

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2016 REGULAR SESSION
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Amend printed copy of HB 626/HCS 1

On page 4, after line 13, by inserting the following:

"➔SECTION 2. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

As used in Sections 2 to 5 of this Act:

- (1) "Agreement" means an agreement made pursuant to Section 6 of this Act between KEDFA and a partnership project;
- (2) "Board" means the Kentucky Workforce Investment Fund Advisory Board established by Section 4 of this Act;
- (3) "Educational institution" means:
 - (a) A public state university located in the Commonwealth;
 - (b) The Kentucky Community and Technical College System or any of its affiliated institutions; or
 - (c) Any public school district located in the Commonwealth;
- (4) "Eligible costs" means:
 - (a) Obligations incurred for labor and amounts paid to contractors, subcontractors, and builders in connection with the partnership project;
 - (b) The cost of acquiring land or rights in land and any cost incidental thereto,

Amendment No. HFA 2

Sponsor: Rep. Jim DeCesare

Committee Amendment: _____

Signed: _____

Floor Amendment: _____

LRC Drafter: Thomas, Pam

Adopted: _____

Date: _____

Rejected: _____

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- including recording fees;
- (c) The cost of contract bonds and of insurance of all kinds that may be required or necessary for completion of a partnership project which is not paid by a contractor or otherwise provided for;
- (d) All costs of architectural and engineering services, including test borings, surveys, estimated plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all duties required for the partnership project;
- (e) All costs incurred for construction activities, including site tests and inspections; subsurface site work; excavation; removal of structures, roadways and other surface obstructions; filling, grading, and providing drainage and storm water retention; installation of utilities; off-site construction of utility extensions to the boundaries of the project site; or similar activities the board determines are necessary for the partnership project;
- (f) All costs associated with the purchase of equipment and furnishings; and
- (g) Marketing expenses for the first year of the project;
- (5) "Eligible project" means a project proposed by a project partnership that involves:
- (a) The construction and equipping of a new facility for the purpose of providing workforce training and education;
- (b) The renovation or upgrade of an existing facility; or
- (c) The purchase of new or upgraded equipment and furnishings;
- (6) "Equipment and furnishings" means equipment, machinery, furnishings, office equipment, computers, software, fixtures, telecommunications infrastructure, or other items necessary to equip a facility to provide workforce training and education programs proposed as part of a partnership project;

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- (7) "KEDFA" means the Kentucky Economic Development Finance Authority established by KRS 154.20-010;
- (8) "Kentucky Workforce Innovation Board" or "KWIB" means the board established in Kentucky pursuant to the requirements of the Workforce Innovation and Opportunity Act, 29 U.S.C. sec. 3111, for the purpose of assisting the Governor in creating an integrated statewide strategic plan for the workforce development system of the Commonwealth;
- (9) "Governmental entity" means an agency, instrumentality, or other entity of state or local government;
- (10) "Partnership" means a collaborative group that includes, at a minimum, a private employer and an education partner, and which may also include other private employers and educational institutions, governmental entities, workforce development organizations, and other economic development partners; and
- (11) "Partnership project" means a project proposed by a partnership.

➔SECTION 3. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

- (1) The purposes of Sections 2 to 5 of this Act and Sections 6 and 7 of this Act are to support and promote the development of a highly trained workforce in the Commonwealth by providing resources to partnerships that collaborate on projects designed to provide the necessary facilities, equipment, programs and curriculum to train and educate workers to meet the workforce needs of Kentucky's employers now and in the future.
- (2) The program established by Sections 2 to 5 and Sections 6 and 7 of this Act shall be jointly administered by the board established by Section 4 of this Act and KEDFA, with division of responsibilities as follows:
- (a) The board shall, in collaboration with KEDFA, develop requirements and

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qualifications for partnership projects, and the process by which applications will be received and reviewed, through the promulgation of administrative regulations in accordance with KRS Chapter 13A.

(b) The board shall be responsible for the initial review of applications for funding, and shall submit partnership project funding recommendations, along with supporting information and documentation, to KEDFA for review and final approval.

(c) Upon final approval of a partnership project, KEDFA shall enter into an agreement with the partnership as provided in Section 6 of this Act. KEDFA shall monitor the partnership project, and all reports submitted by the partnership shall be provided to both KEDFA and the board.

➔SECTION 4. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

(1) The Workforce Investment Fund Advisory Board is created and shall be attached to the Cabinet for Education and Workforce Development for administrative purposes.

(2) The board shall be composed of:

(a) The secretary of the Education and Workforce Development Cabinet, who shall serve as chairperson of the board;

(b) The secretary of the Labor Cabinet or designee;

(c) The secretary of the Cabinet for Economic Development or designee;

(d) The chairperson of the Kentucky Workforce Innovation Board or designee, which shall be another member of the Kentucky Workforce Innovation Board; and

(e) Three (3) private sector employer members appointed by the Governor.

(3) The term of appointed board members shall be four (4) years, except that the terms of the initial members shall be staggered so that one (1) appointee serves for two (2) years,

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one (1) appointee serves for three (3) years, and one (1) appointee serves for four (4) years.

(4) At the end of a term, a member shall continue to serve until a successor is appointed and qualifies. A member who is appointed after a term begins shall serve the rest of the term and until a successor is appointed and qualifies. A member who serves two (2) consecutive four (4) year terms shall not be reappointed for at least four (4) years after completion of those terms.

(5) The purposes of the board are to:

(a) Establish an application process for partnerships seeking state support for eligible projects, including application deadlines and requirements;

(b) Establish an application review process;

(c) Review applications for funding; and

(d) Submit eligible projects recommended for funding to KEDFA for consideration and final approval.

The board shall perform these functions in accordance with this section and Section 5 of this Act.

(6) A majority of the full authorized membership shall constitute a quorum, and a vote to recommend an eligible project for funding shall require the favorable vote of a quorum of the board.

(7) The board shall meet as needed to develop policies and procedures for the administration of Sections 2 to 5 of this Act, to review applications for funding, and to recommend projects to KEDFA for approval as provided in Section 5 of this Act.

(8) The board shall establish bylaws to govern its operation.

(9) Board members shall not be compensated for serving on the board, but shall be reimbursed for ordinary travel expenses, including meals and lodging incurred in the

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performance of their duties.

➔SECTION 5. A NEW SECTION OF KRS CHAPTER 151B IS CREATED TO READ AS FOLLOWS:

(1) The board, in collaboration with KEDFA, shall establish the requirements and qualifications for an eligible project to be considered for grant funding. The requirements, which shall be addressed in the application, shall include but not be limited to the following:

(a) The name of the applicant, including all partners involved in the partnership, a description of how each partner will be involved in the project during construction and development, and how each partner will be involved with providing workforce training and education after the project is complete;

(b) A detailed description of the eligible project, including:

1. Its location;

2. Total project investment, with a breakdown of investment by partner;

3. Total eligible costs for which grant funding is being sought;

4. The ownership of any facilities and equipment upon completion of the project;

5. A description of the workforce training and education that will be offered at the facility for which grant funding is sought, including:

a. The total number of program participants that can be served at any one time, and the anticipated number of participants that will complete the workforce training and education annually;

b. The intended program beneficiaries, which could be high-school students, adult learners, long-term unemployed, a different group, or any combination of these groups;

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- c. The certificates, credentials, or degrees that participants will receive upon completion of the workforce training or education program;
- d. Whether dual credit opportunities are available; and
- e. Whether any certificates, credentials or degrees earned through participation in the workforce training or education program will be portable or transferable;
6. A description of the marketing plan that will be used to attract participants to the program; and
7. A five (5) year plan for the facility and the workforce training and education that will be offered at the facility, including information about how the program will be sustained and funded;
- (c) If new construction is being proposed, a review of existing facilities within the local area where the eligible project will be located, including facilities owned or operated by an educational institution participating in the project, and an explanation of why it is more efficient or will be more effective to construct a new facility rather than renovate or retrofit an existing facility;
- (d) The amount of the partner match, which shall be at least ten percent (10%) of the overall project cost, including a detailed list of cash and all non-cash items included in the match. If the local match will include items other than cash, such as equipment, land, fixtures, or assets, the description shall include the value of such items, and how the value was determined;
- (e) Identification of the specific industry sectors and career pathways in which workforce training or education will be provided, why those sectors and career pathways were selected, how those pathways are aligned with the identified industry sectors, and why existing programs are not addressing the employment

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needs in the identified sectors;

(f) A description of the data that will be collected and reported relating to the project, the metrics that will be used to evaluate the project, and how the data and metrics correlate with the data and metrics required by the KWIB;

(g) A statement explaining why public support is needed for the project to be undertaken;

(h) The expected length of time between commencement of the project and when workforce training and education provided at the facility will be available; and

(i) Any other criteria the board determines are necessary to obtain all of the information needed to review and evaluate a proposed project.

(2) In addition to the requirements established by subsection (1) of this section, the board shall require assurances from the partnership that the eligible project will be aligned with, and supportive of, the strategic plan developed by the KWIB.

(3) The board shall, in collaboration with KEDFA, establish review standards to be used in considering applications for funding eligible projects.

(4) The board shall establish a schedule to receive applications two (2) times each year when funding is available.

(5) The board shall consider all applications received during each funding cycle that include all required components.

(6) Upon completion of the board's evaluation and review, applications for which funding is recommended shall be submitted to the KEDFA for review and approval.

(7) The board may promulgate administrative regulations pursuant to KRS Chapter 13A as necessary to administer the provisions of Sections 2 to 5 of this Act.

➔SECTION 6. A NEW SECTION OF KRS 154.20-010 TO 154.20-150 IS CREATED TO READ AS FOLLOWS:

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- (1) As used in this section and Section 7 of this Act:
- (a) "Authority" means the Kentucky Economic Development Finance Authority established by KRS 154.20-010;
 - (b) "Board" means the Workforce Investment Fund Advisory Board created by Section 4 of this Act;
 - (c) "Educational institution" has the same meaning as in Section 2 of this Act;
 - (d) "Equipment" has the same meaning as in Section 2 of this Act;
 - (e) "Fund" means the Kentucky Workforce Investment Fund created by Section 7 of this Act;
 - (f) "Governmental entity" has the same meaning as in Section 2 of this Act;
 - (g) "KWIB" has the same meaning as in Section 2 of this Act;
 - (h) "Partnership" has the same meaning as in Section 2 of this Act; and
 - (i) "Partnership project" has the same meaning as in Section 2 of this Act.
- (2) The program established by this section, Sections 2 to 5 of this Act, and Section 7 of this Act shall be jointly administered by the board and the authority as provided in Section 3 of this Act.
- (3) Upon receipt of a list of projects recommended for funding from the board, pursuant to Section 5 of this Act, the authority shall review the funding recommendations made by the board, along with all information submitted with the recommendations. Upon review and confirmation that all necessary information has been provided, and to the extent funding is available, the authority may, by resolution, approve grant funding for a partnership project and authorize the execution of a funding agreement with the partnership.
- (4) The terms of the agreement shall include but not be limited to the following provisions:
- (a) The amount of grant funding available, and the timing and conditions under

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- which the funds will be made available;
- (b) The date by which the partnership project must begin, and the date by which the partnership project shall be completed;
- (c) That a minimum cost match of ten percent (10%) shall be provided by the partnership. A cost match may include cash contributions, land, equipment donation, program materials and supplies, or existing facilities;
- (d) Identification of which partner or partners will own any buildings, fixtures, and equipment that are a part of the partnership project;
- (e) Identification of which partner or partners will be responsible for the upkeep and maintenance of the partnership project facilities, fixed assets and equipment upon completion of the partnership project;
- (f) That the authority shall have access to all books, records, and documents relating to the partnership project during the term of the project and for three (3) years following completion of the partnership project;
- (g) That the partnership shall provide financial reports to the authority and the board in the form and format required by the authority as part of the agreement. However, reporting shall be provided at least annually during the construction phase of the project, with a final accounting provided at the conclusion of the project;
- (h) A commitment by the partnership that it will report all data and metrics requested by the authority, the board, and the KWIB at the time and in the form and format required by the authority, the board, and the KWIB; and
- (i) Any other provisions consistent with Sections 2 to 5 of this Act, this section, and Section 7 of this Act determined to be necessary or appropriate by the parties to the agreement.

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➔SECTION 7. A NEW SECTION OF KRS 154.20-010 TO 154.20-150 IS CREATED TO READ AS FOLLOWS:

- (1) The Kentucky Workforce Investment Fund is created as a separate restricted fund, to be administered by the authority. The fund may receive the proceeds from grants, contributions, appropriations, and any other moneys that may be made available for the purposes of the trust fund.
- (2) Amounts deposited in the fund shall be used for the purposes set forth in Sections 2 to 5 and Section 6 of this Act.
- (3) Notwithstanding KRS 45.229, amounts in the fund not expended at the close of a fiscal year shall not lapse but shall be carried forward into the next fiscal year.
- (4) Any interest earnings of the fund shall become a part of the fund and shall not lapse.
- (5) Moneys deposited in the fund are hereby appropriated for the purposes set forth in this section and shall not be appropriated or transferred by the General Assembly for any other purpose."