funds through December 31, 2012.

Notice of this waiver request was incorporated into the 2012-2017 State Plan and posted for a ten-day comment period on the Kentucky Education and Workforce Development Cabinet Web site at: <http://educationcabinet.ky.gov/> and the Kentucky Workforce Investment Board's Web site at: <http://www.kwib.ky.gov/>. No public comments were received regarding the issue.