

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 3rd Meeting of the 2024 Interim

August 29, 2024

Call to Order and Roll Call

The third meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on August 29, 2024, 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; Senators Shelley Funke Frommeyer, Jason Howell, Robby Mills, Reginald Thomas, and Phillip Wheeler; Representatives Shane Baker, Jared Bauman, Steve Bratcher, Josh Calloway, Adrielle Camuel, Robert Duvall, Al Gentry, Peyton Griffie, Thomas Huff, Kevin Jackson, Kim King, Nima Kulkarni, Matt Lockett, Phillip Pratt, and Scott Sharp.

Guests: Jamie Link, Secretary, Education and Labor Cabinet; Aaron Thompson, President, Kentucky Council on Postsecondary Education; Jeff Noel, Secretary, Cabinet for Economic Development; Ryan Quarles, President, Kentucky Community and Technical College System; Ashli Watts, President & CEO, Kentucky Chamber of Commerce; Kimberlee Perry, Commissioner, Department of Workplace Standards; Chuck Stribling, Deputy Commissioner, Department of Workplace Standards; Duane Hammons, Assistant Director of Division of Wages and Hours, Department of Workplace Standards

LRC Staff: Janine Coy, Austin Johnson, Matissa Robinson, and Sasche Allen.

Approval of Minutes

A motion to approve the minutes from the July 31, 2024, meeting was made by Representative Bratcher, seconded by Representative Lockett, and approved by voice vote.

State Workforce and Talent Team Update

The Statewide Workforce and Talent Team (SWATT) was formed to develop a sustainable and effective workforce system responsive to the needs of employers and citizens by working in tandem with local, regional, and state partners to collaborate and align the delivery of actionable and systemic workforce solutions. SWATT consists of the Cabinet for Economic Development, Education and Labor Cabinet, Kentucky Chamber of Commerce,

Kentucky Chamber Foundation, Kentucky Council on Postsecondary Education, Kentucky Community and Technical College System, Kentucky Department of Education, Kentucky Center for Statistics, Kentucky Association of Manufacturers, and Kentucky Hospital Association. Key objectives include adopting an industry-focused, data-driven approach; improving communication and confidence among workforce entities; delivering impactful solutions to companies tailored to industry demands; and fostering and maintaining strong ties to address workforce needs. Jamie Link, Secretary of the Education and Labor Cabinet, Aaron Thompson, President of the Kentucky Council on Postsecondary Education, Jeff Noel, Secretary of the Cabinet for Economic Development, Ryan Quarles, President of Kentucky Community and Technical College System, and Ashli Watts, President and CEO of the Kentucky Chamber of Commerce, discussed their respective organizations' role in the collaborative initiative.

Addressing a question from Chairman Branscum, Secretary Noel described the process of SWATT working with prospective companies considering locating or expanding in the Commonwealth. He said all partners in SWATT would be utilized in the process-driven, continuing approach.

Replying to Representative Gentry, Ms. Watts confirmed that the Chamber is working to formulate an academy style program geared toward employees with disabilities, similar to those in place for veterans and fair chance employers, and Secretary Link added that the Office of Vocational Rehabilitation would be a helpful resource.

After Senator Funke Frommeyer inquired about the upcoming closing of Hammer Strength in Pendleton County, Secretary Link said SWATT has a rapid recovery program for employees who have experienced job loss. Ms. Watts stated the Chamber can work with employers and Chamber members for job placement opportunities, and Secretary Noel explained options to connect employers to the employees that will be displaced.

In response to questions and comments from Senator Wheeler, Ms. Watts, on behalf of the state Chamber, commented about increased onshoring and reshoring efforts in recent years, fluctuating trade policies on the federal level, and the climate of the global economy. Dr. Thompson responded to comments made about higher education by discussing the decreasing numbers of students obtaining loans with an average amount of \$26,000, the value of investing in higher education, financial aid counseling, and the affordability of higher education. Dr. Quarles stated the Commonwealth can benefit from a technically trained workforce, and KCTCS offers a viable alternative to a traditional four-year degree program. There is an unfair, negative narrative placed upon technical education.

Answering a question from Representative King, Secretary Link described the concept of having single points of contact for different shared workforce solutions.

Replying to Representative Duvall, Secretary Link said the Education and Labor Cabinet's federal workforce grants and funding can only be used for outreach and not marketing or advertising. The Cabinet must be strategic and cautious when spending federally appropriated funds. In response to restrictive federal funding guidelines, other states have begun appropriating state funds for workforce development, recruitment, and retention.

Addressing Representative Kulkarni, Dr. Thompson discussed utilizing underrepresented workforce pipelines and seamlessly connecting employers to immigrant populations that possess relevant skills, education, competencies, and certifications.

Responding to Representative Calloway, Ms. Watts stated substance abuse recovery has been one of the Chamber's major pillars of work in both policy and programming. She mentioned the Chamber's Fair Chance Academy that assists in training employers in hiring individuals recently released from incarceration and those in recovery and the Chamber's strong involvement with criminal justice reform. Dr. Quarles made comments about KCTCS's open access to all Kentuckians and his organization's collaborations with prisons, jails, and rehabilitation and recovery communities across the state. Secretary Noel discussed the importance of collaboration and coordination amongst SWATT partners, employers, and other pertinent resources.

Overview of Kentucky's Department of Workplace Standards

Kimberlee Perry, Commissioner of the Department of Workplace Standards (DWS), Chuck Stribling, Deputy Commissioner of the Department of Workplace Standards, and Duane Hammons, Assistant Director of the Division of Wages and Hours within the Department of Workplace Standards, gave an overview of the DWS which included the Division of Occupational Safety and Health (OSH) Compliance, OSH Review Commission, Division of OSH Education and Training (KYSAFE), and Division of Wages and Hours. DWS's main purpose is to ensure all employees and workers receive proper and fair wages along with a safe and healthy working environment. DWS has the statutory authority to execute the obligations of the Divisions, including the Division of Wages and Hours, OSH Compliance, and KYSAFE. The Division of OSH Compliance is responsible for the enforcement of OSH standards that includes inspections that may be a result of imminent danger reports, fatalities, accidents, hospitalizations, amputation reports, employee complaints, or referrals. The OSH Review Commission is a three-member commission appointed by the Governor based on competence in the fields of occupational safety and health that handles disputes when an employer disagrees with an OSH citation issued by DWS. KYSAFE is a program that offers free safety and health training and consultation to employers and employees by promoting voluntary compliance with the OSH standards and conducting outreach to employers and employees such as support to the Spanish-speaking population. The Division of Wages and Hours is responsible for enforcement of labor laws relating to

minimum wage, overtime, wage payments, payroll deductions, and wage discrimination and enforcement of child labor laws.

Each division was discussed in detail with specific statistical and programmatic information. The Division of OSH Compliance's total case rate for work-related injuries and illnesses fell to 3.2 cases per 100 full-time equivalent workers in 2023 compared to 8.4 cases when the Bureau of Labor Statistics began tracking data in 1996. There have been 19 work related fatalities to date in 2024 compared to 35 fatalities at the same time in 2023. From 2018 to 2023, the OSH Review Commission reviewed 525 cases with 407 facilitated resolutions during the prehearing process. To speed resolution, the Review Commission retained a part-time, temporary hearing officer to supplement the hearing services provided by the Attorney General's office. In FY 2023, KYSAFE consultants discovered over 2,800 serious workplace hazards that saved employers more than \$19 million in potential penalties and protected nearly 56,000 exposed employees. KYSAFE partnership programs and outreach were discussed including the Voluntary Partnership Program, Safety Health Achievement Recognition Program, and Construction Partnership Program, along with a new program called the National Emphasis Program for Heat Stress. From January 2024 to July 2024, the Division of Wages and Hours collected \$549,637.39 in restitution for 480 employees and investigated 45 employers for alleged child labor law violations affecting 90 minors.

Answering a question from Chairman Branscum, Mr. Stribling said mostly all OSH Compliance inspections involve imminent danger, fatality, amputation, or hospitalization. Although general schedule inspections used to be performed at random at times, DWS no longer has enough staff to do so.

Replying to Representative Pratt, Mr. Hammons confirmed that there is an overtime exemption for agriculture related work in statute and said he would provide the enforcement guidance as requested.

Addressing questions from Representative Gentry, Mr. Stribling verified that OSH Compliance tracks the number of work related amputations and the loss of an eye, which according to statute, means a person's eyeball physically comes out of their eye socket. Amputations, hospitalizations, and eye losses are required to be reported on the federal level and other related data may be stored with the Bureau of Labor Statistics.

Responding to Senator Funke Frommeyer, Mr. Hammons clarified that Kentucky's statutes related to child labor mirror the federal government's Fair Labor Standard Act pertaining to hazardous occupations for minors but adds distillery and pool hall related hazardous occupations. KRS also mirrors the U.S. Department of Labor's restrictions for hours worked by minors ages 14 and 15 but adds supplementary restrictions for minors ages 16 and 17. Fourteen years of age is the earliest an individual is permitted to obtain gainful

employment which also mirrors federal law.

Adjournment

There being no further business before the committee, the meeting adjourned at 10:46 a.m.