STATE
LEADERSHIP TRANSFORMS
WORKFORCE DEVELOPMENT
TO COIN A PHRASE…

“All politics is local”
*Former House Speaker Tip O’Neill*

In Kentucky…
“All workforce issues are local”
ABOUT KENTUCKY

- 4.4 million people
- Heavy manufacturing presence
- 250 thousand employed in the industry
# NATIONAL RANKINGS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>in U.S. in vehicle production per capita</td>
</tr>
<tr>
<td>#2</td>
<td>in U.S. in employment in motor vehicle manufacturing</td>
</tr>
<tr>
<td>#2</td>
<td>in U.S. in aerospace-related exports</td>
</tr>
<tr>
<td>#2</td>
<td>in U.S. in air freight volume</td>
</tr>
<tr>
<td>#3</td>
<td>in U.S. in vehicle production overall</td>
</tr>
<tr>
<td>#9</td>
<td>in U.S. in employment for upstream metal manufacturing</td>
</tr>
<tr>
<td>#6</td>
<td>in U.S. in top manufacturing states by percentage of GDP</td>
</tr>
</tbody>
</table>
PROGRESS
DURING THE BEVIN ADMINISTRATION

$17.2 BILLION NEW INVESTMENT
47,500+ NEW JOBS
950+ NEW PROJECTS
FULFILLING A VISION

We will become the hub of engineering and manufacturing excellence in America… This will start with having the most highly skilled and well-trained workforce in the country.

-Governor Matt Bevin
CHALLENGES

• Diverse problems in diverse parts of Kentucky

• Low labor force participation Rate in a booming economy

• Workforce dollars being spent without accountability
CHALLENGE:
SMALL STATE, MANY COUNTIES
CHALLENGE:
DIFFERENT AREAS HAVE DIFFERENT NEEDS
CHALLENGE:
HISTORICALLY LOW LABOR FORCE RATE

2015
• Kentucky: 57.6%
• Ranked 47th in the U.S.
CHALLENGE: NO COORDINATED WORKFORCE EFFORT

Investments in Workforce Development

$30.2 Million
Council on Post Secondary Education

$628.7 Million
KCTCS

$83.9 Million
Kentucky Department of Education

$8.6 Million
Cabinet for Economic Development

$260.6 Million
Cabinet for Health and Family Services

$160.5 Million
Education and Workforce Development Cabinet

$5.3 Million
Labor Cabinet
CHALLENGE:
“TOO MANY COOKS…”

KCTCS TRAINS

Registered Apprenticeship
Lightweight Innovations for Tomorrow
Trade Adjustment Act

KCTCS
16 colleges
70 Campuses

51 Kentucky Career Centers

53 Area Technology Centers

10 Workforce Innovation Boards

16 Area Development Districts

700 Post-secondary career programs of study

173 School Districts

160 Post-secondary career programs of study

Department of Workplace Standards

700 Post-secondary career programs of study

BSSC
Wagner-Peyser
Government’s Discretionary Fund

KCTCS
Career Centers

KY FAME
Local Workforce Innovation Boards

KCC GO
Division of Education and Training

Office of Academic Affairs

Metropolitan College Tax Credit

TRACC
Digital Manufacturing and Design Innovation Institute

EKCEP

WorkReady Communities
Kentucky Department of Education
Kentucky Labor Cabinet

Dual Credit Scholarship

KY Workforce Innovation Board

Work Ready Skills Initiative

Senior Community Service Employment Program
Temporary Assistance for Needy Families
1115 Waiver
KENTUCKY’S WORKFORCE STRATEGY:

- Realign the education system to meet the needs of business
- Engage businesses to define their current/future needs
- Empower communities to design their own solutions.
- Increase the workforce pipeline to accommodate growth
THREE SOURCES OF TALENT

✔ Emerging workforce
✔ Existing workforce
✔ Those on the sidelines
REALIGN THE EDUCATION SYSTEM

• **Outcome-based funding for universities**
  Focusing on careers employers want

• **Work Ready Skills Scholarships**
  Tuition assistance for those in high-demand professions

• **Dual Credit scholarships**
  35,000 students participate; 95% completion rate
ENGAGE THE BUSINESS COMMUNITY

• Kentucky Chamber of Commerce leads the state’s TPM Academy

• Effort will align education and training programs with the workforce demands of business.
ADOPTING THE TPM APPROACH

Strategy 1
Organize Employer Collaborative

Strategy 2
Engage in Demand Planning

Strategy 3
Communicate Competency & Credential Requirements

Strategy 4
Analyze Talent Flows

Strategy 5
Build Talent Supply Chains

Strategy 6
Continuous Improvement
ENGAGE THE BUSINESS COMMUNITY

KENTUCKY FEDERATION FOR ADVANCED MANUFACTURING EDUCATION

Started by Toyota

- 18-month work/study leading to AMT certification
- Now 10 chapters statewide
- 200 employers involved
- 89% student graduation rate
ENGAGE THE BUSINESS COMMUNITY

Increasing apprenticeships

- 3,400 registered statewide
- 250+ programs
ENGAGE THE BUSINESS COMMUNITY

Work Ready Skills Initiative

• Effort to modernize and construct state-of-the-art training facilities in communities according to their needs.

• Requires involvement from employers, education and community organizations

• Statewide:
  $100 million state commitments
  $121 million local match
WORK STEADY SKILLS INITIATIVE

EXAMPLES

• Caldwell County – Renovate technology center; purchase equipment; expand offerings
  $1.5 million state grant
  $3.0 million local match

• Jessamine County – renovate facility; purchase equipment to support computerized manufacturing and machine engineering
  $760,000 state grant
  $1.5 million local match
EMPOWER COMMUNITIES

- Communitywide strategy from kindergarten through high school to enhance talent and fill future needs.
- Students continually exposed to career options.
- **Goal:** every student will graduate with a career-related experience.
INCREASING THE PIPELINE

Kentucky is supporting business efforts by increasing the talent pipeline among the following:

• Transitioning military
• Medicaid recipients
• Non-violent ex-offenders
• Prisoners being trained in journeyman programs
• Young people aging out of foster care
ANNOUNCED PROJECTS
ADMINISTRATION TO DATE

Announced Investment

Announced Jobs

<table>
<thead>
<tr>
<th>CY2015</th>
<th>CY2016</th>
<th>CY2017</th>
<th>CY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.53</td>
<td>$3.63</td>
<td>$12.82</td>
<td>$17.17</td>
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<table>
<thead>
<tr>
<th>CY2015</th>
<th>CY2016</th>
<th>CY2017</th>
<th>CY2018</th>
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<tr>
<td>2884</td>
<td>36268</td>
<td>19049</td>
<td>47500</td>
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**ECONOMIC METRICS**

**ADMINISTRATION TO DATE**

**Median Household Income**

- CY2015: $43,551.00
- CY2016: $45,786.00
- CY2017: $46,659.00

**GDP Growth**

- CY2015: $41,000.00
- CY2016: $42,000.00
- CY2017: $43,000.00
  
- CY2015: $44,000.00
- CY2016: $45,000.00
- CY2017: $46,000.00
  
- CY2015: $47,000.00

**Median Household Income (Graph)**

- CY2015: $191,912.00
- CY2016: $196,681.00
- CY2017: $205,448.00

**GDP Growth (Graph)**

- CY2015: $185,000.00
- CY2016: $190,000.00
- CY2017: $195,000.00
  
- CY2015: $200,000.00
- CY2016: $205,000.00
- CY2017: $210,000.00
ECONOMIC METRICS
ADMINISTRATION TO DATE

Unemployment Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Unemployment Rate</th>
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<tbody>
<tr>
<td>2015</td>
<td>5.30%</td>
</tr>
<tr>
<td>2016</td>
<td>5.10%</td>
</tr>
<tr>
<td>2017</td>
<td>4.90%</td>
</tr>
<tr>
<td>2018</td>
<td>4.50%</td>
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Labor Participation Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>Labor Participation Rate</th>
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<tbody>
<tr>
<td>2016</td>
<td>57.60%</td>
</tr>
<tr>
<td>2017</td>
<td>58.30%</td>
</tr>
<tr>
<td>2018</td>
<td>59.30%</td>
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