

# **INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT**

## **Minutes of the 3rd Meeting of the 2019 Interim**

**August 22, 2019**

### **Call to Order and Roll Call**

The 3rd meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on Thursday, August 22, 2019, at 9:30 AM, in the ULA Ballroom at Freedom Hall in Louisville, KY. The meeting was a joint meeting with the Interim Joint Committee on Tourism, Small Business, and Information Technology. Senator Danny Carroll, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Danny Carroll, Co-Chair; Representative Russell Webber, Co-Chair; Senators Perry B. Clark, Ernie Harris, Jimmy Higdon, Wil Schroder, and Mike Wilson; Representatives Lynn Bechler, John Blanton, Charles Booker, Adam Bowling, R. Travis Brenda, McKenzie Cantrell, Daniel Elliott, Chris Freeland, Al Gentry, Kathy Hinkle, Thomas Huff, Nima Kulkarni, Savannah Maddox, Jason Petrie, Bart Rowland, and Buddy Wheatley.

Guests: David Beck, President and CEO, Kentucky Venues; Don Parkinson, Secretary, Tourism, Arts, and Heritage Cabinet; Regina Stivers, Deputy Secretary, Tourism, Arts, and Heritage Cabinet; Mike Nemes, Deputy Secretary, Education and Workforce Development Cabinet; Cora McNabb, Executive Director, Kentucky Office of Vocational Rehabilitation; Becky Cabe, Deputy Executive Director, Kentucky Office of Vocational Rehabilitation; Holly Hendricks, Director of the Division of Field Services, Kentucky Office of Vocational Rehabilitation; and Ed Monheimer, Director of Human Resources, Kentucky Kingdom.

LRC Staff: Andrew Manno, Chip Smith, Candice Messer, and Sasche Allen.

### **Approval of Minutes**

A motion to approve the minutes of the July 11, 2019 meeting was made by Representative Russell Webber, seconded by Senator Wil Schroder, and approved by voice vote.

### **Welcome**

David Beck, the President and CEO of Kentucky Venues, thanked the Kentucky General Assembly for funding that made several improvement projects possible including

upgrades to restrooms and improvements to meeting spaces. Since January 2019, Freedom Hall and the Kentucky Exposition Center has hosted 123 shows with an estimated \$200 million economic impact. The Kentucky International Convention Center in downtown Louisville has hosted 80 shows with a \$100 million economic impact. According to Mr. Beck, over 60 percent of the area's hotels are occupied due to the shows and business of these facilities. The 2019 Kentucky State Fair, which is hosted at Kentucky Exposition Center, is the 115<sup>th</sup> state fair. The 2018 State Fair had over 614,000 patrons and online tickets sales showed that there were purchases made by people from all 120 Kentucky counties. For the 2019 State Fair, there are over 1100 animals on property that will be shown and judged, 23,000 competition entries, 5,000 exhibitors, and over 400 vendors. Two other major events that are held at the Kentucky Exposition Center, which has over 1.2 million square feet of climate controlled space, are the North American Livestock Show and the National Farm Machinery Show. Mr. Beck closed by explaining that providing a secure and safe environment for guests, clients, sponsors, and staff is a top priority.

Senator Ernie Harris thanked Mr. Beck and his staff for the fast and proactive response to a recent incident involving a reported gunshot at the 2019 State Fair.

### **Kentucky Office of Vocational Rehabilitation Update**

The philosophy of the Office of Vocational Rehabilitation (OVR) is to recognize and respect the contribution of all individuals as a necessary and vital part of a productive society, and the mission is to assist Kentuckians with disabilities to achieve suitable employments and independence. The three core values of the agency include valuing the rights, merit, and dignity of all persons with disabilities and the opportunity to pursue employment as an important aspect of a full and meaningful life; valuing all staff, their individual talents, unique abilities and contributions; and valuing collaborative efforts and partnerships. 17.2 percent of people with disabilities in Kentucky that have an employment rate of 28.7 percent compared to the 75.1 percent employment rate for people without disabilities. The highest employment rate of individuals with disabilities is in Scott County with 45.2 percent and the lowest is in Owsley County with 6.3 percent. The OVR receives both state and federal funding. For every 22 cents funded by the Commonwealth, 78 cents in federal funds are received. Ms. McNabb stated that, because of the General Assembly, OVR was fully funded with general funds this past year which in turn allowed the agency to receive all of its federal funding. The OVR received \$13,571,171 of general funds and \$50,158,027 of federal funds.

The OVR services 50.3 percent males and 49.6 percent females. Almost 86 percent of consumer are white, 12.7 percent are Black, and 1.6 percent are of other races. Consumers have varying types of disabilities which include sensory, physical, cognitive, and psychological or mental but can fall into more than one category. The vocational rehabilitation process has four main steps which are application, eligibility, plan services, and program exit. The individual themselves can apply for services, a doctor can refer them, or a friend or family member can initiate the process. Eligibility for services is

determined by the individual's disability and whether the disability has an effect on the person's ability to work. The OVR typically determines eligibility within 60 days. An individual vocational plan is made for each person and documents the agreed upon vocational goal. A case is considered to be closed when the individual has maintain 90 days of consistent employment and all services required were provided.

The Workforce Innovation and Opportunity Act (WIOA) that was passed in 2014 and requires vocational rehabilitation to be a part of the workforce system. WIOA places emphasis on credential attainment, measurable skills gain, and long term employment. The legislation also added the requirement that OVR spend 15 percent of federal funds on pre-employment transition services for individuals with disabilities ages 14 to 21. There was also an increased emphasis on developing partnerships with employers to increase work experiences available to consumers. In October 2018, OVR created a branch specifically dedicated to fostering relationships with employers. Three employer partnerships were discussed that included collaborations with Kentucky Kingdom, CVS, and UPS. The Director of Human Resources for Kentucky Kingdom, Ed Monheimer, briefly spoke about the partnership with OVR and the impact it has had on the park as well as the participants in the program.

Two grant programs were discussed that are being utilized by OVR that are geared toward providing career pathways and helping injured or ill employees remain in or return to their jobs. First, Project CASE is a rehabilitation services administration federal five year demonstration grant. The objective is to increase training and employment for vocational rehabilitation consumers with disabilities in the advanced manufacturing, healthcare, and information technology sectors. Career pathway coordinators help to increase capacity by collaborating with employers to create work experiences. 516 people enrolled in post-secondary training through the program, 262 have earned industry recognized credentials, and 134 are successfully employed with an average weekly wage of \$665. The second grant that was detailed was RETAIN Kentucky, which is one of eight federally funded state pilot demonstration projects to implement and evaluate early intervention strategies and focuses on assisting workers to stay at work or return to work in the event of injury or illness that are in healthcare positions. The target population is specifically workers who have experienced a musculoskeletal injury or illness off the job in the Louisville Metro area, Bullitt, Henry, Oldham, Shelby, and Trimble counties. Phase one of the pilot program began in August 2018 with \$2.5 million in funds. The state is eligible for phase two competitive funding with a potential of an additional \$19 million to replicate and establish this model in other parts of the state.

Representative Nima Kulkarni made remarks about her brother who went through a program with Options Unlimited and is currently employed with UPS. She expressed her appreciation for organizations that work with individuals with disabilities and for the work of OVR. Replying to a question, Deputy Secretary Nemes said that extra funding is needed to help publicize the OVR programs.

Answering a question from Co-Chair Danny Carroll, Cora McNabb explained that OVR can close services to the lower categories of disabilities under federal law if there is insufficient staff or funding. There are four categories that are defined by severity of disability. The OVR currently has categories one and two open with 28 individuals on a waiting list in category three. Replying to a follow up question, Ms. McNabb explained that the OVR is receiving the maximum amount of federal funding as determined by population and number of individuals with disabilities. The additional funding that the OVR requires is partially due to recently adding new staff members. Deputy Secretary Mike Nemes said that he could provide a comprehensive breakdown of the OVR budget and what the cost would be to open another category.

Representative Al Gentry commented about how persons in the workplace with disabilities are viewed and discussed his personal experiences. He also mentioned the forming of a new caucus called Engage and Empower that will focus on educating the General Assembly and the public on issues effecting individuals with disabilities. Responding to a question, Deputy Secretary Mike Nemes said that although Kentucky Stats does a great job of compiling statewide statistics, there is not an adequate tracking mechanism to collect data and statistics for individuals with disabilities.

Addressing Co-Chair Danny Carroll, Ms. McNabb explained that although the pre-employment transition services are not mandated by the Department of Education for the schools, all pre-employment transition services are mandated for OVR. Provider relationships with the OVR and amongst the providers are being strengthened to better serve the consumers. Answering a follow up question, Ms. McNabb said more providers would be required if sheltered workshops began to close.

Responding to Representative R. Travis Brenda, Holly Hendricks said that the statewide average amount of time from application to eligibility is 27 days, and federal regulations requires no more than 60 days. Federal regulations require no more than 90 days to develop an individualized plan from the date eligibility is determined, and the statewide average is about 70 days.

Replying to Co-Chair Danny Carroll, Ms. McNabb said that although opening up category two has helped, funding is a struggle for not only the OVR but also for the nonprofit organizations throughout the state. Ms. Cabe added that some of the Medicaid waivers are helpful although eligibility may an issue for some consumers.

Representative Charles Booker made remarks about his grandfather who suffered a workplace injury and became a business owner. Ms. Hendricks confirmed that self-employment and entrepreneurship is something that can be supported in OVR's policy.

## **Kentucky State Fair and Tourism Update**

Secretary Don Parkinson and Deputy Secretary Regina Stivers of the Tourism, Arts, and Heritage Cabinet gave a brief update on the State Fair and some other areas of tourism throughout the state. Due to funding allotted by the General Assembly, much needed updates were done at Freedom Hall and the Kentucky Expo Center. Around 1600 parking spaces were added after the removal of a building on the property, new carpet has been installed, painting has been done, and bathrooms have been renovated. Secretary Parkinson said state tourism, which is the Commonwealth's third largest industry, has increased by 3.7 percent in the last year and 71 million people were entertained in some form or fashion within the state. As a result, marketing funds are being shifted from international advertising to instate advertising.

Co-Chair Danny Carroll announced that the next meetings of the Interim Joint Committee on Economic Development and Workforce Investment and the Interim Joint Committee on Tourism, Small Business, and Information Technology would be September 12, 2019.

There being no further business, the meeting adjourned at 11:03 a.m.