

INTERIM JOINT COMMITTEE ON ECONOMIC DEVELOPMENT AND WORKFORCE INVESTMENT

Minutes of the 3rd Meeting of the 2025 Interim

August 28, 2025

Call to Order and Roll Call

The third meeting of the Interim Joint Committee on Economic Development and Workforce Investment was held on August 28, 2025, at 9:00 AM in Room 149 of the Capitol Annex. Senator Phillip Wheeler, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Phillip Wheeler, Co-Chair; Representative Josh Branscum, Co-Chair; Senators Gary Boswell, Shelley Funke Frommeyer, Rick Girdler, Jason Howell, Scott Madon, Matt Nunn, Reginald L. Thomas, and David Yates; and Representatives Adam Bowling, Josh Calloway, Robert Duvall, Daniel Elliott, Al Gentry, Vanessa Grossl, Thomas Huff, Kevin Jackson, Kim King, Nima Kulkarni, Matt Lockett, J.T. Payne, Scott Sharp, and Ashley Tackett Laferty.

Guests: Representative Jason Petrie; Mike Buckentin, CEO, Metals Innovation Initiative (MI2); Bob Eviston, Board Chair, MI2; and Colby Kirk, President and CEO, One East Kentucky.

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

Approval of July Minutes

A motion to approve the minutes from the July 31, 2025, meeting was made by Representative Lockett, seconded by Representative Bowling, and approved by voice vote.

Forging the Future: Kentucky's National Leadership in Metals Manufacturing

Representative Petrie; Mike Buckentin, CEO, MI2; and Bob Eviston, Board Chair, MI2, testified about the Commonwealth's leadership in metals manufacturing and strategies to maintain competitiveness. The state is home to over 1,000 metals facilities employing more than 36,000 workers directly and supporting nearly 96,000 jobs overall. The industry generates approximately \$37.8 billion in economic output annually, with wages 30 to 60 percent higher than regional averages. However, significant workforce challenges include approximately 1,000 unfilled positions daily, high turnover, and skill gaps not adequately addressed by existing education and training pipelines. Presenters also noted that the Commonwealth's recycling rates fall below national averages, creating additional supply

chain vulnerabilities.

To address these workforce and recycling issues, three key initiatives were recommended. The Metals Pathway is a public-private partnership to develop a consistent talent pipeline for secondary and postsecondary students, with initial pilots in Logan, Warren, and Carroll counties. The KY WORCS expansion scales a successful workforce model and adds wraparound services such as transportation and childcare. The third initiative includes a statewide, industry-led recycling plan to strengthen raw material security and reduce reliance on imports. The estimated economic impact of these workforce programs is more than \$56 million. Members were urged to support public-private partnerships to fund these initiatives.

In response to Chair Wheeler, Representative Petrie said generative and transmissive power challenges are possible to overcome over time, but a skilled workforce and recycling capabilities are the most immediate challenges. Mr. Buckentin stressed the importance of planning for long term challenges while exploring alternative methods of energy generation.

Responding to Senator Funke Frommeyer, Mr. Eviston discussed removing the stigma that a person must attend a traditional four-year college or university to be successful professionally.

Addressing Representative Calloway's comments regarding the 2022 closure of the Century Aluminum smelter plant in Hancock County, Mr. Buckentin stated he did not prepare specific remarks on energy production, but he acknowledged the need to expand the work of MI2 to assist in similar circumstances in the future. Representative Petrie concurred and highlighted the necessary collective effort of all partners involved in MI2.

Replying to Representative King, Mr. Buckentin discussed career readiness of primary and secondary students and the need for a metals career pathway. Representative Petrie cited MI2's existing metals career pathway program in Logan County.

In response to Co-Chair Branscum, Mr. Buckentin stated one of the most important aspects of his organization's work has been to establish and cultivate relationships with other workforce and industry partners, and MI2 is willing to collaborate with state workforce boards.

In response to Senator Boswell about the minimal compensation for recycled items, Representative Petrie said the issue is known and solutions are being formulated.

Representative Jackson commended the chair for allowing MI2 to present to the committee

and discuss the importance of the metals industry in the state.

Improvements to Kentucky's Incentive Programs

Colby Kirk, President and CEO, One East Kentucky, spoke about improving the state's economic development incentive programs to better support business growth and regional development. He emphasized current incentives should be more transparent, predictable, and tailored to meet the specific needs of businesses in both rural and urban areas, ensuring that companies of all sizes can access opportunities effectively. Mr. Kirk highlighted the importance of streamlining application processes, reducing administrative burdens, and aligning incentives with workforce development initiatives to strengthen the talent pipeline. He discussed the need for measurable outcomes to track the success of incentives in creating sustainable jobs, attracting new investment, and supporting regional economic diversification. Additionally, Mr. Kirk recommended enhanced coordination between state agencies, local economic development organizations, and private sector partners to maximize program effectiveness, encourage collaboration, and ensure resources are deployed efficiently across the Commonwealth's regions. He concluded by stressing that a modernized, well-structured incentive system is essential for maintaining the state's competitiveness in attracting and retaining high quality businesses statewide.

In response to Chair Wheeler, Mr. Kirk explained unemployment rates, median household income, poverty rates, and income per capita are key factors in tiered incentive approaches. Among the states he discussed, he noted Tennessee has the longest-established program, in place since 2012.

Senator Funke Frommeyer made remarks about the importance of partnerships and encouraged a more collective approach among state and local partners.

Representative Grossl commended the organization's work on a tiered incentive model.

In response to Senator Yates, Mr. Kirk agreed that housing is a major factor in addressing workforce challenges. He commended the General Assembly for statewide infrastructure improvements and discussed employer-related workforce issues. Chair Wheeler added that in eastern Kentucky, education poses a greater challenge than housing due to the depopulation of the region.

Senator Nunn noted that as the labor market evolves, tiered incentive programs should be revisited and adjusted over time to remain effective.

In response to Chair Wheeler, Mr. Kirk stated the tiered incentive program may be implemented across various state incentive programs.

Adjournment

There being no further business before the committee, the meeting adjourned at 10:15 AM.