

Work Ready Kentucky!



Kentucky
WORKFORCE
INVESTMENT BOARD

Commonwealth of Kentucky
Workforce Investment Act
Program Year 2012 Annual Report



Introduction

In Kentucky, we recognize the important relationship between education, employment and economic development, and the role that relationship plays in the future prosperity of the Commonwealth. These areas go hand-in-hand. You cannot have a strong economy without a solid education system and a qualified workforce.

That's why the Kentucky Workforce Investment Board, with input from industry partners and partner agencies in education, workforce and economic development, invested more than three years to develop and implement the strategic initiatives outlined in "WORKSmart Kentucky," adopted in May 2010.

The strategic plan, a blueprint for transforming Kentucky's workforce services, focuses on adapting to the changing needs of employers to create a demand-driven, business-led, solutions-based talent development system for the Commonwealth. In less than three years, 21 of 25 initiatives were successfully implemented, helping move Kentucky forward to serve as a national model for state workforce boards, strategic planning and implementation of workforce innovations.

The Kentucky Workforce Investment Board is working to build a more collaborative environment where business, labor, government, educators and community leaders will work as a team to identify barriers, anticipate future workforce needs and develop innovative solutions to meet workforce challenges.

This report is focused on the strategic goals and the significant accomplishments of the major workforce partners who have contributed toward meeting those goals. This document is not meant to be all-inclusive, but rather is intended to highlight successes that, when woven together, create a significantly more effective workforce development system.

We know the growth of our economy is dependent on the innovation and competitiveness of our people. With the Kentucky Workforce Investment Board's guidance, the Commonwealth is applying innovation, creativity and collaboration to build a Work Ready Kentucky!

A handwritten signature in black ink, reading "Steve Beshear".

Kentucky Workforce Investment Act

Annual Report - Program Year 2012

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Work Ready Kentucky!

Program Year 2012

Collaborative Planning Brings Success and Recognition

In 2009, Governor Steve Beshear directed the Kentucky Workforce Investment Board (KWIB) to develop a plan to modernize the workforce development system in the Commonwealth to make it more globally competitive.

The result was WORKSmart Kentucky, the KWIB's strategic plan to streamline the system to simplify it and build consistency among offices; improve services to client customers; align education and training to meet the needs of employers; and make adjustments to reflect the state's education objectives and economic development strategies and goals.

Over the past three years, the Kentucky Department of Workforce Investment has successfully implemented 21 of 25 strategic initiatives set forth by the KWIB.

While the federal government has removed the governor's discretionary set-aside funds from the financial resources states have available to make continuous improvements, Kentucky has invested its remaining set-aside funds to maximize the impact of initiatives already underway and to initiate work on an entrepreneurship model in collaboration with the Kentucky Cabinet for Economic Development (CED).

Other initiatives which will have an impact on Kentucky's ability to compete in the global economy include the developing of sector strategies and forming industry partnerships; using the Kentucky Work Ready Communities framework to make talent development a sustainable local priority; redesigning how the workforce system relates to business and industry; providing local boards with a best practices model for becoming a high impact go-to resource in their regions; establishing foundational standards for certified Kentucky Career Centers (KCC); and building an online presence with artificial intelligence to match worker talent with business needs.

These workforce investment improvements have been recognized nationally as a model for other states to better equip workers and serve employers.

In November 2012, the KWIB and its strategic plan received high praise from the United States Department of Labor (USDOL). The federal monitoring report stated, “The Kentucky Workforce Investment Board, over the course of the past few years, has evolved into a model state board. Numerous inquiries and requests for technical assistance from states such as Oklahoma, South Carolina, California, Virginia, Minnesota, Missouri and Kansas, regarding replicating the strategic plan serve as evidence of the quality of Kentucky’s work.”

In the two-and-a-half years since Kentucky developed and began to implement its strategic plan, Kentucky has responded to requests from 16 states for information regarding its planning process, strategic initiatives and implementation structure.

The ultimate compliment is when other states want to know how we are transforming our workforce development system and want to replicate Kentucky’s initiatives in their states.

“It is great to be recognized by the federal government for the work that we are doing, and it confirms what we already knew. Kentucky is heading in the right direction and we have an extraordinary board that is responding to economic conditions and business and industry demands to bring more and better paying jobs to our citizens.”

- Gov. Steve Beshear

In addition to the contributions of the Kentucky Department of Workforce Investment, successful implementation of the WORKSmart Kentucky strategic plan has been achieved largely because of the collaborative efforts of the leaders, managers and staff of several state cabinets and agencies including Education and Workforce Development, Labor, Economic Development and the Council on Postsecondary Education (CPE).

“Appointing the secretaries of so many cabinets to serve on the Kentucky Workforce Investment Board was a very significant move by Governor Beshear. He sent a signal that he wanted all of these entities to work together toward a common vision,” said Ed Holmes, KWIB chairman.

The 2013 plan update process began in 2012 and reunited many of these same partners to revisit and redesign a few key initiatives. Central to the overall strategy was the design and implementation of the many system-wide initiatives detailed in this report. Each has its own set of goals, standards and activities. All are highly interrelated and together support the Commonwealth’s goals for the growth of the business sector and the prosperity of workers and their families.

Kentucky is “Work Ready!” thanks to these intense efforts and expects to be even more so in the future thanks to the Work Ready Communities initiative.

In addition, the CED teamed with the KWIB to re-imagine how Kentucky could promote a culture of entrepreneurship, and the Labor Cabinet teamed up to re-energize the discussion about promoting apprenticeships in the Commonwealth. Kentucky Adult Education (KYAE) leaders worked with the KWIB to leverage anticipated changes to the GED and advances in technology to re-invent a previously proposed concept for accelerating the process for Kentuckians to earn their high school equivalency credential.

The federal monitoring report also showed that Kentucky has met or exceeded its federal goals on the number of adults served who have entered employment, retained a job and earned a targeted average wage.

It stated, “Although this report is not designed to capture every program development, Kentucky has produced a number of best practices; and with the strategic groundwork in place, there is great potential for more. The reviewer found staff at all levels to be dedicated, competent, innovative and caring professionals who have performed well during very demanding times.”

This annual report highlights many other initiatives, partnerships and collaborations which contributed in large and small ways to elevating Kentucky as a national model for workforce innovation.



KWIB Chair Ed Holmes

State Workforce Development System and Services

Education and Workforce Development Cabinet

The role of the Education and Workforce Development Cabinet is to oversee the work of educating, preparing and training Kentucky's current and future workforce.

The goal is to help all Kentuckians excel in academics and life. Lifelong learning through school, work and other training opportunities is a cornerstone philosophy of the cabinet as it supports the programs and work of its agencies.



Secretary Thomas O. Zawacki
*Education and Workforce
Development Cabinet*

Department of Workforce Investment

The Department of Workforce Investment connects Kentucky to employment, workforce information, education and training. In addition to providing labor market information, the offices within the department make resources and services available to employers, job seekers, youth and people with disabilities.



Commissioner Beth Brinly
Department of Workforce Investment

Kentucky Workforce Investment Board

The 42-member KWIB serves as an advisory board to the governor on workforce training and development issues.

The KWIB is charged with creating a statewide vision for workforce development and adopting a plan to move Kentucky forward through workforce training and development.



Executive Director Tom West
Kentucky Workforce Investment Board

Workforce System Key Initiatives

Work Ready Communities

The Kentucky Work Ready Communities certification program from the KWIB and the Kentucky Education and Workforce Development Cabinet assures employers that a local workforce has the talent and skills necessary to staff existing jobs and to master the innovative technologies new jobs will require.

The highly successful Kentucky Work Ready Communities effort depended greatly on the input of state and local economic development professionals as well as the contributions of KYAE, the community college system and several key business organizations.

Labor and county government associations also brought expertise to the table. The resulting framework which demonstrates that the quality of the workforce is directly attributed to the collaborative spirit of this group from concept through implementation.

“The Work Ready designation shows employers that a county is completing rigorous requirements and is a cut above other communities nationally when it comes to developing a skilled labor force. I encourage all Kentucky communities to strive for the Kentucky Work Ready Communities designation.”

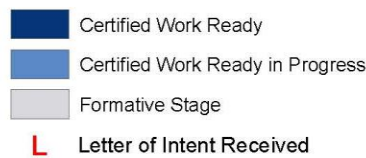
- Gov. Steve Beshear

To be designated a Kentucky Work Ready Community, a county must gather local support and commitment and apply for the certification. Counties have to meet criteria in six areas including high school graduation rate, National Career Readiness Certificate (NCRC) holders, demonstrated community commitment, educational attainment, soft-skills development and digital literacy.

Boyle, Daviess, Warren, Woodford and Henderson counties have been designated as Kentucky Work Ready Communities since certification began in February 2012.

“The Kentucky Work Ready Communities program momentum is growing as more communities learn about the certification and how it can help them achieve a higher level of competitiveness among business and industry,” said Ed Holmes, chair of KWIB.

In addition, 52 other counties have submitted letters indicating they are building their application and plans; 62 percent of the Commonwealth's counties are now participating in the program.



Adair, Allen, Barren, Christian, Franklin, Hancock, Hart, Hopkins, Madison, McCracken, Monroe, Montgomery, Muhlenberg, Pulaski, Russell, Trigg and Union counties

Boyle, Daviess, Henderson, Warren and Woodford counties

“Working toward the Kentucky Work Ready Communities status gives communities an economic advantage when companies are looking for a place to locate and it shows established Kentucky businesses that they will continue to have a strong pipeline of skilled workers in the future,” said Crystal Gibson, chair of the Kentucky Work Ready Communities Review Panel and vice president of Public Affairs at Citigroup.

To achieve this level, a county must present a viable plan to meet all of the criteria within three years. The designation shows that a community is making strides and working with its business, education, workforce and economic development leaders to set and meet common goals that will give the county an economic edge.

Applications for the certification are reviewed by a panel appointed by the KWIB. The panel recommends certification by the board for the counties that met the criteria. The panel meets four times a year to review applications, which can be submitted at any time.

Summit

The KWIB hosted its first Kentucky Work Ready Communities Best Practices Summit May 16, 2013. Summit participants had an opportunity to network, learn about the six requirement areas of the Kentucky Work Ready Communities program and their best practices, and ask the program’s review panel questions about the process and criteria.

The summit was attended by Kentucky Work Ready Communities committee members, elected officials, economic development organizations, chambers of commerce, human resource managers, business owners, school officials, business and industry associations, community college representatives, P-16 councils, adult education directors and Kentucky Local Workforce Investment Boards (LWIB).

Recognition

The KWIB received an “Award of Superior” for its Kentucky Work Ready Communities Communications Toolkit at the Communications Awards ceremony during the 2013 Southern Economic Development Council (SEDC) annual conference.

“These annual Communication Awards recognize and showcase the leading marketing work done by economic development professionals throughout the south. Their campaigns must show creativity, strong messaging and effectiveness at reaching its target audience,” said SEDC Chairman Dan Motley, industrial development manager at Norfolk Southern Corporation in Atlanta.

The communications toolkit received the award in the internal communications category. The toolkit was developed by Thomas P. Miller Associates, Heartland Communications and Balance Creative to encourage Kentucky communities to apply for the certification program.

To view the toolkit, go to

<http://workready.ky.gov/Downloadable/Communications%20Toolkit.pdf>.

Local Workforce Investment Areas

West Kentucky

Many communities in the Pennyrile region are coming together to work toward the goals of the Work Ready Communities status. Community meetings have been held in several counties to introduce the process and requirements. The following counties in the West Kentucky region have been certified Work Ready Communities in Progress: Christian, Hopkins, McCracken, Muhlenberg and Trigg.



Christian County



Hopkins County



Muhlenberg County



McCracken County



Trigg County

High Impact Workforce Investment Boards

In the summer of 2011, the KWIB launched the High Impact WIBs initiative, aimed at encouraging LWIBs to strive for continuous improvement, strategic planning and effective management of the resources in their regional areas. During a technical assistance year, LWIBs reviewed the criteria and requested funding to help make improvements. In January 2013, the KWIB launched the first ever “standards year” in which LWIBs could voluntarily apply for certification.

The following is a list of criteria that must be met to receive this designation.

1. There is a strategic plan that is goal oriented and goes beyond the scope of Workforce Investment Act (WIA) funded activities.
2. The strategic plan emerged from a broadly inclusive process, reflecting the participation of economic development, employers, human services, education and other relevant stakeholders.
3. The strategic plan is a “living” document; it is part of a continuous improvement process.
4. The board has adopted a sector strategy approach to workforce and economic development.
5. The board has reviewed and approved an annual budget with fiscal integrity that aligns with the goals established in its strategic plan.
6. Resources and assets are coordinated and leveraged from other workforce, economic development, human services and educational organizations/agencies.
7. The board is diverse, connected to the community and business driven.
8. The effectiveness of both the local board and the workforce system in meeting stated strategic goals is measured.

To date, six of the Commonwealth’s 10 local areas have applied for certification during standard year one. The Northern Kentucky Workforce Investment Board was the first in the state to be certified as a High Impact WIB.



Kentucky Workforce Academy

Building a “Work Ready Kentucky” requires a well-trained and knowledgeable team of experts.

The purpose of the Kentucky Workforce Academy (KWA) is to train Kentucky’s professional workforce staff to achieve the broader vision of transforming the Commonwealth’s workforce development system. The initial four-module trainings were conducted in the local areas with a cross section of Kentucky’s workforce system and partner staff representing all levels and positions.

Course learning objectives were established for participants to be able to:

- understand and articulate a vision for the Kentucky workforce system.
- understand their critical role in the future Kentucky workforce system, and how it is different from what they are doing now.
- own and accept being an advocate for change, and become a positive force in Kentucky’s workforce system transformation.
- understand and articulate how the future vision better serves Kentucky’s workforce system customers (both employers and job seekers).
- begin to formulate ideas about the types of process changes and subsequent training that will be required to successfully implement system-wide change in Kentucky.

Workforce Academy Phase I was completed on schedule with all employees participating in regional training events. Presenters and facilitators from partner agencies worked together to provide the training titled “Foundations for the Future” that included such topics as transformation strategies, customer service and sector strategies.

The trainings concluded in June 2013, but the segments were videotaped to preserve the information for future employees. Online trainings are under development and will utilize the video to assure that all employees are provided with this foundational training during their orientation process. KWA met all milestones as planned and on schedule.

Local Workforce Investment Areas

Lincoln Trail - All staff completed the KWA class. The Regional Leadership Team met with all staff and partners to discuss services provided, need for enhancement, and what regional leaders can do to help. The academy and follow-up meetings led to the creation of more workshops for employers and job seekers in the local career centers. They were also instrumental in developing better working relationships with internal and external customers.

TENCO - Staff within the TENCO region gathered to discuss where they are going, why change is needed, how they intend to get there, and why a seamless service delivery is important to meet the ever changing needs of local economies. Staff understood how their functions impact both business and job seeker customers, but more importantly, how this structure creates a “world class system.” Staff were engaged, partnering together to find common solutions and strengthen the local workforce system by developing a seamless approach. Action plans to make services for businesses easier and more efficient were created by staff and discussed with career center management.

West Kentucky - The KWA training allowed the regional staff to come together as a team of experts and experience professional development resources in a new way and focus on their dedication “to providing Kentucky employers with a qualified, skilled workforce and the people of Kentucky with career, job training and educational opportunities,” as stated in the mission. With this time set aside to re-connect with partners and re-focus on customer service, the staff became a more valuable asset to customers and better prepared to assist in the growth of the regional and national economy.



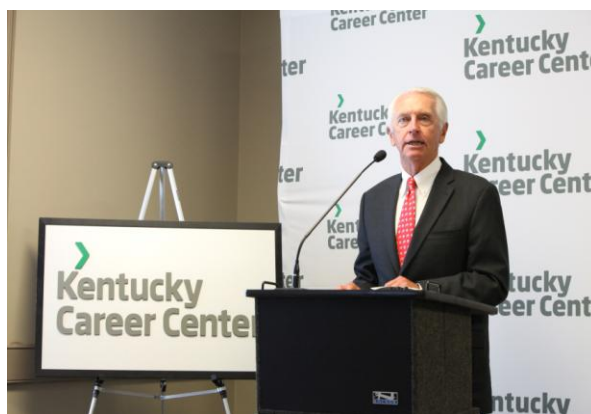
Branding and Outreach

Kentucky Career Center: What's in the name is more than meets the eye.



KWIB welcomed the external roll out of the Kentucky Career Center (KCC) brand in the summer of 2013. Gov. Beshear announced the unveiling at the newly completed center in Shelbyville. This launch set the stage for new opportunities for Kentucky's businesses and workforce. The change signifies the importance of moving away from the perception of the "unemployment office" to a focus on career services for both job seekers and job providers.

The new brand represents a new statewide focus on career services that will better respond to customer demand and drive service changes. It signals Kentucky's commitment to a new approach to developing and promoting the highly-skilled workforce Commonwealth businesses need to be competitive in this global economy.



Beyond the name there are hundreds of dedicated and trained workforce professionals across the state developing the talent pipeline. There is commitment and collaboration among system partners including 10 LWIBs and business and industry partners.

Beyond the name there is a new user-friendly website that customers can easily navigate to locate and benefit from services statewide. There is a new online job-matching portal using the latest technology to match skilled workers with employers in need of those skills.

Beyond the name there are the numerous workforce initiatives described throughout this report, such as the state's commitment to investing public workforce dollars based on sector strategies, tying into industry partnerships as the drivers for curriculum and training priorities, and certifying the quality of a community's workforce through the Work Ready Communities framework.

Our Brand Promise is this:

As a team of experts, we are dedicated to providing Kentucky employers with a qualified, skilled workforce and the people of Kentucky with career, job training and educational opportunities.

With the unique ability to connect employees and employers through the combined efforts of state and local partners, we will become a valuable, competitive and best-in-class asset in the growth of our regional and national economy.

By guiding, empowering and inspiring our customers, we will continue our mission to create success stories across the Commonwealth.

What's in a name? The new KCC name comes with new approaches, new services and a whole new way of doing business in the Commonwealth.



Business Services Redesign

The Business Services Redesign initiative was launched in 2011. A primary goal of the initiative is to align the Commonwealth's workforce development system with economic development strategies and education. Through a comprehensive, cohesive, unified approach, the initiative addresses the needs of prospective employers as well as Kentucky businesses looking to expand in the state.

The Education and Workforce Development Cabinet, the Cabinet for Economic Development and the Kentucky Community and Technical College System (KCTCS) all recognize that an employer-led solution is a must. To address this concept, they have concentrated efforts to cultivate and nurture a stronger relationship between the agencies and businesses that will attract new, high-demand jobs and fortify the talent pipeline through the development of a unified business services framework.

Creating the framework means resetting executive, regional and local policies, operations and practices as needed, understanding the business climate and development needs, supporting sustainability, innovation and technology and fostering an entrepreneurial culture.

To advance this common vision, the consulting firm of Maher and Maher was contracted to present recommendations for the implementation of a Unified Business Services Strategy. Maher and Maher facilitated a meeting with the project's steering committee and three regional focus groups. Each group was comprised of key employer/business representatives and local and regional leaders representing economic development, the workforce system and the community and technical college system.

The objectives of the sessions were to share the vision for a unified business services system, solicit employer customer perspectives on the design and operation of the system, and gather public partners' input on system development and implementation.

At the direction of the steering committee and the employers' and public partners' focus group input, Maher and Maher identified seven elements that comprise the unified business services framework.



Graphic from Maher & Maher Kentucky Unified Business Services Recommendation Report

Maher and Maher recommended universal roles for all partners that include:

- provide staff to serve as members of Regional Business Services Team.
- follow regional priorities for “territory management” (to ensure adequate coverage of targeted sectors/employers).
- enter data into Business Services Customer Relations Management portal.
- collaborate with partners to design and deliver responsive solutions for employers.
- coordinate readiness and preparation for special grant opportunities.
- set state policy that complements business development and expansion goals of the Commonwealth and its regions

The consultant also recommended the “ideal” individual partner roles in the implementation of the unified business services framework together with a phased approach to implementation. The steering committee continues to meet to discuss the partner roles and refinement of the framework and implementation plan along with identifying issues or barriers and the development of plans for guidance and support.

Local Workforce Investment Areas

Bluegrass - The Bluegrass Workforce Investment Board (BGWIB), in collaboration with Eastern Kentucky University's Center for Economic Development, Entrepreneurship and Technology (CEDET), coordinated four area Business Services Redesign meetings within the 17-county region to establish Local Business Services Teams (LBST). The meetings were held in Lexington and Georgetown on March 27 and in Danville and Richmond on March 28 and all workforce and economic development partners that provide business services were invited. The teams were established to help partners share information and work together so they can provide more effective and efficient business services to local employers.

Feedback from the meetings indicated a need for better coordination between partner agencies and comprehensive cross training on partner agency tools so each representative can be better informed. The information gathered from each meeting will be compiled and disseminated to each attendee. Future quarterly meetings will be scheduled to focus on local area news and better communication between local partners. The teams plan to report to a regional business services team that will provide overall leadership and coordination throughout the BGWIB.

Green River - The benefits of the Business Services Redesign have been immense. Since the redesign documents and certification standards were developed, the Green River Business Services Team was formed and continues to meet monthly to set goals, communicate about local business and economic needs and trends, market business services, and ensure certifications standards are met and exceeded.

Prior to redesign and certification standards, the Business Services Team was comprised of just a few members and was not active. For the last year, the team has all four "core" agencies represented, including Economic Development, as well as several "extended" partners that are very active and engaged in streamlining service delivery and working as a



cohesive unit to provide workforce solutions. The Green River Business Services Team has been very successful so far in its efforts to work as one entity, despite funding stream, to improve the economic stability in the region.

Lincoln Trail – The Business Services Core Team traveled to career centers in northern Kentucky, Evansville, Ind., and Atlanta, Ga., to discuss best practices and ways to improve services. Business service team members from the community and technical college as well as a local economic development agency were added to the team. The area also developed a communication plan between the Business Services Core Team and the local career centers.

National Career Readiness Certificate (NCRC)

In FY13, the KWIB's NCRC initiative tracked the generation of 14,478 NCRCs throughout the state; 11,353 of which were silver or greater. Through the collaborative work of the Office of Employment and Training (OET), KYAE, KCTCS, the Department of Corrections (DOC), KentuckianaWorks, Lake Cumberland Area Development District and the Office of Career and Technical Education (OCTE), the state issued more NCRC certificates than in the previous year.

Kentuckians' performance on the three tests that make up the NCRC (WorkKeys: Applied Math, Locating Information and Reading for Information) continued to improve with greater percentages of examinees earning certificates on the first try. Statistically, the Locating Information assessment continues to be a challenge, but the data is in line with national trends that show most groups score one grade point lower on the Locating Information test.

Compared to some of our neighboring states:

State	Working Age Population	Bronze	Silver	Gold	Platinum	NCRC Total	% of Working Population with NCRC
Indiana	4,034,392	18,165	54,553	19,692	499	92,909	2.30%
Ohio	7,183,738	16,290	61,989	22,200	395	100,874	1.40%
Illinois	8,092,240	4,945	13,454	5,480	74	23,953	0.30%
Missouri	3,725,197	7,226	20,066	7,828	141	35,261	0.95%
Tennessee	3,996,642	19,592	53,139	22,156	38	94,925	2.38%
Kentucky	2,737,769	13,339	39,209	12,833	363	65,744	2.40%

(Sources: <http://workreadycommunities.org/> and <https://e3.ky.gov/Education/Certifications.aspx>)

WorkKeys testing is now part of the Kentucky Department of Education's assessment and accountability model. In compliance with KDE's College and Career Readiness (CCR) initiative, the NCRC is now part of those CCR standards. Those students on a career pathway are now required to take the three WorkKeys tests that make up the NCRC as part of their graduation requirements. High school seniors must obtain a Silver level certificate or higher to be in compliance with the CCR standards or have a passing score on the ASVAB.

The NCRC program came fully online in June 2011, making FY12 (July 1, 2011 – June 30, 2012) the first full year in operation. Below is a comparison of the FY12 (from the KYNCRC database) and FY13 data.

NCRC Two Year Analysis						
	FY12 Certificates	Percent*	FY13 Certificates	Percent*	Certificate Change	Percent Change
No Award	n/a	12.8%	n/a	13.8%	n/a	1.0
Bronze**	2,760	20.0%	3,125	18.6%	365	-2.4
Silver	7,197	52.0%	8,751	52.1%	1,554	0.1
Gold	2,024	15.0%	2,578	15.4%	554	0.4
Platinum	18	0.20%	24	0.14%	6	-0.06
Total	11,995		14,478		+2,483	

* Forced number based on ACT National Attainment Survey showing 16 percent of test takers will not achieve a certificate, 23 percent will achieve bronze, 46 percent silver, 15 percent gold and 0.5 percent platinum.

** Kentucky does not officially recognize bronze level certificates.

Kentuckians earned a lesser percentage of the not recognized bronze while increasing their percentages of silver and gold. Despite earning more platinum, the percentage of the highest award of the yearly total went down.

Related Projects

There were several projects conducted throughout the year. OCTE tested all available graduating seniors at the state run area technology centers from March 2013 - May 2013. A total of 15,699 individual tests yielded 3,472 certificates, a 10 percent increase from the previous year. After retests, 69.5 percent attained a rate of silver or better, greatly surpassing last year's pass rate of 55 percent. Lake Cumberland Area Development District (LCADD) continued its project of testing at-risk senior high students in its region. A total of 1,080 certificates were earned.

"NCRC is the quantifiable tool that allows employers and economic developers to measure terms like, 'we need a qualified workforce' into a credential that means the same thing in Bowling Green, Ohio, Bowling Green, Virginia, and Bowling Green, Kentucky," said Beth Brinly, commissioner of the Department of Workforce Investment.

Local Workforce Investment Areas

Barren River - The Kentucky Career Centers of Bowling Green and Glasgow have embraced the push for the NCRC in their communities. Five of the 10 counties in the Barren River region have been identified as Work Ready Communities in Progress, and as the result of excellent partnerships and marketing, six local companies are now utilizing the NCRC assessment. More than 250 customers were scheduled over a six-month period and around 170 were tested. As a result, 100 silver, gold or platinum certificates were awarded to support the Work Ready Communities program and build a qualified workforce for the future.

Bluegrass – Erica N. Sluder, WIA business service specialist, has been working diligently with the Anderson County Adult Education office to provide WorkKeys/NCRC testing for the Wild Turkey Bourbon distillery plant in Lawrenceburg since January 2013. Wild Turkey had recently expanded its operations to start bottling and distribution at the facility and needed skilled workers.

Job seekers had to complete the NCRC and achieve a score of five or higher on both the Reading for Information and Applied Math assessments and a four or higher on the Locating Information component to interview for an opening at the company. More than 65 candidates to the assessments from February - May, and 17 of them were hired full time at positions earning \$17.25 - \$25.65 an hour.

Northern KY – An individual came to the Carroll County Career Center seeking unemployment insurance due to layoff. He had more than 10 years of truck driving experience with a Class-A CDL, but had repeatedly been laid off due to cutbacks by various companies in the area. While receiving unemployment and searching for re-employment, he decided to seek training in a different industry that would provide more stable employment.

He worked through the college preparatory courses, computer classes, job search, and obtained the NCRC silver credential. During his job search, he had several interviews and was offered a position with Fraley and Schilling at North American Stainless. The customer felt the NCRC, resume, interviewing and job search assistance he received helped him to obtain his position. He is very satisfied with his new position because it is close to home, and offers better pay and benefits than his previous job.

TENCO - Throughout the past year, the TENCO region worked to connect the NCRC to the business community. By June 30, 2013, the TENCO region had 3,187 participants who received their credentials. This was up from 2,068 on June 30, 2012. As the Work Ready Communities project continues to grow and more employers come on board, demand will continue to grow.

Local counties have been very innovative in their approach with businesses. To help gain support for the program, some counties have provided grants to establish pilot projects for employers. Adult education within the region now provides testing of the NCRC for GED graduates, ensuring they have both a diploma and credential for marketability.

West Kentucky - In the spring of 2013, Hopkins County was completing its application to the KWIB for the designation of a Kentucky Work Ready Communities in Progress. One of the criteria for the designation is that 15 percent of the working-age adults ages 18 to 64 hold a NCRC. The county secured coal severance funds to pay for the fee-based test in addition to using state set-aside funding. From March 2013 - June 2013, about 800 adults were tested.

To meet the requirement, the county needs 5,000 certificate holders within the next three years. This necessitated employers in the county to make it a part of their hiring process and/or a part of current employee assessments. Several employers came to the forefront to lead the effort. With that enticement, more than 2,000 job seekers eagerly signed up at the center to take the NCRC.

Sector Strategies

In 2011, the Commonwealth's key targeted industry sectors were identified through a data-driven process, with detailed industry analysis and supplemented by stakeholders such as: LWIBs, KCTCS, CED/Office of Commercialization and Innovation, and the Education and Workforce Development Cabinet (EWDC). A complete report on this initiative is available at www.kysectorstrategies.com.

Kentucky's statewide sectors are: 1) automobile/aircraft manufacturing, 2) transportation, distribution and logistics, 3) business services and research & development, 4) health care/social assistance, and 5) energy creation/transmission.

The Kentucky CED's strategic plan, "Kentucky's Unbridled Future," issued in early 2012, mirrors three of these sectors and adds two additional sectors: sustainable manufacturing and technology – life sciences and data centers.

Strategic planning per WORKSmart Kentucky, continued in June 2011 as this information was shared with workforce system stakeholders during its World-Class Sector Strategy Institute. The institute provided tools for assisting local workforce investment areas (LWIA) with identifying key industry target sectors that aligned with the needs of their regions.

Local Workforce Investment Areas

Barren River - During the fourth quarter of 2012, the Barren River Workforce Investment Board convened a group to obtain input into "Developing Regional Talent for Manufacturing." This was done during a focus session with peers from manufacturing, education, workforce and economic development. The event was designed for attending groups to describe their talent issues, learn from colleagues in the field and walk away with specific tools available throughout the Barren River region.

The economic outlook for manufacturing and start-ups indicate that the Barren River region will grow in these sectors in the coming years. The region needs to be ready for this growth by anticipating and developing workforce skill sets to facilitate economic growth.

As an outgrowth of this initiative, the board hosted a Teacher's Academy to bring together industry representatives and educators about opportunities for students in the manufacturing sector.

Green River - The Green River Workforce Investment Board hosted a forum for the transportation, distribution and logistics industries, focusing on the training and employment needs in the trucking sector.

Lincoln Trail - The critical sectors in the Lincoln Trail area are advanced manufacturing, defense, healthcare, transportation and tourism. The Business Services Team met with each of the centers to discuss these sectors and employer and industry needs. They also identified a lead person from the Business Services Core Team for each of these sectors. The leads will visit employers within these sectors to become the expert on the needs of the industry.

West Kentucky - The West Kentucky Workforce Investment Board is moving toward a sector-based training approach derived from the strategic planning activity of the Pennyryle Future plan which provided the data for selection of the sectors (www.pennyrylefuture.com). Eligible training providers must have opportunities in the areas of the sectors with high demand and high wage.



State Energy Sector

Energy creation and transmission was one of five state sectors that were identified as a growth area for the state based on detailed industry analysis. As outlined in the WORKSmart Kentucky strategic plan, LWIBs have been working on aligning the training necessary to provide skilled workers in the energy sector for local employers.

Local Workforce Investment Areas

West Kentucky – This local area implemented the following energy sector programs.

- Chemical Engineering program – served 73 clients. The training and degree received helped the clients become more employable in the local area in chemical operators and managers positions. There were 60 clients who remained employed the first quarter after exit.
- Project Going Green – West Kentucky Community and Technical College (WKCTC) served 374 clients with 370 completing training in programs such as HVAC, energy auditing, and journeyman plumbers, pipefitters and steamfitters. The clients received updated certificates for “green” energy certifications, which helped them be more employable in the local area. There were 303 clients who remained employed the first quarter after exit.
- Green Energy Auditing Simulator Spotlight - At WKCTC’s Skilled Craft Training Center in Hickory, the new Green Energy Auditing Simulator is nearing completion. Energy audit students, HVAC technicians and others in the industry will be able to tour the simulator and learn about conventional, intermediate and high-efficiency methods of construction to ensure the most energy efficient or “green” structure.



WKCTC has leveraged more than \$160,000 and additional lab space toward this sustainable project. “We built a sustainable teaching tool that will equip our students with marketable skills long after the grant is complete,” said Dr. Steve Freeman, vice president of Institutional Development at WKCTC.

Industry Partnerships

Adding to the momentum of building and shaping the workforce through sector strategies, the Commonwealth dedicated approximately \$800,000 to promote and foster sector-focused, industry-led business partnerships. An industry partnership is a multi-employer effort that brings together management and labor around the common purpose of improving the competitiveness of a cluster of companies or organizations producing similar products or services and sharing similar supply chains, critical human resource needs, infrastructure requirements, business services, and/or retention/recruitment challenges.

The purpose of supporting existing partnerships or organizing new ones is to concentrate attention and resources on particular clusters of industries that provide good wages and benefits, have the greatest potential for economic growth and/or face serious challenges to growth or retention. By bringing together employers and their workers the public sector can learn significantly and qualitatively more about the opportunities and challenges facing a set of similar companies. These partnerships uniquely support the talent pipeline needed by employers and workers.

In January 2012, Kentucky awarded three Industry Partnership planning grants from among 12 submitted proposals: 1) Northern Kentucky Industrial Park Association (NKIPA) – Advanced Manufacturing; 2) Bluegrass Area Development District (BGADD) – Healthcare; and 3) Northwest Kentucky Training Consortium (NKTC) – Manufacturing. Grant awards were from \$59,622 - \$65,000 each.

In August 2012, five partnerships were added: 1) Bluegrass Advanced Manufacturing Partnership: Manufacturing Development Collaborative (MDC); 2) Daviess-Hancock Industry Partnership – Advanced Manufacturing; 3) Kentucky Energy Workforce Development Consortium (KEWDC); 4) Kentucky Highlands Stronger Economies Together (SET) Partners; and 5) Talent & Evaluation: Advanced Manufacturing Partnership of Warren County. Grant awards were from \$62,916 - \$65,000 each.

In January 2013, two Quick Start industry partnership grants were awarded. These planning grants of \$25,000 each were awarded to LWIBs to encourage local employers and system stakeholders to plan for the expansion and/or start-up of industry-led, sector-focused and business-driven partnership projects. The Quick Start grants were awarded to Eastern Kentucky C.E.P., Inc. (EKCEP) and the Northern Kentucky Workforce Investment Board (NKWIB). These awards represented the third round of KWIB planning grant opportunities for industry partnerships. These Industry Partnerships awards totaled \$562,508.

Industry Partnership grants addressed various topics and included some of the following activities: a) conducted 'interest inventories' of high school students, teachers, school administrators and parents to determine their level of knowledge of manufacturing businesses and jobs; b) conducted regional surveys in the targeted sector to identify talent gaps, training needs and skills gaps; c) launched soft-skills certification and increased use of NCRC; d) aligned resources of existing regional healthcare curriculum; e) conducted forums between industry and education to develop/improve curriculum in the energy sector; f) obtained commitment to unified credential; and g) increased interest, membership and sustainability of the partnership.

Information gathered from these and many other grant activities allowed Industry Partnerships to connect and align with local stakeholders in the development of comprehensive strategic plans. The plans promote the development of effective talent pipelines by meeting the needs of industry, developing community-resource mapping processes, evaluating local educational needs and promoting the types of certifications and degree programs that will meet industry requirements. Grant activities and projects were completed by June 2013 with the submission of final quarterly reports and partnership sustainability plans.

Local Workforce Investment Areas

KentuckianaWorks: The Kentucky Manufacturing Career Center/Sector Strategies & Industry Partnership - As the number of manufacturing jobs began to rise in Louisville's rebounding economy, the Kentucky Manufacturing Career Center (KMCC) opened in spring 2013 as a one-stop resource in the Metro Louisville region for manufacturers and job seekers interested in working in manufacturing. The center serves residents in Bullitt, Henry, Jefferson, Oldham, Shelby, Spencer and Trimble counties and other counties in the corridor along I-65 in Kentucky and Southern Indiana.

Career counselors connect job seekers with available manufacturing jobs and make sure the job seekers have the right training and skills for the work. The center also offers employers a place to post job openings and access basic manufacturing skills training for existing employees. Services and programs at the KMCC are free to those job seekers who qualify.

Students can get nationally recognized certifications for entry-level manufacturing jobs and remediation services to help attain the certifications. Several short-term, entry-level programs offered through Jefferson Community and Technical College (JCTC) qualify job seekers and employed workers to take additional courses at JCTC or other area colleges that will lead to an advanced certificate or college degrees.

“We sent several employees to the training this summer,” said Rena Sharpe, vice president of operations at the Westport Group, a component integrator, manufacturing and logistics company in Louisville. “They told us that the training class has made them more aware of industry standards for best practices and gave them a better understanding of the manufacturing process. The classes also prepare job seekers with the skills that manufacturers want in entry-level employees. We know graduates will be qualified for our jobs.”

Since May 2012, representatives of 18 local manufacturers have been advising the development of KMCC to ensure that the programs and services will meet the needs of job seekers and employers. Partners in the center are JCTC, Jefferson County Public Schools (JCPS) Adult Education, JCPS Career and Technical Education, JCPS Iroquois High School Magnet Career Academy and KentuckianaWorks.

Kentucky Career Center Certification

The Commonwealth has developed a Kentucky Career Center Certification process with foundational and continuous improvement standards and measures for the delivery of employer and job seeker services and KCC management. The standards and measures were completed and approved by the KWIB in August 2011.

A designated steering committee and a core team committee developed the plan. The core team was very diverse with members representing all 10 workforce areas, all partner agencies, economic development officials and private business, as well as management and front-line staff. The core team met one-and-a-half days per month for seven months to develop the standards and measures and used discussion and consensus for the final product.

The standards and measures adopted must all be met to be certified, and the local areas can add measures if needed for their area. Members of the core team met three times to discuss the standards and measures with the steering team for feedback, suggestions and approval.

A self-assessment tool was created and sent to local KCCs to determine technical assistance needs. To address those needs, a total of \$200,000 was divided among local areas based on their number of centers. The self-assessments were completed and technical assistance was requested in eight local areas. A KCC Technical Assistance Review Team consisting of eight core team members approved them.

Another \$50,000 was set aside for KCC Certification through statewide reserve funds. Thomas P. Miller (TPMA) was selected to develop a certification application and training for a review team. TPMA has completed the application for certification and a training plan for reviewers. This was presented to all regional leadership at the Partner for Success training in May 2013, and reviewers were trained in June 2013. There was also a webinar conducted in June 2013 for LWIB members.

The KCC Certification application and approval process started Oct. 1, 2013, and will continue until June 30, 2014. There will be a review team of LWIBs members and a group of peers selected to evaluate the application but the final approval will be made in each area by its board. The certification will be valid for three years.

Local Workforce Investment Areas

Bluegrass – In March 2013, the BGWIB received a technical assistance grant to help pursue one stop certification.

Part of that plan called for career center staff in each of the five locations to complete a self-assessment on how well they are currently meeting certification standards. With the assistance of the Facilitation Center at Eastern Kentucky University, a planning session was held at each center from April 18 - May 2 for staff to identify areas of strength, opportunities for improvement and design action plans.

Career Center staff continues to put their plans into action, and are utilizing feedback obtained from mystery shoppers to make any needed adjustments. Also, in response to One Stop Certification standards and mystery shopper feedback, the BGWIB's One Stop Committee is working to create policies and procedures for areas such as career center orientation and obtaining customer satisfaction responses.

Green River - The KCC Green River has made tremendous progress towards Kentucky Career Center Certification goals. The center staff was divided into three groups to participate in kick-off team training, development of team job descriptions and creation of customer flow charts. They also set action steps and goals to improve customer service at the center.

The teams continue to meet monthly to work on their action plans and use feedback from Phase 1 of the KWA initiative to recommend changes and new procedures. The teams learned so much from each other, and communication at the center has improved.

Several other action items and procedures have come to fruition thanks to the certification standards, including:

- Business Services Team members were designated as “points of contact” for each of the six high-growth industry sectors as identified by the LWIB. They are developing their expertise in these fields through research and training.
- Five staff members were awarded the Certified Workforce Development Professional credential through the National Association of Workforce Development Professionals.

- Staff developed an orientation video about services to make customers feel welcome, answer general questions and provide an activity during wait times.
- Surveys are being developed through Survey Monkey to provide clear, concise results of employer and job seeker activity to measure customer satisfaction and use of services.

Lincoln Trail – The four area career centers worked toward certification and made many changes/enhancements to services, policies and procedures. They also aligned staff in the centers by function and dedicated them to providing either employer services or job seeker services. This change resulted in an improved relationship with the employer community, an increased number of hires, and more one-on-one assessment and referrals for job seekers.

The centers also developed several policies and procedures that help with customer flow, a better and more formal communication plan, more reports and record keeping to make sure they are satisfying both employer and job seeker customers, and customer satisfaction surveys for both groups of customers.

West Kentucky - Customer Flow and Customer Response surveys were conducted throughout the West Kentucky region with funds from the KWIB as part of the statewide initiative on Career Center Technical Assistance.

The Customer Flow study included general observations made at each of the area career centers pertaining to the flow of services to employed/unemployed customers and business customers. Based upon the observations, specific site recommendations were made for each center to enhance or improve the customer flow process.

The Customer Response study ascertained through telephone interviews the level of satisfaction experienced by both employers and individual customers at each of the area Career Centers Paducah. The intent of the study was to use the raw data to establish an overall detailed look at how customers, both employer and individual, view the career centers in addressing their needs.

After both studies were completed, a Career Center Team training was held with all partners on June 28, 2013, to discuss the findings, as well as other activities such as applying for the Career Center Certification. The results of the surveys also will be shared with frontline career center staff.

National Emergency Grants (NEG)

Multi-Company Grant

In 2010, Kentucky received a National Emergency Grant (NEG) to serve dislocated workers in approximately 20 companies across the Commonwealth. Under this grant which concluded in June 2013, 370 dislocated workers received services. Of the 370, 303 were enrolled in training that provided skills upgrades or new skills to be competitive in the workforce. By the close of the grant, 220 participants had entered employment.

Severe Storms, Tornadoes, Straight-Line Winds and Flooding Disaster Grant

Severe storms producing straight-line winds and tornadoes affected a widespread area of Kentucky between Feb. 29, 2012 and March 2, 2012. As many as 19 tornadoes were reported. Gov. Beshear declared a state of emergency in these and other areas and authorized the use of 275 National Guard troops to assist with storm-related damage. As a result of the damage, the Commonwealth was awarded a NEG in April 2012 in the amount of \$859,793. FEMA declaration 4057 included Menifee, Morgan and Wolfe counties in eastern Kentucky. To date, 57 dislocated workers have been employed in cleanup and recovery efforts.

Comair Airlines Grant

In July 2012, Delta Air Lines announced that it would be shutting down its northern Kentucky-based Comair Airlines. The last Comair flight was Sept. 29, 2012, ending more than three decades of operation. Comair Airline laid off 1,994 workers due to its closing. Although located in northern Kentucky, the closure affected the neighboring states of Indiana and Ohio.

Kentucky coordinated services with Indiana and Ohio career counselors to assist the dislocated workers in identifying gaps in skills and assisting with the quickest and most lucrative path to skill upgrades based on the training available. Kentucky is focusing on the top three sectors in the northern Kentucky area which are advanced manufacturing, health services and transportation/logistics. Approximately 143 pilots will receive training to attain the Airline Transport Pilot (ATP) rating and an estimated 200 participants will seek training in the high-demand sectors. To date, 55 dislocated workers have been enrolled.

Dislocated Worker Training Grant

Kentucky was awarded a NEG on June 26, 2013, of \$1,240,897. Gov. Beshear announced the receipt of the grant to expand training of dislocated workers. The grant will support on-the-job training, customized training, registered apprenticeships and other approaches that connect individuals with employers, with a focus on providing these services to those in long spells of unemployment.

Local Workforce Investment Areas

EKCEP – The LWIB created the Hiring Our Miners Everyday (H.O.M.E.) initiative in response to the eastern Kentucky region losing more than 6,000 coal mining jobs. H.O.M.E. helps out-of-work miners discover their skills and determine new career options. The program covers costs for them to enter classroom training and helps place them into subsidized on-the-job training positions with area employers.

The program is also creating partnerships with employers and organizations across Kentucky and other states to help miners find and land jobs that allow them to sustain their standard of living and continue to use their skills.

H.O.M.E. held a series of Coal Miner Benefits Fairs in the region that drew in nearly 1,000 miners dislocated in the first wave of coal layoffs through the summer of 2012. These were followed with a series of H.O.M.E. Open Enrollment Events in various counties in the region, which drew in hundreds more miners and help jumpstart enrollment efforts, which have seen more than 1,400 miners join the program.

One beneficiary of the H.O.M.E. initiative was Michael Conn, a 28-year coal company mechanic who suddenly found himself out of a job after a wave of layoffs by Alpha Natural Resources.



Conn sought help from H.O.M.E. through Sandy Grimm, a career advisor with the Big Sandy Area Community Action Program, which delivers H.O.M.E. and other services under contract with EKCEP. He also enrolled in the Johnson County Job Club, a component of EKCEP's Job Clubs of Eastern Kentucky network. There, Conn began working on his job search skills and resume, and learned about available job opportunities he hadn't been able to find on his own.

Grimm helped Conn locate a job in the road construction industry with Mountain Enterprises, and he was hired just a week later to service and maintain the company's heavy equipment through a H.O.M.E. on-the-job training placement.

Thanks in part to EKCEP's focused efforts like these to help get miners back in the workforce, the agency would go on to receive a \$5.2 million National Emergency Grant (NEG) from the U.S. Department of Labor's Employment and Training Administration to grow the H.O.M.E. initiative to its fullest extent.

These efforts also led to recognition from Fifth District U.S. Congressman Harold "Hal" Rogers, who made a special visit to EKCEP's Kentucky Career Center JobSight workforce center in Hazard to commend EKCEP for its work with the H.O.M.E. initiative.

Accelerating Opportunity Kentucky

The Accelerating Opportunity Kentucky (AOKY) initiative assists low-skilled adults with earning the credentials and skills they need to get and succeed in family-sustaining jobs. This collaborative project of the KCC, KCTCS and KYAE is in its second year. More than 800 students participated in the program in the first year and a half with another 330 students enrolled this fall semester.

Early reports indicate that AOKY is helping low-skilled students become successful; students are increasing their basic skills and successfully earning credentials. To date, AOKY students have earned more than 750 credentials in 12 different pathway programs such as allied health, automotive technology, industrial maintenance and welding technology. Many students enter the workforce upon completing AOKY, while others remain at the college to pursue a higher level of credential.

AOKY is offered at: Bluegrass Community & Technical College, Gateway Community & Technical College, Jefferson Community & Technical College, Madisonville Community College, Maysville Community & Technical College, Owensboro Community & Technical College, Southeast Kentucky Community & Technical College and West Kentucky Community & Technical College. This fall, Elizabethtown Community & Technical College, Hazard Community & Technical College, and Somerset Community College started their AOKY programs. The remaining five colleges (Ashland Community & Technical College, Big Sandy Community & Technical College, Henderson Community College, Hopkinsville Community College, and Southcentral Kentucky Community & Technical College) plan to start their AOKY programming in January 2014.

Local Workforce Investment Areas

West Kentucky - AOKY is helping students achieve their academic and career goals. One participant decided to go back to school after she lost her job in April 2012. She was interested in the healthcare field and decided to go to West Kentucky Community & Technical College. The COMPASS test indicated that she needed assistance with reading, writing and math, which made her an ideal candidate for the program. She enrolled in classes at WKCTC for the fall semester and began her journey with the program.

She completed the AOKY program in May 2013 and earned the Medicaid nurse aide and advanced nursing assistant certificates from WKCTC. She was hired in May at McCracken Nursing and Rehabilitation as a certified nursing assistant. She is a full-time employee with benefits and earns \$10.50 per hour. She decided to continue her education and is taking classes at WKCTC towards an associate in applied science degree in health science technology.

She gives credit for her success to the AOKY program. “The Accelerating Opportunity program is the reason why I have gotten as far as I have. I am so grateful for the people and all of the help and support that I got from this program,” she said.

AOKY helps students go further faster in their academic studies by utilizing a co-teaching model that places an adult education instructor in the classroom to provide extra support to students. The students also meet with the adult education instructor every week for additional basic skills instruction to improve their reading, writing or math skills.

This basic skills instruction with the adult education instructor takes the place of developmental courses and allow students to work on their basic skills while taking regular college courses. The goal is for students to improve their basic skills so they can raise their COMPASS scores and test out of developmental courses.

The AOKY program also includes other wrap-around services to help students achieve their academic and career goals. Participants have a success coach to help identify and resolve life issues that could be barriers to reaching education and employment goals and a career coach who provides guidance and instruction in how to prepare for and perform a successful job search and how to keep a job once hired.

Evaluation

Together the initiatives described above represent an intense focus on evaluating and improving the efficiency and effectiveness of services across the workforce system. Evaluation is built in and embedded in these efforts in numerous ways, beginning with the assessments conducted by consultants and by the local workforce areas.

These assessments were and are at the heart of initiatives like Branding and Outreach, High Impact Workforce Investment Board and Kentucky Career Center Certification. The results of these assessments enabled us to make substantive changes in service delivery and organizational structure required to meet the newly raised standards.

As these efforts continue, we anticipate additional opportunities to evaluate their effectiveness and secure new resources to engage others to help us research our strategies and results.

Program Results

WIA/On-The-Job Training (OJT)

Local Workforce Investment Areas

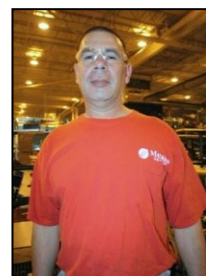
West Kentucky – “Without the OJT program, I do not think we would have been able to hire such a qualified candidate for our business. We are very appreciative of our partnership with the WKWIB and believe it has been a key part of our continued business growth in the Pennyryle Region.”

- Lucas Chesnut, co-owner Culligan Water & HR/CFO Pennyryle Home Medical

“Due to the significant number of layoffs and the continued high level of unemployment within the region, low income and laid off workers have been able to access needed skills training with our company as well as maintain and secure employment offering at a sufficient wage. The On-the-Job Training has provided Metalsa with 62 mature individuals in the past year. Metalsa will continue to use this workforce program and is very thankful that a program like this exists in the Western Kentucky area.”

-Sharon Chilton, human development coordinator, Metalsa

A 20-year army veteran started the WKWIB OJT program at Metalsa on Feb. 20, 2012. With less than one year of service, he was accepted into Metalsa Hopkinsville's Maintenance Apprenticeship Program where he is currently attending Hopkinsville Community College to obtain an associate's degree in applied science. This customer completed his OJT and is still employed by Metalsa.



Another customer was determined eligible as a dislocated worker to participate in the temporary employment program, Project Water, which was implemented during the summer of 2011. At that time, he had been unemployed for more than 27 weeks and seeking employment since his layoff from a construction company in November 2010. He was placed at the Department of Public Works for the City of Cadiz to perform needed disaster assistance related to flood and storm damage throughout the city. The City of Cadiz was so pleased with his work ethic that they contacted the WKWIB business liaison to inquire about other programs available to assist them in keeping him employed. He started the OJT program with The City of Cadiz on Jan. 3, 2012, and successfully completed his training hours and is now employed by The City of Cadiz.

Lincoln Trail - Business Services staff worked to increase OJT opportunities in the Lincoln Trail region. This resulted in the development of 10 OJT agreements with nine employers in a variety of workplace settings. A total of 74 participants benefitted and more than \$157,000 in wages were reimbursed. We see OJT as a win-win situation for both the employer and the job seeker.

“Participating in the On-the-Job Training Program with Lincoln Trail Workforce Investment Board has been financially rewarding to Montebello Packaging, Inc. but also has helped us improve our training methods and ensure that our employees are receiving the training needed in order to be successful on the job.”

-Rebecca Greenwell, human resources assistant manager, Montebello Packaging, Inc.

Bluegrass - The BGWIB in partnership with Toyota Motor Manufacturing in Kentucky and its Center for Quality People and Organizations, administered a program called HOPE (Helping Others Prepare for Employment), which began in January 2013.

The HOPE program was designed to increase diversity within Toyota’s advanced manufacturing facility and prepare job seekers interested in employment with Toyota with skills in areas such as teamwork and lean manufacturing. Classes were held at the Lexington Career Center, and approximately 50 individuals attended the first class. The classes concluded at the end of March.

Candidates who were selected for the HOPE program met five Saturdays for a non-paid clinic that ended with an assessment which could lead to employment. Twenty-four people were hired from the inaugural class.

EKCEP - EKCEP expanded its Kentucky Teleworks work-from-home job matching service with the opening of its first Teleworks Hub at the Kentucky Career Center JobSight location in Hazard.

Kentucky Teleworks connects job seekers with work-from-home job opportunities. The service also hosts local events like job screenings and job fairs, as well as web-based virtual job fairs.

At the Teleworks Hub, individuals who lack suitable phone and Internet service in their homes can have access to 44 work stations with computer equipment and high-speed broadband connectivity needed to apply for and land available telework jobs. Plans are also in place for a second Teleworks Hub in McKee in Jackson County.



Melissa Stidham is one of the hundreds of Kentuckians who have secured telework jobs through EKCEP's Kentucky Teleworks service. She was also one of the first employees at the Teleworks Hub in Hazard.

Stidham works at the hub, but is employed by StarTek, a call-center, customer-service vendor for a major U.S. telephone, Internet and satellite TV provider.

"These kinds of jobs are the future of the workforce in Eastern Kentucky," Stidham said. "The pay and the benefits are great, and I love the fact that I got this opportunity and didn't have to leave my hometown."

EKCEP - The LWIB was invited to participate in the "White House Forum on Job Clubs and Career Ministries" in Washington, D.C. EKCEP Executive Director Jeff Whitehead and Training and Program Development Coordinator Traci Nolen updated labor and administration officials on the organization's success in blending Job Clubs with its WIA services for job seekers.

The event gave EKCEP and other top Job Clubs practitioners from across the nation the chance to share insights on their success in helping job seekers and others through the job clubs concept.

Sponsored by EKCEP, the Kentucky Office of Employment and Training (OET), and Community Action Agency partners, Job Clubs features small groups of job seekers who meet weekly with local workforce experts to improve their job searches.

The job club group members provide support for each other while networking, sharing job leads, and learning techniques for improving their job searches from workforce experts, local businesspeople and other invited guests.

The combination of support, networking and job-search education has proven to make job club members much more successful at getting a job than job seekers who search alone.

Veterans Services

Overall Kentucky met or exceeded all veteran employment measures in three of the four quarters in the year. The Local Veterans Employment Representatives increased the number of businesses using the Focus Suites by 1,000 and assisted 538 recently separated veterans gain employment. The Disabled Veterans Outreach Program specialists provided one-on-one services to 1,170 veterans to assist them in overcoming employment barriers and becoming job ready.

Veterans receiving services by employment staff show that six-month average wages rose by approximately \$1,000 from the previous year. The National Chamber of Commerce held two “Hiring our Heroes” job fairs in Louisville where approximately 800 veterans attended with 260 veterans being offered employment. Additionally, Kentucky hosted the first Tri-state veterans’ expo in Ashland. This expo was supported by veterans staff in Ohio, West Virginia and Kentucky along with businesses, veteran support agencies and civic organizations from all three states. This expo was attended by approximately 280 veterans and their spouses.

Veterans Interagency Workgroup

The mission of the Veterans Interagency Workgroup is “to bring together Kentucky resources to identify and collaboratively serve our veteran customers so that they can achieve positive employment and social outcomes.”

In December 2011, in response to the growing rate of unemployment among Kentucky veterans and National Guard, the Kentucky Department of Workforce Investment convened a statewide interagency task force to bring together agencies with similar missions to improve the lives of all Kentucky veterans, Kentucky National Guard and Reservists and their families. During the Kentucky Disabled American Veterans Convention on June 15, 2012, Gov. Beshear announced that this interagency workgroup would be formalized into the Hiring Kentucky Heroes initiative.

Since its inception, this group has helped strengthen the framework of support for veterans by conducting statewide job fairs that include employers, veterans, and college partners from KCTCS. These job fairs help employers understand the skills veterans can bring to their companies; sponsor workshops for veterans on translating military experience into marketable job skills; introduce veterans to the high-skill, high-wage programs of study that Kentucky colleges offer; and allow colleges to inform employers of training opportunities available to workers.

In addition, the group continuously works to shape new regulations for accepting military training and experience, and works with the Bridges To Opportunities project to prepare veterans for transportation construction projects throughout the state, which will take up to 10 years to complete.

NCRC

A project targeting veterans, persons with disabilities and the chronically unemployed yielded 159 NCRC certificates.

Local Workforce Investment Areas

Lincoln Trail - Home to Fort Knox, the Lincoln Trail Workforce Investment Board's (LTWIB) region has a large population of military veterans. In the summer of 2012, the LTWIB wanted to take an even closer look at how well the military veteran population was being served by the workforce system. The LTWIB subsequently decided to invest funds to fully map the resources available to veterans in the region.

This comprehensive asset mapping effort sought to identify all agencies - public, private, military, education provider, community non-profits and more – that support veterans who are seeking employment, entrepreneurship or education to bridge the gap. The mapping covered the entire 26-county bi-state regional economy. The resources are available to the entire region via the Veterans Resource Center <http://kix.com/veterans-resource-center>.

As part of the asset mapping process, the LTWIB also identified gaps and challenges that veterans face despite the wide array of support. Findings pointed to a less than integrated, sometimes bureaucratic and often overwhelming support system.

To begin to address these challenges, the LTWIB in partnership with the Kentucky Indiana Exchange (KIX) hosted a Regional Veterans Summit in December 2012. The summit brought together support agencies, employers, military partners, veterans, elected leaders and other key regional stakeholders to begin a dialog, raise awareness and begin an effort to better integrate support on a regional basis.

The summit served as the launch of a regional effort to develop an integrated model that will create the most efficient and effective support system in the nation. Because of the LTWIB's leadership in this effort, KIX has received a planning grant from the Gheens Foundation to fully develop this regional initiative.

Northern Kentucky – Five veterans were hired through Truststaff to work at FedEx as trailer mechanics paying \$20 per hour. All were very happy to be working for FedEx, a solid company with opportunities to advance.

Another unemployed veteran came into the Florence Career Center, discussed his benefits and employment opportunities and discovered he was a Special Disabled Veteran with 30 percent service connected disability. He was approved for the VA Vocational Rehabilitation Chapter 31 Program and is currently attending his first semester at Xavier pursuing his educational goals. The Florence Veterans Section is planning on him joining the program as a VA Work Study to help support other veterans while he finishes his degree.

Barren River – This region assisted a veteran relocating to the area to attend to his father's medical needs, which meant uprooting his family with no job leads. Following counseling and interview preparation the customer interviewed with Sun Products and obtained employment as a chemical technician instead of the production job that was advertised. He and his family have achieved the goal of moving closer to his father and finding a job with income that far exceeded his expectations within a short timeframe. He will be a spokesman for the veterans program and the assistance he received.

West Kentucky – Local veterans in search of employment, and educational and health resources, were in luck as WKCTC and the KCC jointly hosted the first annual Vetworking fair. The event featured career building workshops and speakers from local businesses.

Youth Services

KentuckianaWorks - The Mayor's SummerWorks Program helped reverse the trend of extremely high teen unemployment in Louisville by involving local employers in directly hiring young adults, ages 16-21, for summer jobs. As the program entered its third year in 2013, Mayor Fischer set a goal of finding jobs for 800 youth. Instead, more than 95 local employers put more than 1,500 young adults to work in meaningful, seven-week summer jobs. Donations from civic and business leaders and local foundations placed 125 youth in jobs with area nonprofit and government agencies. Of the total positions, more than a third went to young people from low-income families.

Matt Thornton, president and CEO of Thorntons, a leading, independent gasoline/convenience-chain retailer headquartered in Louisville, employed 35 SummerWorks participants in 2012. He increased that number in 2013, placing 52 youth in stores as well in the Store Support Center because his employees had such good experiences working with the young people.

"When the Mayor's office reached out to us on this one, it was one of those questions not just would we jump, but how high," Thornton said. "This year everybody wanted an intern at Thorntons. I would challenge other Louisville businesses to look beyond the start-up pain of instituting an intern program. We have been so rewarded by all these young kids. They challenge us to think differently every single day. They come to work with a different approach, a different perspective, and it's very, very refreshing."

One participant had just earned her GED at the KentuckianaWorks Youth Career Center when she was selected as a 2012 SummerWorks participant and worked in Thorntons Human Resources Department. "After the summer was over, they found a place for me, a permanent place for me in Facilities Services, working with invoices and vendors," she said. "Overall, it's been a really great experience. I've learned a lot of skills that I will use for the rest of my life in whatever career I do."

Barren River – Employers at 58 worksites hosted 63 student interns for up to 250 hours to provide hands on training to compliment the classroom training completed for jobs such as industrial maintenance, nurse aid and culinary arts. Of those 63, seven remained employed at their placements after the internship period ended, and 40 went on to other educational or employment opportunities. The youth were required to complete a series of work readiness workshops covering such topics as budgeting, resolving conflict, workplace principles, interviewing and resume writing.

This project had and will continue to have significant community impact. One of the main concerns of employers was that youth possess the skill sets to fill their current and upcoming positions and to ensure that any potential employee has the soft skills needed to work in a team environment. One of the true values of this project was that it can be easily duplicated throughout this area and beyond with other high growth target sector businesses and industries.

The project won recognition as an Innovation Award Winner from the National Association of Development Organizations (NADO).

Green River - Together with the Green River Youth Council, this area developed and launched a welding and manufacturing program in the summer of 2013 for area WIA-eligible youth. Advanced manufacturing is another key sector identified by the Green River Workforce Investment Board (GRWIB). The program was operated by the Owensboro Community and Technical College (OCTC). A total of 13 WIA-eligible youth participants were served from Ohio and Daviess counties.

Eleven students were placed in a paid internship in the field of advanced manufacturing for a maximum of 32 hours a week up to eight weeks after they completed the coursework mentioned above and passed a drug test and background check if required by the internship employer. Ohio and Hancock counties employers served as internship employers. Because financial need was an issue for all the participants, the employers located within the closest proximity to where the students live were assigned interns first.

Three of the students who completed the program have enrolled in post-secondary education for the fall of 2013. A few other students have expressed an interest in pursuing this opportunity in the spring of 2014. The Green River Youth Council and the GRWIB are pleased with the success of the program and realize the importance of addressing basic skills, soft skills, occupational skills and training-related internships. This is what made the welding and manufacturing program unique.



Reemployment Eligibility Assessment (REA)

The Reemployment Eligibility Assessment (REA) program provides in-person assessments for Kentuckians receiving Unemployment Insurance (UI) benefits in order to help them get back into the workforce more quickly. Studies have found that when efforts are increased to assist claimants in finding employment through individualized services, they have shorter claim durations, and fewer erroneous payments are made.

The KCC focused resources on better integrating and connecting unemployment compensation services with reemployment services delivered through the system. The goal was to ensure UI claimants had access to the full array of employment and training services while also ensuring that they complied with the state's requirements to actively engage in seeking work as a condition of receiving benefits.

Program Analysis (July 2012 – June 2013)

Kentucky's administrators of the REA program analyzed the number of disqualifications made, the amount of benefits exhausted, participants reemployed and overpayments issued. Data collected in an unemployment insurance (UI) report called ETA 9129 Reemployment and Eligibility Assessment Outcome was entered into spread sheets for analysis. The data also was compared to a non-REA control group (state defined), and the overall results were measured against the intent of the program from the USDOL, Employment and Training Administration (ETA).

ETA 9129 REA Report

The 9129 report provides quarterly information on the outcomes of REA activities for claimants who are scheduled for at least one REA activity, and then compares the results to a control group that has been identified by the OET. The report reflects work search plans, labor market information and referrals to reemployment services.

For the Kentucky program, data outcomes from one 9129 report have been analyzed under two different tables. Both Table 1 and Table 2 reflect the original 9129 report for the time period of July 1, 2012 - June 30, 2013; however, Table 1 expresses the report with exact outcomes, while Table 2 uses adjusted variables in the state defined group because the sample size was much larger in the state defined group. Adjusting the state defined group size produced a closer measurement with the REA group.

Table 1

ETA 9129 REPORT REA		TIME PERIOD: 07/01/2012-06/30/2013		STATE DEFINED GROUP				REA GROUP		
TOTAL CLAIMANTS FOR BOTH GROUPS (STATE DEFINED & REA)				INDEX	TOTAL	INDEX %	TOTAL %	TOTAL	INDEX %	TOTAL %
ESTABLISHED UI BENEFIT YR IN RQ (TOTAL)				61,371	47,505	77%		13,866	23%	
TOTAL WEEKS COMPENSATED				806,601	563,649	70%		242,952	30%	
TOTAL BENEFITS PAID				\$ 228,632,887.61	\$ 152,181,021.61	67%		\$ 76,451,866.00	33%	
NUMBER OF DISQUALIFICATIONS				9,558	7,079	74%	14.9%	2,479	26%	17.9%
NUMBER OF EXHAUSTING BENEFITS				17,598	12,182	69%	25.6%	5,416	31%	39.1%
NUMBER REEMPLOYED				8,773	6,039	69%	12.7%	2,734	31%	19.7%
AVG WEEKS TO DATE OF REEMPLOYMENT				19	9	47%		10	53%	
AMT OF OVERPAYMENTS ESTABLISHED				\$ 4,151,827.00	\$ 2,943,902.00	71%	1.93%	\$ 1,207,925.00	29%	1.58%

Table 2

ETA 9129 REPORT REA		TIME PERIOD: 07/01/2012-06/30/2013		STATE DEFINED GROUP					REA GROUP		
TOTAL CLAIMANTS FOR BOTH GROUPS (STATE DEFINED & REA)				INDEX 2	TABLE 1 TOTAL	REDUCED TOTAL (29.2%)	INDEX %	TOTAL %	TOTAL	INDEX %	TOTAL %
ESTABLISHED UI BENEFIT YR IN RQ (TOTAL)				27,737	47,505	13,871	50%		13,866	50%	
TOTAL WEEKS COMPENSATED				407,538	563,649	164,586	40%		242,952	60%	
TOTAL BENEFITS PAID				\$ 120,888,724.31	\$ 152,181,021.61	44,436,858	37%		\$ 76,451,866.00	63%	
NUMBER OF DISQUALIFICATIONS				4,546	7,079	2,067	45%	14.9%	2,479	55%	17.9%
NUMBER OF EXHAUSTING BENEFITS				8,973	12,182	3,557	40%	25.6%	5,416	60%	39.1%
NUMBER REEMPLOYED				4,497	6,039	1,763	39%	12.7%	2,734	61%	19.7%
AVG WEEKS TO DATE OF REEMPLOYMENT				13	9	3	21%		10	79%	
AMT OF OVERPAYMENTS ESTABLISHED				\$ 2,067,544.38	\$ 2,943,902.00	859,619	42%	1.93%	\$ 1,207,925.00	58%	1.58%

Number of Disqualifications

The disqualification of program participation for UI claimants can be viewed as part of the program intention for eliminating potential overpayments and realizing cost savings for the UI trust fund. Participants can be disqualified for not adhering to requirements such as a program orientation or a reemployment interview.

When analyzing the data from Tables 1 and 2, disqualifications for the state defined group were 14.9 percent and the REA group was 17.9 percent. The higher 17.9 percent for the REA group indicated a cost saving for the Commonwealth's UI trust fund. Additionally, there is speculation whether the same disqualified participants could have potentially received overpayments. Through the process of participant interaction, or when participants don't interact, the program's orientation and reemployment interviews are able to collect cost-effective information.

Number of Claimants Exhausting Benefits

The exhaustion of UI benefits is measured in the program to understand how efficiently the participant has returned to work and how much cost savings have been gained. Cost savings are realized when the participant, during his time in the program, has stopped claiming benefits.

According to the data from Tables 1 and 2, benefit exhaustion was 25.6 percent for the state defined group, while the REA group was at 39.1 percent. Measurement of performance for this category favors the state defined control group by 13.5 percentage points. According to the report, the REA group must make improvements to prevent such a high number. Opportunities to re-contact the participant are available to staff through the personal interaction stage of the program, which should yield opportunities to address problems that could contribute to those exhausting benefits.

Number Reemployed

Increasing the number of participants reemployed is paramount to the program design, because it enlarges the labor force and saves UI trust funds.

Reemployment of REA participants is a result of participating in the program stages of orientation and reemployment interviews, both consisting of high amounts of claimant interaction.

When analyzing the difference in data groups in Tables 1 and 2, it's clear that the REA group has an advantage in reemployment, with 19.7 percent of participants becoming reemployed compared to the 12.7 percent of the state defined group. During orientation and reemployment interviews stages, staff can gain and share information with the customer to increase reemployment potential. The reemployment interview, especially, has a high amount of claimant interaction, which is essential for effective program performance.

Amount of Overpayment

Identifying overpayments and eliminating potential overpayments of benefits are a high priority for the UI program and can result in cost savings for the UI trust fund. The data from the two groups show that the REA program had fewer overpayments by a total of 1.58 percent compared to the state defined control group which had an overpayment of 1.93 percent.

Benefits to Kentucky

Overall, results of the REA program show that it was more effective in reemploying participants than the control group. During orientation and the reemployment interview, staff was able to use the personal interaction with claimants to improve unemployed workers job search. This is particularly true during the reemployment interview where staff helped participants use labor market information and the job-matching process to find a job.

The data from both groups indicate that the REA program is more efficient at reemploying unemployed workers, but program implementation improvements are needed. Those improvements include finding new ways to prevent people from exhausting benefits before the third report and updating the report selection for the state defined control group so that the number of participants is equal or close to equal the REA group for validation in measurement.

Cost of Program Activities Relative to Program Outcomes

July 1, 2012 – June 30, 2013

	PY 2012 Expenditures (Formula funds)	PY 2012 Customers Served	PY 2012 Exiters	PY 2012 Cost Per Customer Served	PY 2012 Cost Per Customer Exited
Adults	\$12,910,653	5,011*	2,568	\$2,576	\$5,028
Dislocated Workers	\$8,843,439	6,512	3,395	\$1,358	\$2,605
Youth	\$12,494,329	3,926	2,065	\$3,182	\$6,051

**Does not include 245,344 Adult Self – Service Only*

The Commonwealth has been aggressively moving forward in its efforts to leverage WIA Title 1 funds with other federal, state, local and private resources. In doing so, the emphasis has been on improving efficiency and effectiveness at every level of the workforce development system. Success is evident through the many accomplishments under the WORKSmart Kentucky strategic plan as outlined in this report. For all the successes, however, today's economy still poses challenges. These challenges have resulted in stronger partnerships and greater commitments between workforce, education and economic development agencies.

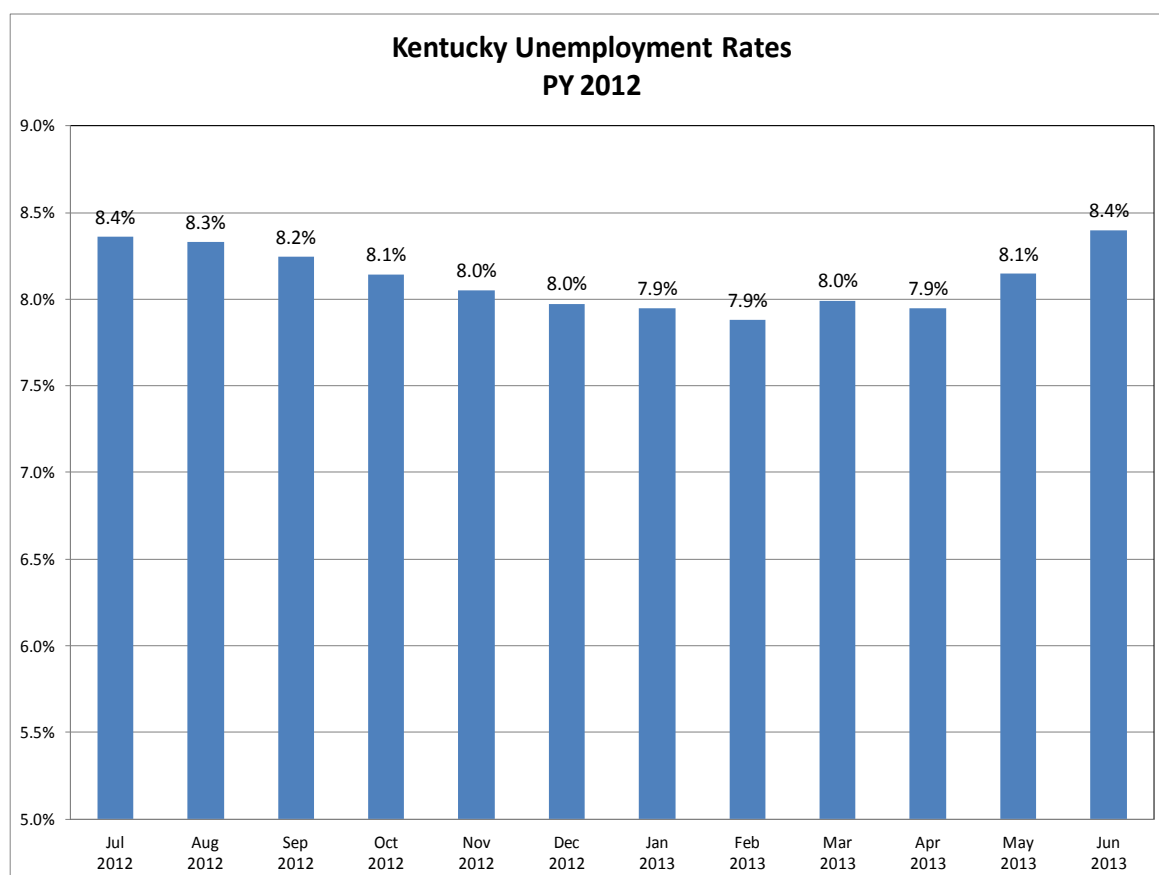
Kentucky's employment situation improved significantly in PY 2012. But the surge in growth during the beginning of the year trended downwards by the last quarter of the program year. The Commonwealth's unemployment rate averaged 8.1 percent in PY 2012 compared to 8.8 percent a year earlier and 9.8 percent in PY 2010.

The U.S. economy also followed a similar track with the national unemployment rate falling to 7.8 percent in PY 2012 compared to 8.5 percent a year earlier. The program year started in July 2012 with Kentucky's unemployment rate of 8.4 percent as the 18th highest among the 50 states and the District of Columbia. The program year ended with Kentucky's situation worsening slightly and being ranked as the state with the 13th highest unemployment rate.

The labor market performed well during the first three quarters of PY 2012, but slowed down by the final quarter. The number of employed increased by 1.7 percent in the first quarter of PY 2012, but that growth slowed to 1.4 percent by the fourth quarter.

A more dramatic turn was in the number of unemployed. The ranks of the unemployed dropped by 12.4 percent in the first quarter of PY 2012, but by the end of the year it had increased by 0.1 percent.

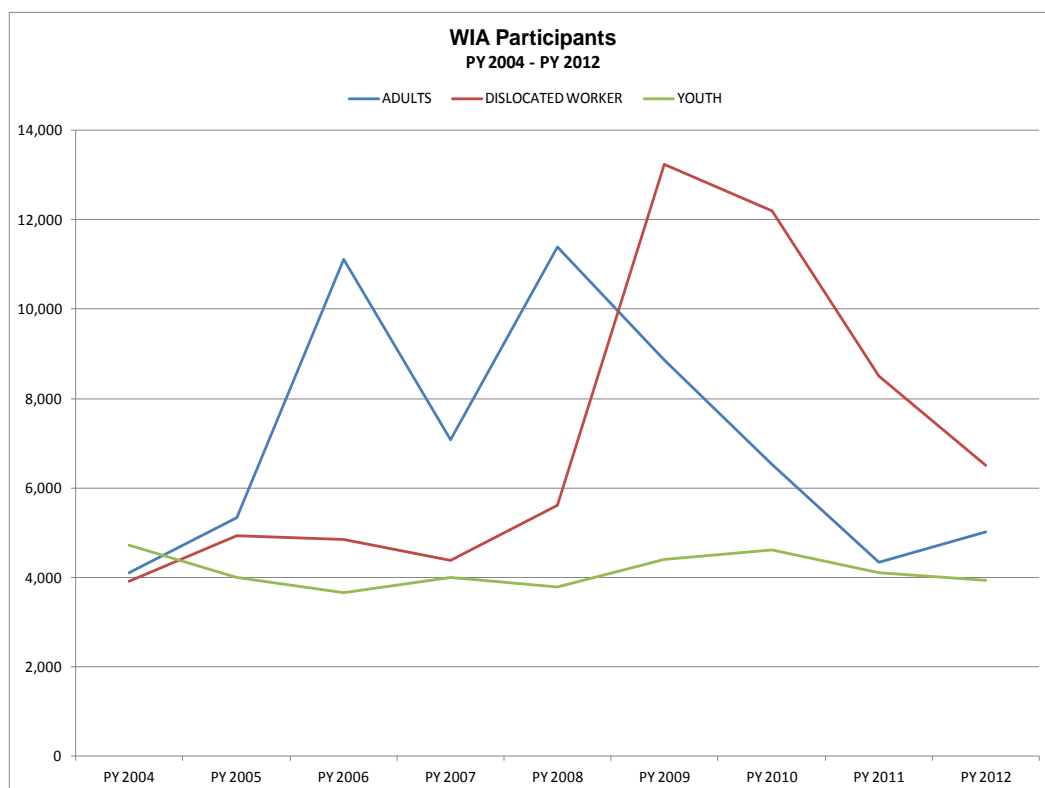
The change in nonfarm employment is a more robust series. In PY 2012, nonfarm employment increased by 1.2 percent, considerably less than the 1.7 percent gain in PY 2011. The program year started off with a nonfarm employment gain of 1.5 percent in the first quarter, but the growth had dampened to 0.7 percent by the last quarter of PY 2012.



The number of dislocated worker participants has continued to decline since PY 2009, but still remains higher than the pre-recession level. The number of WIA-enrolled dislocated workers served was 6,512—a decline of 1,990 from the previous year for a 23 percent decrease. However, this is a marked decline since PY 2009 when Kentucky provided services to more than 13,000 dislocated workers.

WIA-enrolled adult participants receiving intensive and training services showed a slight increase of 13 percent - the first increase since PY 2008. However the number of adult customers seeking services (other than intensive and training) dropped 2 percent or 5,033 from 250,377 to 245,344.

The number of youth participants has remained steady since PY 2005 with only a 4 percent decrease from last year.



WIA Financial Statement Program Year 2012-2013

Operating Results	Available	Expended	Percentage Expended	Balance Remaining
Total All Formula Fund Sources	\$ 63,652,001.93	\$ 43,392,860.04	68%	\$ 20,259,141.89
Current Year Funds	\$ 40,301,408.00	\$ 20,684,784.87	51%	\$ 19,616,623.13
Carry in Monies (Non-Additive)	\$ 23,350,593.93	\$ 22,708,075.17	97%	\$ 642,518.76
Adult Program Funds	\$ 12,537,637.35	\$ 5,835,199.10	46.54%	\$ 6,702,438.25
Carry in Monies (Non-Additive)	\$ 7,128,466.73	\$ 7,075,454.32	99.26%	\$ 53,012.41
Dislocated Worker Program Funds	\$ 10,098,581.50	\$ 4,756,860.52	47.10%	\$ 5,341,720.98
Carry in Monies (Non-Additive)	\$ 4,303,543.26	\$ 4,086,578.01	94.96%	\$ 216,965.25
Youth Program Funds	\$ 12,042,555.30	\$ 7,028,459.31	58.36%	\$ 5,014,095.99
Carry in Monies (Non-Additive)	\$ 5,611,050.41	\$ 5,465,869.55	97.41%	\$ 145,180.86
Rapid Response Funds	\$ 3,606,636.25	\$ 1,452,027.26	40.26%	\$ 2,154,608.99
Carry in Monies (Non-Additive)	\$ 2,386,164.34	\$ 2,271,577.04	95.20%	\$ 114,587.30
Statewide Activity Funds	\$ 2,015,997.60	\$ 1,612,238.68	79.97%	\$ 403,758.92
Carry in Monies (Non-Additive)	\$ 3,921,369.19	\$ 3,808,596.25	97.12%	\$ 112,772.94

Cost Effectiveness	C/E Ratio	Period of Availability on Balance Remaining:	
Overall, All Program Strategies	\$ 4,266	Through June 30, 2014 (PY 2011 funds)	\$ 642,518.76
Adult Program	\$ 5,028	Through June 30, 2015 (PY 2012 funds)	\$ 19,616,623.13
Dislocated Worker Program	\$ 2,605	Balance Remaining	\$ 20,259,141.89
Youth Program	\$ 6,051		

In PY 2012, Kentucky had more than \$14.4 million available in formula dislocated worker funds and had expended 61 percent or more than \$8.8 million. In PY 2011, available dislocated worker funds totaled just over \$13 million and expenditures were reported at more than \$9 million which indicates a 4 percent decrease in PY 2012. The Commonwealth spent more than \$3.7 million or 62 percent of available Rapid Response funds in PY 2012 compared to \$4.4 million or 65 percent in 2011. More than \$1.5 million was transferred from the adult to the dislocated worker program.

The number of dislocated workers who received training under the Trade Act is included in the total number of dislocated workers. Trade-affected participants receiving training are co-enrolled in the dislocated worker program in order to receive the wrap-around services to ensure the participant is successful in completing training and landing employment that pays a family-sustaining wage.

The number of dislocated workers who received training in PY 2012 under the Trade Act totaled 965 – 39 percent less than in PY 2011. Training expenditures for dislocated workers qualifying for services under the Trade Act totaled more than \$6 million. More than \$1.5 million was expended for Trade administration and case management.

Additionally, 482 dislocated workers received services through three National Emergency Grants (NEGs). Under the Multi-company NEG, 370 participants received services of which 303 were enrolled in training. Fifty-five participants received services under the Comair NEG with 40 of the 55 enrolled in training. Wages to assist in the clean-up efforts in the storm-devastated areas of eastern Kentucky were paid to 57 dislocated workers under the Severe Storms, Tornadoes, Straight-Line Winds and Flooding NEG.

As the WIA participant chart indicates, the number of adult participants enrolled in intensive and training services increased for the first time since PY 2008. Although the availability of adult funds increased 10 percent from PY 2011 — from \$17.6 million to \$19.6 million, expenditures increased by approximately 22 percent — from \$10 million to nearly \$13 million. The PY 2012 expenditure rate for adult program funds increased from 57 percent in PY 2011 to 66 percent. More than \$1.8 million was transferred from the dislocated worker to the adult program.

Kentucky continues to provide exceptional services to low-income youth who face barriers to employment. As depicted in the WIA participant chart, the number of WIA-enrolled youth participants has remained steady since PY 2004. Although there was a slight decrease in the number of youth served from PY 2011 to PY 2012, Kentucky expended nearly \$2 million more to provide quality youth programs. The expenditure rate increased 6 percentage points from 65 percent in PY 2011 to 71 percent in PY 2012.

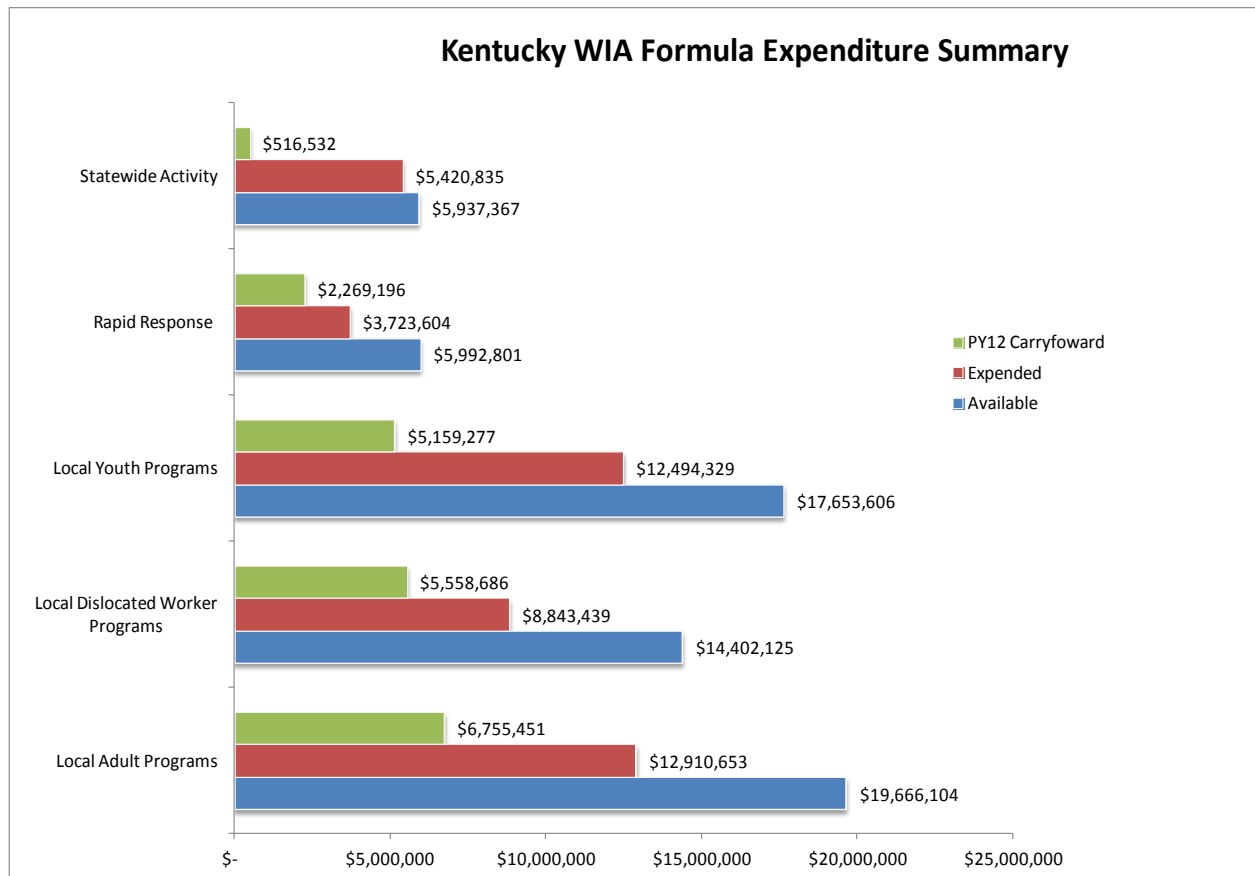
With the expiration of the last grants under the full 15 percent statewide reserve allocation, several of the KWIB initiatives were completed. As the WIA Financial Statement indicates, Kentucky's statewide activity expenditure rate increased from 58 percent in PY 2011 to 91 percent in PY 2012. The carry-in in statewide activity funds declined by approximately 87 percent from the previous year.

Statewide projects receiving funds in PY 2012 included the following KWIB initiatives:

- Workforce Development Academy
- Rapid Response (Business Services) Redesign
- High Impact WIB
- Sector Strategies – Industry Partnerships
- Work Ready Community
- Partner for Success
- Branding/Outreach
- One-Stop Certification
- Economic Development Academy
- User Friendly Online Services
- Entrepreneurship
- National Career and Readiness Certificate
- Apprenticeship – Learn and Earn

Other Statewide projects included:

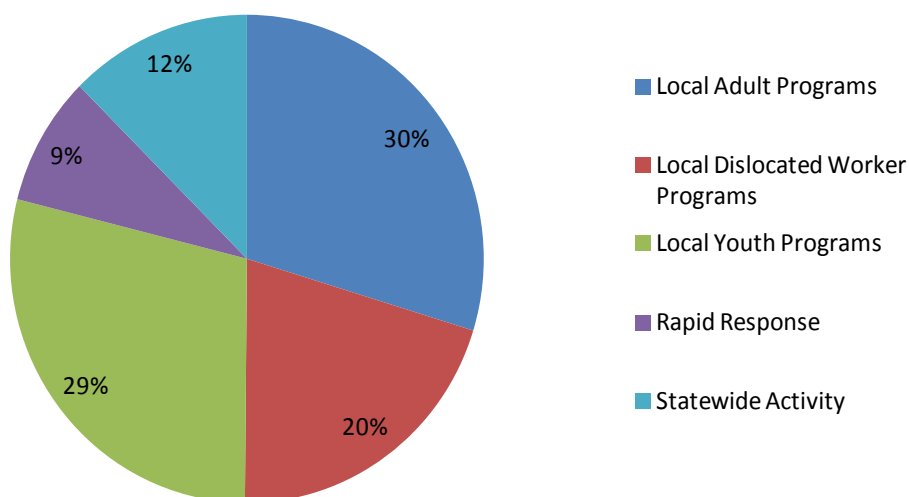
- LWIB Performance Incentives
- Accelerating Opportunity
- NGA for Best Practices
- ArcView
- Incumbent Worker Training
- Leading in a New Age (tuition)
- Local Area Dislocated Worker funding



During PY 2012, Kentucky spent \$43,392,860 in WIA formula funds.

As represented in the charts below, statewide activities constitute 12 percent (\$5,420,834) of the total expenditures. Rapid Response activities conducted at both the state and local level represent 9 percent (\$3,723,604) of the total expenditures. Kentucky's LWIAs expended 79 percent (\$34,248,420) of the total expenditures.

**WIA Formula Expenditures
PY 2012**



Program Year 2012 WIA Formula Expenditures		
	Available	Expended
Local Adult Programs	\$ 19,666,104.08	\$ 12,910,653.42
Local Dislocated Worker Programs	\$ 14,402,124.76	\$ 8,843,438.53
Local Youth Programs	\$ 17,653,605.71	\$ 12,494,328.86
Rapid Response	\$ 5,992,800.59	\$ 3,723,604.30
Statewide Activity	\$ 5,937,366.79	\$ 5,420,834.93
Totals	\$ 63,652,001.93	\$ 43,392,860.04

Kentucky's total WIA formula fund expenditure rate for PY 2012 is 68 percent, up from 63 percent in PY 2011. The carry-in funds for PY 2012 are \$20,259,142 compared to the carry-in funds in PY 2011 of \$23,350,593.

The Commonwealth and LWIAs are committed to meeting the challenges ahead to turn the nation's economy around through innovative programs, providing the necessary and vital training services necessary to compete in the 21st century economy.

Other grants not included previously in this report:

GRANT	AMOUNT AWARDED	TOTAL AMOUNT EXPENDED
ARRA – HCTC – NEG	\$5,000,000	\$3,269,690
Multi-company Dual Enrollment NEG	\$3,589,595	\$1,645,273
Severe Storms, SL Winds & Flooding NEG	\$859,793	\$555,455
Comair NEG	\$1,356,574	\$0
Dislocated Worker Training NEG	\$1,240,897	\$0
ARRA – SESP	\$4,740,457	\$4,740,457
PY 2010 Performance Incentive Grant	\$1,178,136	\$0
PY 2011 Performance Incentive Grant	\$690,135	\$0

Measuring Success

WIA and Wagner-Peyser PY 2012 Performance		
WIA	PY 2012 Negotiated Rate	PY 2012 Actual
Adult Measures		
Entered Employment Rate	81.5%	85.8%
Employment Retention Rate	90.7%	84.6%
Avg. Six Month Earnings	\$15,500	\$13,113
Dislocated Worker		
Entered Employment Rate	86.0%	85.0%
Employment Retention Rate	91.3%	91.4%
Avg. Six Month Earnings	\$16,838.10	\$15,127
Youth		
Placement in Employment or Education	70.0%	73.0%
Attainment of Degree or Certificate	70.0%	70.2%
Literacy or Numeracy Gains	62.0%	53.0%
WAGNER-PEYSER		
Entered Employment Rate	60.0%	50.0%
Employment Retention Rate	75.0%	72.0%
Avg. Six Month Earnings	\$11,400	\$13,987

Kentucky's 10 Local Workforce Investment Areas PY 2012 Performance Results

Adult Measures	Exceeded	Met	Failed
Entered Employment Rate	5	4	1
Entered Retention Rate	4	6	0
Avg. Six-Month Earnings	3	3	4
Dislocated Worker			
Entered Employment Rate	7	3	0
Entered Retention Rate	5	5	0
Avg. Six-Month Earnings	2	7	1
Youth			
Placement in Employment or Education	6	3	1
Attainment of a Degree or Certificate	7	3	0
Literacy and Numeracy Gains	6	2	2

Customer Satisfaction Measures

Statewide Efforts

In the current program year, some LWIAs conducted customer satisfaction research. The agency is developing a statewide measurement strategy and intends to implement it during the first calendar quarter of 2014.

Local Workforce Investment Areas

Cumberlands

This local workforce area completed and analyzed customer satisfaction surveys of both individuals and employers during the program year. This survey is one of the models used in the development of the statewide strategy described above.

The statewide survey will likely include the following measures (actual Cumberlands data as reported).

INDIVIDUALS

I was treated courteously by all WIA staff:

Strongly Disagree	6	9%
Disagree	0	0%
Agree	5	7%
Strongly Agree	57	84%

The WIA services I received were provided in a timely manner:

Strongly Disagree	5	7%
Disagree	0	0%
Agree	7	10%
Strongly Agree	56	82%

Overall I was satisfied with the services I received from WIA:

Strongly Disagree	4	6%
Disagree	0	0%
Agree	5	7%
Strongly Agree	59	87%

EMPLOYERS

How knowledgeable were the business services staff?

Extremely	10	59%
Very	7	41%
Moderately	0	0%
Slightly	0	0%
Not at all	0	0%

How likely are you to recommend our business service?

Extremely	13	76%
Very	4	24%
Moderately	0	0%
Slightly	0	0%
Not at all	0	0%

KENTUCKY WAIVERS

The U.S. Department of Labor allows states to request waivers to general statutory and regulatory authority to affect program improvement. Additionally, waivers provide flexibility to states and local areas and enhance their ability to improve the statewide workforce system. The Commonwealth requested and received the following waivers:

Fund Transfer Authority

This waiver allows local areas to transfer up to 50 percent of a program year allocation for adult employment and training activities and up to 50 percent of a program year allocation for dislocated worker employment and training activities between the two programs. The waiver provides local workforce investment boards the ability to better respond to changes in the economic environment and the local labor market. Resources are channeled to the population with the greatest need. The Transfer Authority waiver has empowered the local boards to be more responsive to the volatile economic climate.

Incumbent Worker Training (IWT) - Utilizing Local and Rapid Response Funds

Kentucky has two waivers to provide incumbent worker training beyond the available Statewide Reserve funds. These waivers allow up to 10 percent of local dislocated worker funding and up to 20 percent of rapid response funds to be expended on incumbent worker training activities as part of a layoff aversion strategy.

The waivers promote maximum investment of these funds as well as increased levels of service. Incumbent worker training provided with local or rapid response funds focus on employer and worker layoff aversion and competitiveness through skills upgrade training. In previous years, this waiver has enhanced the state's efforts toward job retention and rapid re-employment as well as providing new job prospects for currently employed individuals. In PY 2012, two local areas took advantage of this waiver, providing IWT to 67 workers.

With the increasing global competitiveness, it is imperative that businesses and industries have the most skilled and knowledgeable employees. With skill-upgrading, businesses may be able to remain viable and prevent layoffs and closures. Employers will have the human resources to remain competitive and, in some instances, expand. Upgrading the skills of incumbent workers allows them to quickly move into more specialized jobs within their industries, creating new job possibilities for the lower skilled workforce to enter.

Minimize the collection of participant data for incumbent worker training programs

The waiver simplifies the process of serving businesses and incumbent workers and allows program outcomes to be captured without the burden of extensive collection of data not applicable to incumbent workers or incumbent worker training. Eliminating the requirement to capture information that does not impact program outcome allows local areas to timely assist employers in averting layoffs and improving employer customer service.

Required 50 percent employer match for customized training

The waiver eliminates the current 50 percent employer contribution requirement for customized training and substitutes a sliding-scale contribution based on the size of employer. The waiver has afforded more customized training opportunities for smaller businesses or businesses with smaller training budgets.

Specific goals to be achieved are to: 1) improve the ability of the Commonwealth to respond to changes in employer and industry needs; 2) increase employer/board collaboration to address industry needs and worker training; 3) allow the smaller employer to grow and expand; 4) provide the employer with a trained workforce; and 5) provide greater flexibility in designing and implementing WIA programs.

Increase the employer reimbursement for on-the-job training (OJT)

The waiver allows for the reimbursement of up to 90 percent to employers with 50 or fewer employees and up to 75 percent of the costs for employers with 51-250 employees. Businesses with more than 250 employees are reimbursed at the 50 percent rate.

Employers, WIA customers and job seekers benefit through this waiver. As the economy improves and more employers are able to access OJT, the participant becomes more valuable to present and future employers. Three local areas took advantage of this waiver in PY 2012, citing that it increased participation by small businesses that have not used their services in the past. They also stated that the waiver increased retention of participants and the participant's success rate in obtaining long-term employment.

Replace the performance measures at WIA Section 136(b) with the common measures

The waiver facilitates system integration and streamlines the reporting process across partner programs. It assists in achieving the goal of a fully integrated workforce system; provides clear and understandable information to stakeholders, improves service coordination and information sharing; simplifies and streamlines the performance measurement system; assists in the realignment of youth program designs to better implement the Department of Labor's Youth Vision—targeting out-of-school youth; and reduces labor intensive data collection. Outcomes include a more integrated case management system, improved customer service and operational effectiveness.

Utilize Individual Training Accounts (ITAs) for Older Youth program participants

The waiver has allowed continued flexibility in utilizing youth funds to provide training services while retaining the limited adult training funds. It has increased the efficiency and customer choice for older youth. The workforce system has a full array of services to offer older youth that can benefit them in decision-making processes, such as choosing a rewarding career, selecting a training provider and making smart financial decisions. Local areas report that this waiver has allowed them to serve more youth in high-demand occupations while reserving limited adult funding.

Extend the period of initial eligibility for training providers on Kentucky's Eligible Training Provider List (ETPL)

The waiver has allowed training providers to offer continuous, uninterrupted service to WIA customers. WIA customers continue to have the ability to choose their training providers and access training services in their local areas with the highest degree of informed customer choice possible. The primary goal of this waiver is to ensure that the increasing numbers of adults and dislocated workers have a system that can offer training options and ensure maximum customer choice. The number of providers on the ETPL is more than 900, allowing participants to choose the best possible program and provider to enhance skills and further their education and career goals.

Exempt the state from the requirement to provide local workforce investment area incentive grants under the Governor's Statewide Reserve funds

The reduction to 5 percent in the WIA allotment for PY 2012 Governor's Reserve funds restricted the state's ability to effectively fund and carry out all of the required statewide workforce investment activities and complete current obligated statewide innovative projects. Under this waiver, Kentucky was able prioritize the use of governor's reserve funds for the required activities deemed most essential to the basic functions of the workforce investment system which included innovative statewide projects for which funds had previously been obligated.

Organizational Highlights

Partnerships are key to success

Office of Employment and Training

Over the past year, the Office of Employment and Training (OET) provided critical facilitation and support for the many strategic initiatives underway in the Commonwealth's workforce system. OET oversees the network of Kentucky Career Centers, the "storefront" of the Commonwealth's workforce system.

OET provides job services, unemployment insurance services, labor market information and training opportunities for Kentuckians.

To make it easier for job seekers to search for career opportunities, the Kentucky Office of Employment and Training (OET) launched a new job-match system, called Focus Talent for employers and Focus Career for job seekers. This new tool is provided at no cost and uses the latest technology to match skilled workers with employers in need of those skills.

Focus Career helps users create a professionally-formatted resume highlighting transferable skills from life experiences and work history, and forwards leads based on the database of thousands of current job listings to the job seeker daily via e-mail. Customers who already have an electronic resume can upload it to the new system.

Focus Talent allows employers to create an account easily, post job advertisements, and search for resumes.

The service matches people with jobs based on how specific job seekers' skills, qualifications and experiences fit into recognized patterns of placement and not simply based upon key word placement. It analyzes over 70 data elements between each job seeker and each posting to ensure that matches are accurate and appropriate. Jobs can be searched by location, posting date, keywords and rating desire.

In PY 2012, 90,000 new jobseekers posted resumes to the site and 2,500 employers posted 30,000 jobs. An additional 60,000 jobs were posted from other external sources such as America's Job Exchange, Job Central and MyCareerNetwork.

Unemployment Insurance is a federal program operated by individual states. The purpose of unemployment insurance is to provide short term benefits to individuals who have become unemployed through no fault of their own. Every \$1.00 of unemployment insurance benefits paid to eligible individuals puts approximately \$2.00 back in the local economy.

Labor Market Information offers a wide range of statistical data on employment and wage patterns. It is available locally, statewide and nationally to businesses, job seekers and the general public.

Training opportunities are available through the Workforce Investment Act (WIA) for adults, dislocated workers and youth who meet certain eligibility criteria.

Office for the Blind

The Kentucky Office for the Blind assists individuals who are blind and visually impaired to obtain and maintain employment and to live independently in their communities. Services are provided through programs with qualified rehabilitation staff from 10 field offices across the state serving all 120 counties.

In 2012, 1,681 individuals received vocational services through OFB. The agency met all federal standards and indicators and assisted 368 Kentuckians in reaching their vocational goals. Their average weekly earnings rose from \$7.65 per hour at application to \$11.26 at the closure of their cases for an average increase of \$6.35 per hour with the average number of hours worked per week at 30.

The Independent Living and Older Blind programs served 898 individuals across the state. The Older Blind program for people 55 years and older, served 731 individuals while the Independent Living Program for people under the age of 55 years served 167.

At the Charles W. McDowell Rehabilitation Center in Louisville, residential services are designed to assist individuals who are blind and visually impaired in achieving their educational, vocational and independent-living goals. In 2012, 88 individuals were served at the center with 19 graduating from the program. Twenty-seven were served through the adult education program and four individuals obtained their GED.

OFB annually seeks to determine the satisfaction level of all individuals served whose cases are closed both successfully and unsuccessfully. A total of 358 individuals were contacted with 234 completing the survey in 2012. Overall, the results of the study indicated that consumers expressed high degrees of satisfaction with their experiences. Nearly, 95 percent of all participating consumers rated the services that they received as a one or two on a five point scale where 1 is excellent and 5 is poor.

The Office for the Blind (OFB) hosted the “2012 AT Odyssey A New Vision” Sept. 18 - 19 at the Galt House in Louisville. The conference focused on assistive technology specific to the needs of individuals who are blind and visually impaired. “This was a wonderful opportunity for people to experience the many assistive technology devices that are available to help people who are blind, visually impaired or deaf and blind become independent or retain their independence at home, work and in the community,” said Allison Flanagan,



OFB director. Kentucky Gov. Steve Beshear sent a special video presentation in his absence that addressed the advances and continuing need for current up-to-date technology. Gov. Beshear issued a proclamation making September Assistive Technology Awareness Month. Department of Workforce Investment Commissioner Beth Brinly presented the proclamation to Michael Freeholm, the OFB State Rehabilitation Council co-chair.

Office of Vocational Rehabilitation

The Kentucky Office of Vocational Rehabilitation (OVR) offers quality services to people with disabilities to help them become more independent and obtain or maintain employment.

Services including assessment, guidance and counseling, training, supported employment, job placement, assistive technology, as well as many others individually designed to meet the needs of the consumers are available. OVR employs approximately 140 rehabilitation counselors in more than 50 offices covering all 120 counties in Kentucky.

OVR is divided into two divisions, the Division of Program Services and the Carl D. Perkins Vocational Training Center (CDPVTTC), that work together for the mission of assisting Kentuckians with disabilities achieve suitable employment and gain independence.

During FY 2012, 3,512 individuals with disabilities obtained or maintained employment after receiving services from the Kentucky OVR. Their average weekly earnings rose from \$106.66 at application to \$405.98 at the closure of their cases for an average increase of \$299.32 in weekly income. At their application, 25 percent (867) reported that their primary source of support was through employment compared to 88 percent (3,086) that listed employment as their primary source of income at case closure. About 35 percent (1,128) were receiving health insurance benefits through their employer.

As a group, OVR customers increased their federal income tax payments by an estimated \$8.2 million, their state income tax payments by about \$3.2 million and their Social Security payments by an estimated \$7.3 million (including employer contributions). They work an average of 32 hours per week with an average hourly wage of \$12.03.

For FY 2012, a total of 723 Social Security recipients obtained employment after receiving services from OVR. Social Security reimbursed OVR for 155 claims totaling about \$2,273,614.

The Carl D. Perkins Comprehensive Vocational Training Center

Fiscal Year 2012 was extremely productive for the Perkins Center. In December, two of the three original elevators were replaced. Dormitory rooms were painted during breaks, and the analog clocks, intercom system, and camera systems were all updated.

Facility enrollment remained consistent with the center serving 934 Kentuckians during the fiscal year based on 464 referrals made by OVR counselors. This number allows for the fact the center was shut down for approximately six weeks in November and December for the replacement of the elevators.

The center recorded a consumer program completion rate of 94 percent. Fifty percent of OVR consumers who had been referred for services at the Perkins Center at some point in their rehabilitation program were closed by their counselor as a Positive Employment Outcome (PEO) during the fiscal year.

The center maintained high levels of customer satisfaction for the year. An internal survey conducted with consumers actively enrolled in a center program showed that 93 percent were satisfied with the services they were receiving. Additionally, OVR counselors were very satisfied with center services based on the results of an

online survey counselors are asked to complete when the person they refer leaves his/her center program. Based on returned surveys, counselors rated the center at 3.54 on a 4.0 scale for the quality of services provided to their consumers.

The Kentucky Assistive Technology Loan Corporation (KATLC)

The Kentucky Assistive Technology Loan Corporation (KATLC) had one of its best years in FFY 2012. The program enables qualified applicants to borrow funds for the purchase of assistive technology. It processed 187 applications for assistive technology, approving 108 applications for a total of about \$962,699. Hearing aids and vehicles with modifications remained the most requested items.

The impact KATLC has on an individual's life is reflected in this comment received from one borrower, "We purchased the new technology in hearing aids. My social life with family and friends has gotten to be a lot better due to being able to hear and understand. My depression is better due to being able to get out and not having to have someone with me to hear or understand for me, especially medical situations."

Assistive technology continues to be a focus at OVR due to the significant difference it can have on a person with a disability's ability to find and/or maintain employment. The Rehabilitation Technology Branch continues to assist consumers in reaching their vocational goal by assessing, recommending and providing appropriate assistive technology solutions.

A total of 1,496 consumers received equipment and services that allowed them to successfully prepare for, gain or maintain employment. Of that number, 101 received modifications to their personal vehicles at a cost of more than \$1,077,000. A total of 189 individuals received driver evaluations and 105 received driver's training, providing yet another step to successful employment. Approximately \$2,512,400 was spent on assistive technology equipment and services for OVR consumers.

In May 2012, the Rehabilitation Technology Branch was part of a collaborative group that was awarded a \$450,000 grant over a three-year period to develop Project CARAT, a program to sanitize, refurbish and redistribute assistive technology in the Appalachian region of Kentucky. The development of sanitizing and refurbishing protocols is well underway, and several items have been donated, sanitized and refurbished, and redistributed to the community.

In FY 2012, OVR continued to provide quality services to transition-aged youth with disabilities in all 174 school districts in the Commonwealth. According to the Kentucky Post School Outcomes Study, OVR once again ranked as the agency that most often provided services to youth with disabilities covered by an Individualized Education Program.

A total of 8,636 consumers or 23.5 percent of the 36,767 consumers on counselor caseloads in FY 2012 were referred from secondary schools. Of the agency's 3,512 PEOs, 622 or 17.7 percent had been referred by secondary schools.

Job Placement Partnerships

Partnership was the operative word for job placement services in 2012 with staff working at the local and state levels to foster new partnerships and strengthen existing ones. A partnership was developed with White Staffing in Hopkinsville to enable OVR consumers to take advantage of a new welding training program that uses virtual reality to simulate real welding tasks. The program produced certified welders who have all obtained employment as a result of their training. This program will be expanded in 2013 to offer industrial painting.

A coalition in the Louisville metropolitan area that was initially developed to supply and support workers with disabilities to the Best Buy distribution center in Shepherdsville expanded its activities to include the UPS Worldwide in Louisville in 2012. The coalition is composed of OVR and numerous community rehabilitation programs (CRPs) in the area, including Southern Indiana. UPS employs more than 20,000 people. The coalition will be approaching more large employers in the coming year.

In 2012, 688 Individualized Plans for Employment were developed by OVR counselors and consumers who needed Supported Employment (SE) services. Eight of these consumers had no SE services available in their areas. More than 80 SE vendors affiliated with the agency delivered services for 1,302 individuals resulting in 503 PEOs.

The SE staff continued to work with the Division of Developmental and Intellectual Disabilities (DDID) on the development and submission of a new Medicaid waiver that will enhance SE services to consumers. OVR has partnered with DDID to create a mechanism to shift funds from OVR to Medicaid waiver funding to be as seamless as possible.

Kentucky Community and Technical College System

KCTCS is the state's primary provider of workforce education, delivering programs and services that address the full spectrum of needs faced by business and industry, as well as programs for individuals who want to upgrade their skills.

The system's 16 colleges are strategically located on 68 campuses to provide accessible education and workforce training that is relevant and responsive to the needs of Kentucky's students, business and industry leaders, and the communities they serve.

Since its founding in 1998, KCTCS has transformed the lives of more than 500,000 Kentuckians by providing them with the skills and education they need to succeed in today's economy.

This year, the program provided workforce services to more than 5,300 businesses and industries, provided training to 52,800 employees and conducted 82,800 workplace assessments. Through the Workforce Solutions program, KCTCS offers customized employee training, helping businesses across the Commonwealth transform into more advanced, more productive competitors in today's economy.

KCTCS schools provide training in multiple formats, making it easy to find the solutions that work for Kentucky's business and industry to continually upgrade the skills of their employees. In addition, KCTCS offer open enrollment classes for hundreds of topics to help individuals and companies meet their workforce training goals.

Kentucky Adult Education

The mission of KYAE is to prepare adults for college and careers by delivering a world-class education. KYAE is committed to a quality adult education system that is accountable, efficient and meets the needs of students.

KYAE programs, located in each of Kentucky's 120 counties, help students gain the academic skills and credentials they need to transition to postsecondary education, function productively in the workforce and support their families.

KYAE is helping build our state's educational foundation, as one of the first adult education systems to adopt the Common Core State Standards. This adoption will ensure that individuals participating in KYAE coursework will be receiving rigorous, standards-based instruction that will prepare them for college and career.

KYAE's efforts to increase levels of educational attainment have been recognized nationally. A policy brief recently released by the Working Poor Families Project, "Graduating to College: Three States Helping Adult Education Students Get a College Education," noted:

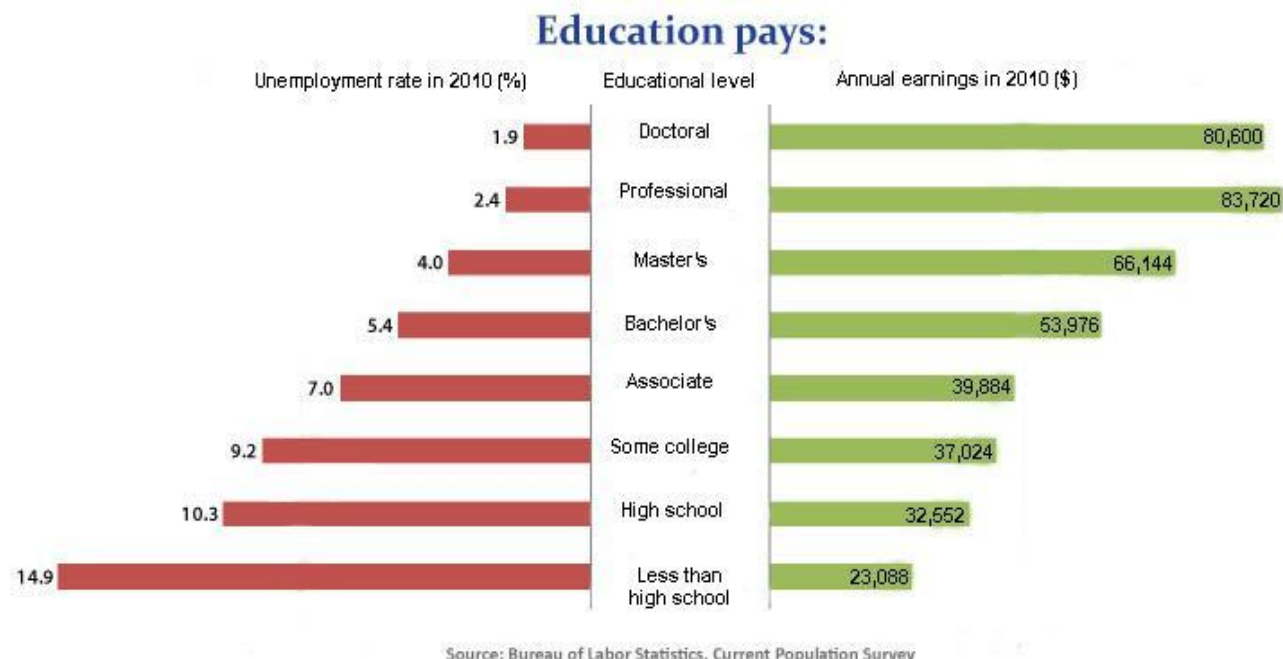
- Kentucky has far more experience than most states in strengthening adult access to postsecondary education.
- Kentucky is ahead of almost all other states in building the common core standards into its adult education system.

In addition, Kentucky's implementation of college-and-career standards in adult education was recognized in the U.S. Department of Education's Adult College Completion Toolkit as a top state strategy.

Over the past decade, Kentucky has seen the number of individuals in its working-age population (18-64) without a high school diploma or GED decline 24 percent, from 537,000 to 410,000 (American Community Survey, 2006-10). While this is a significant achievement, momentum must continue and build for Kentucky to develop a strong and sustainable economic future. Consider the following:

- A high school or GED graduate earns an average of \$9,700 more per year than a non-graduate. The potential increased earnings for the 9,469 Kentucky GED graduates from 2011-12 alone will be more than \$2.7 billion over their 30-year career.
- A parent's educational attainment level impacts everything from a child's early development to transition into college; parents are powerful educational role models and advocates. For Kentucky's children and schools to be successful, we must help adults achieve their educational goals.
- Individuals without a high school credential are more likely to be unemployed, three times as likely to be in poverty and eight times as likely to be incarcerated.
- Increased education has a positive effect on health status.
- Human capital infrastructure reflected as an educated and trained workforce plays a significant role in economic development efforts.

As illustrated in the chart below, education pays. KYAE is committed to ensuring that Kentucky adults have the opportunity to earn a GED credential – and beyond. In doing so, KYAE is helping build more successful individuals, families and communities, thereby helping build a more successful Kentucky.



Bluegrass State Skills Corporation

The Cabinet for Economic Development's Bluegrass State Skills Corporation (BSSC) was established in 1984 by the General Assembly of the Commonwealth of Kentucky as an independent de jure corporation to stimulate economic development through customized skills training programs.

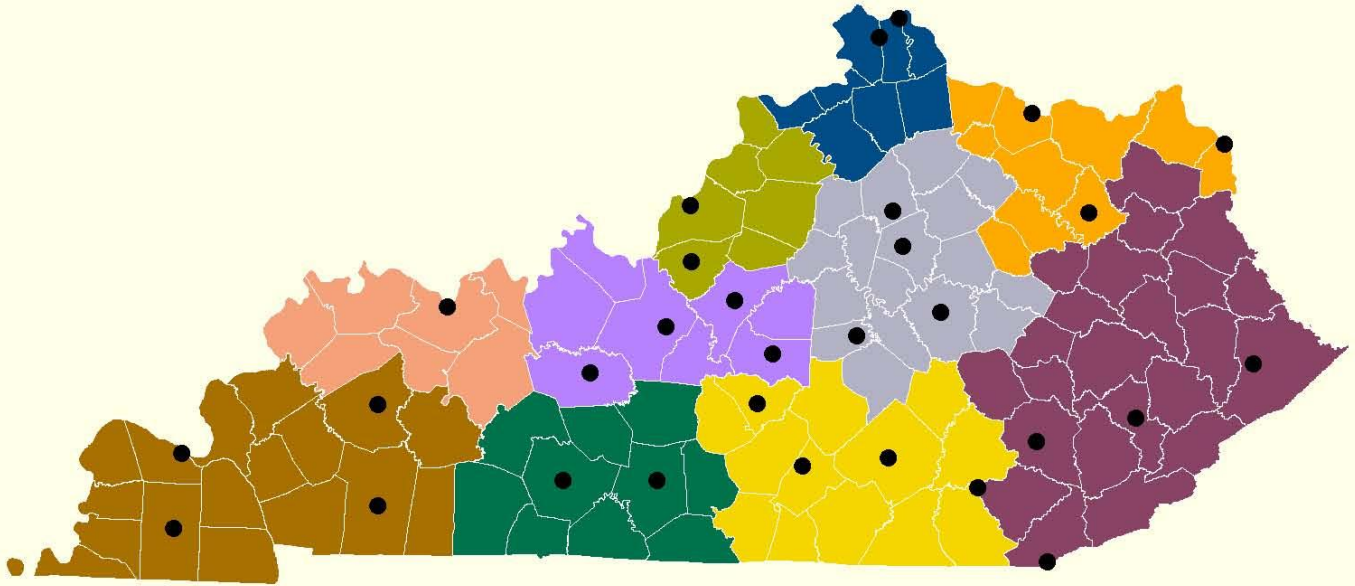
The BSSC, in cooperation and coordination with its partner organizations, including the Education and Workforce Development Cabinet, the Labor Cabinet, and the KCTCS has the capability to customize a comprehensive program of skills training services for new and existing business and industry. By leveraging our resources, partner agencies are better able to assist Kentucky's business and industry by providing a talent pipeline to meet their workforce needs.

A key initiative in accomplishing this is the Kentucky Work Ready Communities project initiated by KWIB noted earlier in this report. BSSC staff has been instrumental in establishing this program serving both on the statewide steering team and the application review committee.

The BSSC also administers a grant-in-aid and tax credit program. The BSSC grant-in-aid program provides reimbursement funds for entry level and skills upgrade training of employees of Kentucky's new and existing companies. This past fiscal year (July 1, 2012 - June 30, 2013), the BSSC Board of Directors approved 114 skills training grants valued at about \$4,808,626 to train 14,021 Kentucky resident employees.

The Skills Training Investment Credit (STIC) program provides tax credits to offset a portion of a company's costs to support skills upgrade training. Eligible companies must have been engaged in qualified activity within Kentucky for not less than three years. This past fiscal year the BSSC Board of Directors preliminarily approved STIC applications for 33 companies valued at \$2.5 million to train 12,093 Kentucky resident employees.

Local Workforce Investment Areas



● One-Stop Career Centers

West Kentucky

Counties: Ballard, Calloway, Carlisle, Christian, Crittenden, Fulton, Graves, Hickman, Hopkins, Livingston, Lyon, Marshall, McCracken, Muhlenberg, Todd, Trigg

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Lincoln Trail

Counties: Breckinridge, Grayson, Hardin, LaRue, Marion, Meade, Nelson, Washington

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Green River

Counties: Daviess, Hancock, Henderson, McClean, Ohio, Union, Webster

Jodi Rafferty, Director

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TENCO

Counties: Bath, Boyd, Bracken, Fleming, Greenup, Lewis, Mason, Montgomery, Robertson, Rowan

Denise Dials, Director

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EKCEP

Counties: Bell, Breathitt, Carter, Clay, Elliott, Floyd, Harlan, Jackson, Johnson, Knott, Knox, Lawrence, Lee, Leslie, Letcher, Magoffin, Martin, Menifee, Morgan, Owsley, Perry, Pike, Wolfe

Jeff Whitehead, Director

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Cumberlands

Counties: Adair, Casey, Clinton, Cumberland, Green, Laurel, McCreary, Pulaski, Rockcastle, Russell, Taylor, Wayne, Whitley

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Barren River

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Bluegrass

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Greater Louisville

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Northern Kentucky

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Kevin Shurn
Daryl Smith
George Steele
Bob Stewart
Col. David E. Thompson (Retired)
Tom Volta
Steven Willinghurst
Richard Wilson
Tom Zawacki

Kentucky Education and Workforce Development Cabinet

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