

# INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

## Minutes of the 5th Meeting of the 2024 Interim

October 24, 2024

### Call to Order and Roll Call

The fifth meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on October 24, 2024, 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 Josh Branscum, Co-Chair; Senators Jason Howell, Robby Mills, Reginald Thomas, Phillip Wheeler, and Mike Wilson; Representatives Shane Baker, Jared Bauman, Steve Bratcher, Adrielle Camuel, Robert Duvall, Daniel Elliott, Al Gentry, Peyton Griffie, Thomas Huff, Kevin Jackson, Kim King, Nima Kulkarni, Phillip Pratt, and Scott Sharp.

Guests: Cori Gadansky, Executive Director, Community Coordinated Child Care (4-C); Debbie Link, Executive Director, Child Care Council of Kentucky; Sandra Woodall, Executive Director and CEO, EC LEARN; Mandy Simpson Marler, Vice President of Government Affairs, Baldwin Consulting; Terri Bradshaw, President, Kentucky Association for Economic Development; Chris Schwinden, Partner, Site Selection Group; Chris Girdler, President and CEO, Somerset Pulaski Economic Development Authority; and Michelle Allen, Executive Director, Lake Cumberland Tourism.

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

### Approval of Minutes

A motion to approve the minutes from the September 26, 2024, meeting was made by Representative Duvall, seconded by Senator Funke Frommeyer, and approved by voice vote.

### Engaging Kentucky Employers & Communities in Child Care Solutions

Cori Gadansky, Executive Director, Community Coordinated Child Care (4-C); Debbie Link, Executive Director, Child Care Council of Kentucky; Sandra Woodall, Executive Director and CEO, EC LEARN; and Mandy Simpson Marler, Vice President of Government Affairs, Baldwin

Consulting, presented on child care solutions. Child care shortages have had a significant economic impact nationally and statewide. National research shows prime age workers are not looking for employment largely due to caring for a child. Half of prime age workers cite child care access as a barrier to employment. While 73 percent said trust in their child care providers is crucial when considering whether to enter or return to the workforce, almost 70 percent stated the cost of care is imperative to returning to work. An estimated 76,000 Kentuckians are not working because of caring for children not in school or due to a lack of available child care, which has resulted in a 79.2 percent workforce participation rate among prime age workers compared to the national rate of 83.3 percent. Adding 30,000 prime age workers to the state labor force would increase the prime age workforce participation rate to 81.1 percent. Additionally, a September 2024 survey of parents across the state showed 37 percent reduced their work hours and 30 percent have temporarily left the workforce due to child care concerns.

Local Child Care Resource and Referral agencies that operate within the Family Child Care Network of Kentucky were discussed along with services provided and the recent award of grant funding for child care facility startups. A partnership with EC Learn and the Northern Kentucky Area Development District called NKY Works was highlighted. NKY Works focuses on early childhood education, career readiness, talent attraction, and best practices for employers. Another initiative discussed was a partnership with Cincinnati and Northern Kentucky International Airport called CVG Cares. CVG Cares focuses on needs assessments, action planning, implementation, and child care infrastructure. The Metro Louisville Land Development Code Reform was detailed, which changed the permitting process for in-home child care centers. Legislative child care recommendations included unlocking child care availability by sustaining the Child Care Assistance Program (CCAP); spurring local solutions by resourcing community access building collaborations; accelerating participation in the Employee Child Care Assistance Partnership through dedicated recruitment efforts and employer administration supports; and maximizing the Family Child Care Network employer and provider reach.

Answering a question from Representative Jackson, Ms. Marler discussed the positive impacts on kindergarten readiness as a result of child care and early childhood education by creating a multifaceted approach that utilizes the federal Early Head Start program, public preschool, and private child care.

Responding to Representative Bauman, Ms. Marler clarified that about half of prime age workers polled that are not presently in the workforce are doing so by choice, with the other half not participating strictly due to child care limitations.

Addressing questions from Representative Kulkarni, Ms. Marler discussed remote work opportunities for employees desiring to reenter the workforce. Ms. Link described

increasing child care providers through early childhood apprenticeship programs and working with Career Centers, and Ms. Marler said the most efficient way to disburse funding for programs like the Land Development Code Reform is directly to providers.

Replying to Senator Thomas, Ms. Link discussed employer sponsored child care, including the use of public and private funding.

### **Site Selection Overview & Kentucky's Competitive Positioning**

Terri Bradshaw, President, Kentucky Association for Economic Development, and Chris Schwinden, Partner, Site Selection Group, provided an overview of site selection, including the process of site selection, how the Commonwealth compares to other states, and recommendations for improvements. General site selection involves location advisory services, real estate services, economic incentive services, and economic development consulting. Compared to other states, the Commonwealth is extremely well positioned geographically, but port sensitive projects tend to be located in the southeast part of the country. In addition, although the Commonwealth has well positioned highway systems, the I-65 and I-75 corridors have become overrun. Possible solutions to these site selection barriers include rail as an alternative to port use and utilizing the I-69 corridor in the western part of the state. Overall, the Commonwealth contains sites across the state suitable for smaller projects but lacks necessary infrastructure for larger projects due to utility and topography constraints along with a distribution crowd-out in some portions of the state. Generally, the state is very cost competitive; has attractive property tax rates; has favorable demographics and manufacturing skill sets present in larger markets; and has strong workforce training. Discussion of how other states are investing in site readiness included site acquisition and infrastructure improvements. The Kentucky Productive Development Initiative (KDPI) program was highlighted as a site selection support that stimulates transformational economic development projects by creating quality jobs across the Commonwealth. Long term economic development strategies include ongoing improvements in the areas of education, demographics, and economic development partnerships.

Answering a question from Senator Funke Frommeyer, Ms. Bradshaw said there are various opportunities for local communities to assess site readiness such as obtaining a consultant team or participating in the community assessment program through the University of Kentucky. Mr. Schwinden also highlighted the Site Selection Group's services.

Responding to Representative King, Mr. Schwinden discussed the tax policy competitiveness.

Addressing Chairman Branscum, Mr. Schwinden discussed the various factors that influence a state's site selection.

## **Igniting a Spark and Going Beyond - The Future of Economic Development and Tourism**

Chris Girdler, President and CEO, Somerset Pulaski Economic Development Authority, and Michelle Allen, Executive Director, Lake Cumberland Tourism, discussed strategies to boost tourism and economic development through partnerships, infrastructure development, and community engagement in Somerset and Pulaski County. Somerset Pulaski Economic Development Authority (SPEDA) and Lake Cumberland Tourism promote tourism and economic development in that region and the Commonwealth. They emphasized how enhancing local attractions and offering unique visitor experiences are key to competing with neighboring states for tourism revenue. There was a focus on cultivating the Commonwealth's unique cultural and natural resources to attract new businesses and increase the region's visibility on a national level. These initiatives align with the state's broader goals of sustainable economic growth and increased workforce participation, as highlighted in ongoing state development programs. The presenters highlighted some SPEDA initiatives that include providing solutions to child care issues and affordable housing shortages.

Chairman Branscum thanked presenters for their work in the entire Lake Cumberland region.

Senator Funke Frommeyer shared her personal experience with the Lake Cumberland region.

## **Adjournment**

There being no further business, the committee adjourned at 10:40 AM.