

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 2nd Meeting of the 2025 Interim

July 31, 2025

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on July 31, 2025, at 9:00 AM in Room 149 of the Capitol Annex. Representative Josh Branscum, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Josh Branscum, Co-Chair; Senator Phillip Wheeler, Co-Chair; Senators Shelley Funke Frommeyer, Rick Girdler, Jason Howell, Scott Madon, Matt Nunn, Reginald L. Thomas, and Mike Wilson; and Representatives Adam Bowling, Robert Duvall, Daniel Elliott, Al Gentry, Vanessa Grossl, Kevin Jackson, Kim King, Nima Kulkarni, Matthew Lehman, Matt Lockett, J.T. Payne, Scott Sharp, Ashley Tackett Laferty, and Timmy Truett.

Guests: Jamie Link, Secretary, Education and Labor Cabinet; Jeff Noel, Secretary, Cabinet for Economic Development; Ryan Quarles, President, Kentucky Community and Technical College System; Ashli Watts, President and CEO, Kentucky Chamber of Commerce (the Chamber); and Charles Aull, Executive Director, Center for Policy and Research, the Chamber.

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

Approval of June Minutes

A motion to approve the minutes from the June 18, 2025, meeting was made by Senator Funke Frommeyer, seconded by Representative Bowling, and approved by voice vote.

Statewide Workforce and Talent Team (SWATT) Update

Leaders representing the Statewide Workforce and Talent Team (SWATT) presented a collaborative strategy to transform Kentucky's workforce system. Ashli Watts, President and CEO, Kentucky Chamber of Commerce (the Chamber), emphasized the need for full engagement from the business community and highlighted workforce barriers such as child care, housing, and reentry that must be addressed to grow the labor force. She shared how local chambers are involved in removing these barriers through initiatives like hiring academies. Jeff Noel, Secretary, Cabinet for Economic Development, reinforced the

importance of responding to employers' evolving workforce needs with a full-service approach that supports attraction, onboarding, and retention. Jamie Link, Secretary, Education and Labor Cabinet, explained how SWATT eliminates redundancy by ensuring agencies work together before approaching employers. Ryan Quarles, President, Kentucky Community and Technical College System (KCTCS), shared that while KCTCS already partners with over 3,000 businesses annually, SWATT strengthens those efforts by providing a clearer, more coordinated pathway to training and workforce development resources. Together, the presenters described SWATT as an employer-informed model focused on aligning services, reducing barriers, and building sector-specific talent pipelines to support long-term economic growth.

Addressing Senator Funke Frommeyer, Mr. Link discussed SWATT's collective response when assisting with the closure of Hammer Strength in Falmouth. Mr. Noel provided details regarding SWATT's overall approach to clear communication amongst SWATT partners, employers, and the workforce. He stated SWATT did not have any suggested legislative changes at this time.

Replying to Senator Wilson, Mr. Quarles discussed partnerships with organizations that offer workforce supports to individuals with disabilities, and Ms. Watts noted that the Chamber has joined the University of Kentucky in hosting a disability hiring academy. Additionally, Mr. Link discussed vocational rehabilitation services and that the increase in requests for services has put the future of the program at risk.

Representative Jackson made comments about MI2, a metals innovation project located in Bowling Green. Mr. Noel detailed SWATT's involvement with the MI2 initiative.

Answering Senator Thomas, Mr. Noel said there may be programmatic legislative changes that need to be made to ensure the ongoing success of SWATT and other workforce initiatives. Replying to a follow up question, Mr. Quarles stated KCTCS will be welcoming over 110,000 students for the upcoming academic year.

Responding to Representative Kulkarni, Ms. Watts and Mr. Link discussed the formation of SWATT, which was initially prompted by the need for qualitative data and a collaborative approach with one common goal. Quantitative data is now being gathered and analyzed to better plan for future workforce demands.

Addressing Representative Lockett, Ms. Watts stated workforce barriers such as housing, child care, transportation, and high rates of individuals with disabilities or persons who are incarcerated affect the Commonwealth's decreasing workforce participation rate. SWATT partners are working to remove these barriers.

Replying to Representative Lehman, Mr. Link said the cabinet is continuously monitoring the state's labor market to formulate ways to remove workforce barriers, and working with state workforce boards to address regional challenges. Mr. Noel discussed working with employers to address barriers for employees and changing the negative perception of key employment sectors. Mr. Quarles stated KCTCS maintains employer-based statistics along with data pertaining to students' barriers to higher education and employment.

Housing and Economic Growth in Kentucky

Charles Aull, Executive Director, Center for Policy and Research, the Chamber, delivered a presentation on housing and economic growth, warning that the Commonwealth must build an estimated 360,000 to 500,000 new homes by 2050 to meet projected demand. The shortfall stems from factors such as a post-recession slowdown in homebuilding, rising construction costs, scarce skilled labor, outdated zoning, and regulatory burdens, all of which are driving up housing prices and inhibiting development. Mr. Aull highlighted new data from listening sessions and market research in the Chamber and Home Builders Association's "Building a Foundation for Growth" report, including that nearly 90 percent of local leaders surveyed believe their regions could not support a 1,000 job economic investment due to a lack of housing. He urged policymakers to adopt solutions similar to Indiana's Residential Infrastructure Assistance Program, to reduce red tape, streamline approvals, reform zoning, and incentivize workforce training and development in the homebuilding sector.

Addressing a statement made by Senator Thomas, Mr. Aull discussed affordable housing and increased interest rates and said the current market is highly sensitive to traditional supply and demand. He also addressed regulatory barriers for the homebuilding industry.

Replying to Senator Funke Frommeyer, he discussed gathering housing statistics for undocumented immigrants and the Commonwealth's supply and demand for housing over the years based on population growth.

Answering Representative Gentry, Mr. Aull, although unsure of the exact statistical effect of non-owner occupied short-term rentals on the housing market, hypothesized that a robust economy requires numerous types of housing options for permanent residents and tourists alike.

Adjournment

There being no further business before the committee, the meeting adjourned at 10:47 AM.