

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 1st Meeting of the 2023 Interim

June 22, 2023

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 22, 2023, 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; Representative Russell Webber, Co-Chair; Senators Gary Boswell, Shelley Funke Frommeyer, Denise Harper Angel, Brandon J. Storm, Reginald Thomas, Phillip Wheeler, and Mike Wilson; Representatives Shane Baker, Jared Bauman, Josh Branscum, Steve Bratcher, Daniel Elliott, Mark Hart, Thomas Huff, Kevin Jackson, Kim King, Nima Kulkarni, Matt Lockett, Phillip Pratt, Rachel Roarx, Ashley Tackett Laferty, and Timmy Truett.

Guests: Kate Shanks, Senior Vice President of Public Affairs, Kentucky Chamber of Commerce and LaKisha Miller, Executive Director, Kentucky Chamber Workforce Center.

LRC Staff: Helen McArthur, Crystal Thompson, Eric Rodenberg, and Sasche Allen.

Business-Driven Solutions to Kentucky's Workforce Challenges

Kate Shanks, Senior Vice President of Public Affairs at the Kentucky Chamber of Commerce and LaKisha Miller, Executive Director of the Kentucky Chamber Workforce Center, gave an overview of programs and strategies being utilized by the Kentucky Chamber and the Chamber's Workforce Center to combat labor market challenges for employers. Programs discussed included Talent Pipeline Management that aims to address skill gaps by organizing employers around their most critical workforce needs and the Workforce Recovery Program which includes the Fair Chance Academy and the Kentucky Transformational Employment Program. In addition, Ms. Miller also highlighted the Center's Bus to Business Program that engages students through webinars, events, and work-based learning activities.

Answering a question from Senator Wise, Ms. Miller and Ms. Shanks confirmed that the benefits cliff effect is a factor when considering low workforce participation rates.

Replying to Senator Thomas' question regarding increasing the minimum wage, Ms. Shanks stated that the Chamber supports economically sustainable wage growth but is not in favor of wage mandates for employers.

Addressing Senator Funke Frommeyer, Ms. Miller said the number of incarcerated individuals eligible for the Fair Chance Academy varies from month to month, and participants in the program are linked with employment opportunities three months prior to release. Replying to a follow up, she stated the program focuses on all industry sectors including manufacturing, construction, and healthcare.

Responding to questions from Representative Pratt, Ms. Shanks explained the difference between the unemployment rate and the workforce participation rate, pointing out that the unemployment rate includes individuals that are currently seeking employment due to loss of employment, and the workforce participation rate includes individuals no longer seeking employment. These rates are both impacted by populations that have begun to retire from the workforce. Regarding the Fair Chance Academy, legal liability protections have been put in place through legislation passed during the 2020 Regular Session.

Answering questions from Representative Kulkarni, Ms. Miller stated the Fair Chance Academy is utilized by employers of varying sizes and discussed fair chance business practices that are based upon the employers' needs. In response to a follow up question, she explained that Talent Pipeline Management industry sector alignments are based on the employers that have approached the Center to participate in the program. Automation and changes in the economy will change these industry sectors in the future.

Replying to Senator Boswell's comments, Ms. Miller said cannabis use policies vary amongst employers, and most Kentucky employers are paying above the federal minimum wage.

Representative Bratcher made comments about the Center's veteran workforce programs, tax rates, and employers paying above the federal minimum wage.

Addressing Senator Wilson's remarks about workforce participation, Ms. Miller referred to the Chamber's published reports including *Kentucky's Strategy for Rapid Workforce Growth* and discussed talent attraction approaches. Ms. Shanks mentioned tax code changes as a talent attraction tool.

In response to Representative Jackson, Ms. Shanks discussed how childcare affects workforce participation and the childcare assistance program established by 22 RS HB 499.

Answering questions from Representative Roarx, Ms. Miller gave more details about the Center's Bus to Business Program and discussed diversity across industry sectors, and Ms. Shanks further discussed remote worker incentives for talent attraction.

There being no further business before the committee, the meeting adjourned at 10:36 a.m.