

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 1st Meeting of the 2022 Interim

June 2, 2022

Call to Order and Roll Call

The 1st meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on Thursday, June 2, 2022, at 9:00 AM, in Covington, KY at the Northern Kentucky Convention Center. Senator Wil Schroder, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Wil Schroder, Co-Chair; Representative Russell Webber, Co-Chair; Senators Christian McDaniel, Robby Mills, Adrienne Southworth, Brandon J. Storm, Reginald Thomas, Phillip Wheeler, Mike Wilson, and David Yates; Representatives Kim Banta, Lynn Bechler, Tina Bojanowski, Josh Bray, George Brown Jr., Josh Calloway, McKenzie Cantrell, Daniel Elliott, Chris Freeland, Al Gentry, Mark Hart, Thomas Huff, DJ Johnson, Kim King, William Lawrence, Matt Lockett, Bart Rowland, Steve Sheldon, and Timmy Truett.

Guests: Brent Cooper, President and CEO, Northern Kentucky Chamber of Commerce; Seth Cutter, Director of Communications and Government Affairs, Cincinnati/Northern Kentucky International Airport; Brian Miller, Executive Director, Building Industry Association of Northern Kentucky; Vicki Berling, Director of Professional Development, Enzweiler Building Institute; Representative Susan Westrom; Representative Buddy Wheatley; and Matt Lenz, Director of State Government Affairs, Entertainment Software Association.

LRC Staff: Janine Coy, Audrey Ernstberger, Crystal Thompson, and Sasche Allen.

Northern Kentucky Chamber of Commerce

Brent Cooper, President and CEO of the Northern Kentucky Chamber of Commerce, welcomed members to Northern Kentucky. He highlighted some of the key industries in the area such as advanced manufacturing, healthcare, information technology, supply chain logistics and distribution, and construction. He stated these industries and many small businesses are struggling to attract and retain employees.

Update on Sustainable Aviation Fuel (SAF) Development

Seth Cutter, Director of Communications and Government Affairs at Cincinnati/Northern Kentucky International Airport and a representative of the Kentucky Sustainable Aviation Fuels Coalition, discussed the potential economic impact of manufacturing Sustainable Aviation Fuel (SAF) in the Commonwealth.

SAF is a biofuel used to power aircrafts and has comparable properties to conventional jet fuel but with a smaller carbon footprint. It can be comingled with jet fuel and is produced using the same infrastructure. There are currently seven approved production pathways for biofuel made from the following base materials: solid wastes, hardwood residues or resins, and oils and greases. Supporting SAF production would combine the energy and aviation industries and could have a major economic impact in Kentucky that few other states experience due to the existing energy and aviation infrastructures already in place throughout the Commonwealth.

Legislative incentives for alternative fuels were enacted during previous legislative sessions. During the 2022 Regular Session, SB 323 was introduced and aimed to spur SAF production by proposing a \$2.50 per gallon tax credit for SAF used and produced in the state and a \$2 per gallon tax credit for SAF consumed in but not produced in the Commonwealth. The bill also proposed creating a SAF-specific program that involved a \$10 million appropriation to the Kentucky Economic Development Finance Authority (KEDFA) to use as forgivable loan funding for SAF facility projects with a minimum capital investment of \$100 million. According to Mr. Cutter, production of SAF would create more air service and cargo development, jobs in a newly formed industry, spur synergies with existing state industries, and make Kentucky a global leader in the field.

Answering a question from Representative Kirk-McCormick, Mr. Cutter explained that the only approved fuel types for commercial aircrafts are jet fuel and SAF, but natural gas is used to power some ground support equipment. Replying to a follow up, he stated the current cost of jet fuel is approximately \$2.15 a gallon.

Responding to Representative Gentry, Mr. Cutter confirmed that SAF stands for sustainable aviation fuel, it is an alternate to traditional jet fuel and is comprised of a reusable base material.

Workforce Development in the Construction Trades

Brian Miller, Executive Director of the Building Industry Association of Northern Kentucky, and Vicki Berling, Director of Professional Development for the Enzweiler Building Institute, gave an overview of the construction industry in the region. Despite growth in the industry and increasing wages, there is a critical shortage of workers across the skilled trades. In the next ten years, the Greater Cincinnati area will need about 65,000 new workers to enter the construction industry.

The Building Industry Association of Northern Kentucky is trying to combat the workforce shortage by encouraging the approach used by the Enzweiler Building Institute which provides apprentice style training in the skilled construction trades. Areas of training include carpentry, welding, masonry, HVAC, plumbing, electric, and diesel mechanics. A high school program that involves exposure to all the major trades is also offered, as well as events and presentations for elementary and middle school aged children.

Ms. Berling discussed the following challenges facing the Building Industry Association of Northern Kentucky and Enzweiler Building Institute: the state's narrow definition of "career ready," finding and certifying instructors, high workers' compensation rates for high school students participating in work based learning, stringent licensure laws, finding funding resources for transportation and tuition, and Kentucky Educational Excellence Scholarship (KEES) monies not being applicable to all programs. Mr. Miller presented some recommendations that included incorporating the Home Builders Association curriculum into the state's career readiness definitions, removing barriers for field professionals to teach, convening employers to discuss ways to increase involvement, revising state statutes pertaining to licensures, and allowing KEES monies to be used in any state recognized program in high impact career areas.

Representative Bojanowski expressed her hesitancy about presenting the idea of a career in trades to elementary and middle school age children and encouraged further development of post-graduation success rates as an accountability measure for the Enzweiler Building Institute.

Answering a question from Representative Brown, Ms. Berling stated that the Enzweiler Building Institute aims to increase enrollment of women and minorities by offering scholarships and having targeted events such as Women in Construction Week. Representative Brown also commented about offering opportunities for individuals with criminal records who are reentering the workforce.

Discussion of HB 106 2022 Regular Session - AN act relating to the termination of automatic renewal offers and continuous service offers.

HB 106 was filed during the 2022 Regular Session after Representative Susan Westrom had issues recovering funds from an online florist that used an automatic subscription renewal without her knowledge. In addition, she also received calls from constituents expressing that they too experienced similar problems. The introduced bill put in place stricter consumer protections by clearly defining "affirmative consent," "automatic renewal," "automatic renewal offer terms," "clean and conspicuous," "continuous service," "continuous service offer terms," "gift membership," "gift subscription," "material change," "membership," "purchasing agreement," and "subscription." Five other states passed similar legislation in 2022, and the Federal Trade Commission has released directives for automatic renewal policies. Matt Lenz, Director of State Government Affairs

with the Entertainment Software Association, testified about his organization's concerns with the bill including the notification, payment method, and cancellation sections.

Replying to a question from Senator Schroder, Mr. Lenz confirmed that there were five states that passed automatic renewal legislation in 2022 and 18 total states have similar legislation in place. These states have varying degrees of comparable language to HB 106. He said Tennessee's automatic renewal laws would be helpful to refer to when moving forward with the legislation in the future.

Representative Roberts expressed her concern that, as a small business owner offering automatic renewal services through a third party provider, the bill would make her business unfairly liable. She asked for confirmation that the bill would take into consideration small business owners with similar contracts in place.

There being no further business, the meeting adjourned at 10:00 a.m.