

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 4th Meeting of the 2024 Interim

September 26, 2024

Call to Order and Roll Call

The fourth meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on September 26, 2024, at 9:00 AM in Room 149 of the Capitol Annex. Senator Max Wise, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Max Wise Co-Chair; Senators Shelley Funke Frommeyer, Jason Howell, Robby Mills, Phillip Wheeler, and Mike Wilson; Representatives Shane Baker, Jared Bauman, Steve Bratcher, Adrielle Camuel, Robert Duvall, Daniel Elliott, Peyton Griffie, Thomas Huff, Kevin Jackson, Kim King, Nima Kulkarni, Matt Lockett, Phillip Pratt, and Ashley Tackett Laferty.

Guests: Dr. Michael W. Clark, Director of the Center for Business and Economic Research Gatton College of Business and Economics, University of Kentucky; Dr. Ken Troske, Richard W. and Janis H. Furst Endowed Chair of Economics, University of Kentucky; Alicia Sells, CEO, We Lead CS; and Chris Schmidt, Vice President of Technology Products, Fifth Third Bank.

LRC Staff: Janine Coy, Christian Deeter, Austin Johnson, Matissa Robinson, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes from the August 29, 2024, meeting was made by Representative Jackson, seconded by Representative Lockett, and approved by voice vote.

The Effects of Kentucky's Adult Education Programs and TRAINS on the Labor Market Outcomes

Dr. Michael W. Clark, Director of the Center for Business and Economic Research Gatton College of Business and Economics, University of Kentucky, discussed House Bill 1 from the 2022 Regular Session, which directed the Education and Labor Cabinet to study the effectiveness of state-sponsored workforce development programs receiving more than 50 percent of program funding from the state. Dr. Clark noted there was not sufficient information to study the Bluegrass State Skills Corporation. As a result, the report discussed

Kentucky's Office of Adult Education (KYAE) and TRAINS. KYAE offers GED prep courses, free GED testing, English language courses, and family literacy education to individuals 18 years of age or older that have a basic skill deficiency, have not completed high school or earned an equivalent level of education, or who are an English language learner. The study indicated program participants had higher rates of employment and wage rates, but results varied by gender and race. The report also indicated that employment effects decayed over time. Additionally, enrollees often received other services that could impact employment outcomes.

Answering a question from Chairman Wise, Dr. Clark said the funding level was constant but inflation factors into some of the programming research.

Responding to Representative King, Dr. Clark clarified that data presented was from 2014 to 2022 and noted program participants entered the adult education system at different points during that timeframe. Dr. Ken Troske, Richard W. and Janis H. Furst Endowed Chair of Economics, University of Kentucky, added that the data presented on KYAE compared program participants to other individuals not receiving the same services but also participating in the labor market simultaneously.

Addressing questions from Senator Howell, Dr. Clark stated the overlap of state funded employment and workforce programming is an administrative issue but progress has been made. This particular issue was not a component of the study. Dr. Troske explained that the responsible entity is not always well identified in statute and the state could do better with streamlining services. In response to a follow up question, Dr. Clark said information was not obtained about the Bluegrass State Skills Corporation due to possible confidentiality matters. Answering another follow up question, Dr. Clark and Dr. Troske discussed economic factors that impact a decrease in KYAE enrollment and employment decay over time.

Replying to Representative Bratcher, Dr. Clark said the study did not specifically address employers not requiring a GED or high school diploma, but employers have had to consider hiring employees that they may not have considered in the past due to low workforce participation. Addressing a follow up question about language barriers for the GED program, Dr. Clark said the issue was not included in the study, but KYAE does offer services to English language learners. In response to another follow up question, Dr. Troske stated, according to his knowledge and other research, those receiving their GED do not outperform high school graduates.

Answering a question from Senator Funke Frommeyer, Dr. Clark confirmed that the study did not explicitly examine the benefits cliff but did consider unemployment insurance.

TRAINS program was established in 1999 by the Kentucky Community and Technical College System to allow colleges to develop customized training in collaboration with eligible companies consisting of credited courses and noncredited courses. Dr. Clark highlighted that the study included credited courses only. The study indicated employment among enrollees improved relative to non-enrollees, but wages among enrollees did not improve.

Answering questions from Representative Jackson, Dr. Clark and Dr. Troske discussed limitations on giving recommendations for improvement. They suggested ongoing evaluation of the two programs separately and closely examining the GED program.

Responding to Representative Kulkarni, Dr. Troske said maintaining data on all workforce and employment programs would be beneficial and discussed sustained employment. Dr. Clark discussed data limitations.

Replying to Representative King, Dr. Clark described the type of courses offered through TRAINS and said wages are compared to those not participating in the program. Dr. Troske commented about the plethora of helpful information maintained by KY STATS that could be useful for evaluating state funded programs.

Building Kentucky's Tech Talent Pipeline

We Lead CS is a virtual computer science career academy that received a \$3 million appropriation from the General Assembly during the 2024 legislative session with the goal of expanding access to opportunities and training for students across the Commonwealth that could lead to careers in the technology sector. Through collaboration with leading technology employers, We LEAD CS graduates 250 to 300 students each year utilizing virtual work-based learning and internships with a goal of 300 for the 2025-2026 school year. The organization has formed the Take the Lead Grant Program that will offer \$100,000 in microgrants to chambers of commerce across the state to identify technology sector employers, skills needed to strengthen technology workforce pipelines, and bring employers and students together to participate in We Lead CS's innovative programming. Chris Schmidt, Co-Chair of INTERalliance of Greater Cincinnati, shared his perspective as a We Lead CS partner.

Responding to Chairman Wise, Ms. Sells confirmed that We Lead CS can be accessed by any school district in the state.

Senator Wilson commended We Lead CS for its innovative work.

Answering questions from Representative Duvall, Mr. Schmidt stated We Lead CS is the solution to a shortage of computer science teachers in schools across the Commonwealth.

Replying to Senator Funke Frommeyer, Ms. Sells said participating school districts must enter into an agreement with We Lead CS.

Adjournment

There being no further business before the committee, the meeting adjourned at 10:28 AM.