

WORKFORCE ATTRACTION AND RETENTION TASK FORCE

Minutes of the 4th Meeting of the 2024 Interim

September 12, 2024

Call to Order and Roll Call

The fourth meeting of the Workforce Attraction and Retention Task Force was held on September 12, 2024, at 9:00 AM in Room 131 of the Capitol Annex. Representative Robert Duvall, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Representative Robert Duvall Co-Chair; Senator Max Wise Co-Chair; Senators Greg Elkins, Shelley Funke Frommeyer, and Jason Howell; Representatives Josh Branscum, Michael Sarge Pollock, and Ashley Tackett Laferty.

Guests: Molly Bode, Executive Director, Veterans Accelerated for Occupation Recruitment (VALOR); Terry Samuel, President, Kentucky Science and Technology Corporation; Erin Luper, Senior Vice President, Public Policy and Government Affairs, Graduation Alliance; Taylor Hayes, CEO/President, Christian County Chamber of Commerce; Derek Poor, Veteran Transition Liaison, West Kentucky Workforce Board; Shannon Lane, Director of Military Affairs, Christian County Chamber of Commerce; Aaron Poynter, Director, Reentry and Employment Services Branch, Kentucky Office of Adult Education; Myra Wilson, Director, Cumberland Workforce Development Board; and Dr. MeLeigha Milby, Pharmacist/CEO, Hometown Health Systems.

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

Approval of Minutes

A motion to approve the minutes from the August 14, 2024, meeting was made by Representative Pollock, seconded by Chairman Wise, and approved by voice vote.

Veterans Accelerated Licensing for Occupational Recruitment

Molly Bode, Executive Director, Veterans Accelerated for Occupation Recruitment (VALOR), spoke about the benefits of hiring veterans, workforce disconnects regarding veterans, and her organization VALOR, which is an initiative of the Kentucky Science and Technology Corporation. Hiring veterans offers employers a skilled, efficient, committed, and disciplined workforce, but veterans often face challenges that create workforce disconnects. VALOR works to bridge these disconnects by engaging employers to assess workforce needs and recruiting transitioning service members. The program uses an individualized case management process for each participant and assists with accelerated pathways,

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/386>

civilian occupational licensure, and job placement. VALOR's workforce partnerships include key communicators and government groups, institutes of higher education, and employer partnerships. The organization has 44 pathways that correlate with 55 licensed occupations that span 180 military occupational specialties. VALOR has over 1000 service members or family members in its pipeline and a 98 percent retention rate.

Answering a question from Senator Funke Frommeyer, Ms. Bode stated 81 percent of program participants were able to find employment in 2023, and 83 individuals obtained gainful employment at the close of the organization's second year of operation. Terry Samuel, President, Kentucky Science and Technology Corporation, said legislative appropriations were made in the 2022 legislative session through the Department of Local Government and again in the 2024 session through the Department of Veterans Affairs.

Responding to Representative Pollock, Ms. Bode discussed incentives for veterans to relocate to another state, including tax benefits.

Addressing a follow up question from Senator Funke Frommeyer, Ms. Bode discussed VALOR's recruitment process. Additional staff are being hired to assist with recruiting efforts.

Adult Workforce Diploma Program

Erin Luper, Senior Vice President of Public Policy and Government Affairs, Graduation Alliance, stated her organization assists those who lack a high school diploma. States, including Ohio, Michigan, Indiana, and Tennessee, have implemented the organization's adult workforce diploma programs. The policy model is comprised of a pay-for-performance funding structure and a regional or state approved accreditation requirement for providers. Graduation Alliance also provides program participants with the opportunity to gain industry recognized credentials and employability skills certifications. Over 80 percent of participants are individuals aged 20 to 39 with 76 percent being female. A survey of Graduation Alliance's adult graduates showed 68 percent work in high demand fields and increases in health insurance coverage, labor market participation, and hourly wage.

Answering a question from Senator Funke Frommeyer, Ms. Luper explained that programs vary by state depending on the amount of funding appropriated, but on average there are 175 to 225 graduates per one million invested.

Responding to Senator Howell, Ms. Luper stated she considers Graduation Alliance to be a soft pipeline into higher education and workforce programming, and will follow up with more in-depth program survey results. There has been some collaboration with the Education and Labor Cabinet.

Addressing Chairman Wise, Ms. Luper said she assumes Representative Steve Bratcher will again sponsor related legislation this upcoming session but did not want to speak on his behalf. An appropriation from the state's discretionary funds could eliminate federal workforce program outreach and marketing constraints that often present challenges for the Education and Labor Cabinet. Responding to a follow up question, she discussed the disparity between male and female program participants.

Replying to Chairman Duvall, Ms. Luper discussed the importance of program participants being assigned an academic coach and accountability measures being incorporated into legislation and policies.

Answering a question from Senator Howell, Ms. Luper said she could only address the issue of a low male participant rate anecdotally.

An Unfilled Workforce Potential – Attracting More of the Military/Veteran/Family Population

The Commonwealth's veteran population has unfilled potential to benefit the state's workforce, population growth, and overall economic growth. The state's defense community has an almost \$14 billion total economic impact with \$10.6 billion in Department of Defense grants and contract spending, over 56,000 jobs connected to the military, \$1.75 billion in annual veterans' compensation and pensions, and 270,000 veterans and 29,000 military retirees. Taylor Hayes, CEO/President, Christian County Chamber of Commerce, highlighted the untapped potential for growth and the high percentage of veterans choosing to relocate to other states like Tennessee. Derek Poor, Veteran Transition Liaison, West Kentucky Workforce Board, and Shannon Lane, Director of Military Affairs, Christian County Chamber of Commerce, offered their perspectives as veterans that transitioned into civilian life and chose to remain in the Commonwealth. Mr. Lane elaborated on ways to make the state more attractive to veterans and their families including reaching a zero percent income tax level, allowing 100 percent exemption on pension pay, continuing to create interstate occupational licensure compacts, continuing to address the availability of quality childcare, reviewing property taxes, and stressing the importance of employers understanding the needs of veterans.

Representative Branscum commended the speakers for not only presenting challenges but also solutions.

Chairman Wise encouraged members to review additional information provided by the speakers.

Senator Funke Frommeyer reflected on the various solutions presented including a zero percent income tax level and tax exemptions on pensions and property taxes. Mr. Hayes

asked members to closely review the tax exemption on pensions.

Representative Tackett Laferty stated her support of increasing exemption limits for veteran pensions.

Kentucky's Re-Entry Employment Services

The Office of Adult Education's Reentry Employment Services Branch has launched the Putting Kentuckians First initiative which provides employment, recovery resources, education and training, career services, vocational rehabilitation, and court ordered programs focused on diversion and reentry pathways to the workforce. Putting Kentuckians First facilitates targeted orientation classes for local judicial entities to create referral and accountability pipelines for individuals using a customer centered, county specific approach. Aaron Poynter, Director of the Reentry and Employment Services Branch, Kentucky Office of Adult Education, also discussed the Behavioral Health Conditional Dismissal Program and identification credential services for individuals enrolled in reentry activities. Additionally, the Reentry Employment Services Branch conducts pre-release classes in local and regional detention centers, reentry bootcamps, credential training in local detention centers, and apprenticeship and pre-apprenticeship training. More than 2100 individuals were served by the Reentry Employment Services Branch in fiscal year 2024 with an 83 percent increase in program referrals and a 70 to 80 percent employment retention rate.

Answering questions from Representative Branscum, Mr. Poynter said the demand for expansion of the initiative increases daily, and there are numerous ways to be referred to the program including direct referral from a county attorney's office and referrals from community organizations.

Responding to a question from Senator Funke Frommeyer, Mr. Poynter explained the ebbs and flows of program participants.

Addressing questions from Senator Elkins, Mr. Poynter discussed accountability measures for program participants and providers and the receptiveness of judicial system partners.

Hometown Health Systems

Dr. MeLeigha Milby, Pharmacist/CEO, Hometown Health Systems, stated that Hometown Health Systems, originally founded in 2019 as a pharmacy, has transitioned into connecting, serving, and administering lifesaving assistance to populations that have historically been neglected. Various workforce barriers were discussed, including substance use disorder. The workforce participation rate in the state is 57.6 percent with a much higher percentage of the male workforce being affected by substance abuse disorder and incarceration. After reviewing numerous programs across the country, Hometown Health Systems formulated

an individualized phased success plan that includes comprehensive intake with peer assessment, triage and detox, short term housing, reentry to community, and workforce development. The organization offers solutions that attempt to save money and lives with over \$27,000 in direct and indirect savings for every person under their care. About 68 percent of clients using Hometown Health Systems' comprehensive model maintain sobriety and sustained health outcomes.

Chairman Duvall thanked Dr. Milby for her passion and dedication to making a change in her community.

Answering a question from Chairman Wise, Dr. Milby stressed the importance of community-based collaboration. She discussed the need for streamlining incentive-based reimbursement.

Adjournment

There being no further business before the committee, the meeting adjourned at 11:09 AM.