
TRANSITION TO TRANSFORMATION

COMMONWEALTH OF KENTUCKY

WORKFORCE INVESTMENT ACT
PROGRAM YEAR 2007
ANNUAL REPORT



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INTRODUCTION

Kentucky is continuing to search for new opportunities to improve its workforce system and transform its services to meet the challenges of a global market. To keep abreast of this dynamic international marketplace, Kentucky volunteered in Program Year 2007 for the U.S. Department of Labor's Driving Transformation initiative. A team of Kentucky workforce professionals is implementing the strategies of this initiative to lay the foundation of the commonwealth's workforce system transformation.

The Driving Transformation kickoff in December 2007 closely followed a Kentucky election and helped prepare the agency for a transition to transformation phase. In January 2008, Kentucky welcomed a new administration with Governor Steve Beshear at the helm. To direct Kentucky's workforce initiatives, the governor chose Helen W. Mountjoy to head the Education and Workforce Development Cabinet and Russ Salsman to lead the Office of Employment and Training. This new leadership has brought renewed energy and enthusiasm to the workforce system and it compliments the transformation initiative of improving service delivery.

Kentucky's current workforce system consists of 31 comprehensive one-stop centers and 75 service sites throughout the state's 120 counties. Fifteen area development districts and 10 workforce investment areas act at the local level across the state to deliver needed services. The commonwealth is working to improve its workforce system to better meet the needs of employers of the 21st century. Education and economic development will play a large role in Kentucky's workforce system transformation.

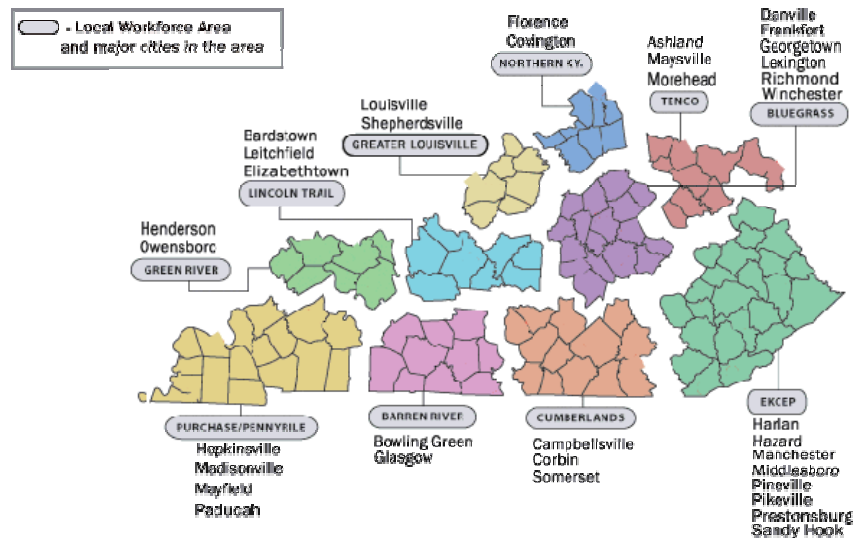


Governor Steve Beshear



Secretary Helen W. Mountjoy

LOCAL WORKFORCE INVESTMENT AREAS



Local area representatives take the lead on service delivery by working with state representatives and regional peers to meet local level needs. Workforce Investment Areas (WIAs) routinely work across traditional workforce boundaries on regional initiatives that focus on preparing Kentucky's labor force for the jobs of tomorrow. Examples of multi-regional initiatives include: Base Realignment and Closure (BRAC), Workforce Innovation in Regional Economic Development (WIRED), and Western Kentucky Coal Mining projects. These initiatives are featured in more detail later in this report.

The success of the workforce system involves more than just typical workforce investment areas and one-stop partners. Education institutions, economic development, industrial development authorities and chamber of commerce organizations all work together to meet the needs of employers by strengthening the workforce system to keep and attract businesses to the state. There is a renewed effort to bring these partners together to achieve a more collaborative approach to building a stronger workforce for Kentucky.

Some sobering thoughts:

- In Kentucky, by 2025 the working-age population (24-65) will decline by 7 percent. At the same time, the senior population (65 and older) will increase by 64 percent.
- Sixty-seven percent of high school students' parents and 78 percent of high school teachers believe that public school graduates have the skills they need to succeed in the world of work. Unfortunately, only 41 percent of employers share that view.
- Half of the job/knowledge skills of the 65 million people born from 1965-1984 becomes obsolete in 30-36 months.

These statistics underline the importance of treating education as a life-long activity and emphasizing workforce training as a key to keeping Kentuckians prepared for tomorrow's jobs. Kentucky, like other states, struggles to meet the challenges of providing more and better services during tough economic conditions and tightening budgets. Working together through partnerships is vital to doing more with less and meeting the demand for a stronger Kentucky workforce.

HIGH GROWTH – HIGH DEMAND

In today's economy, Kentucky is using innovative ideas to fill key gaps between education and opportunity. Kentucky is focusing on high-growth and high-demand energy and health care sectors to put Kentuckians to work in rewarding and high paying jobs. Local WIAs have tailored programs and activities to their area's needs to address the changing global economy. Examples of the many groundbreaking projects going on across the state are provided within this report.

Barren River Workforce Investment Area



According to a recent survey, the average Kentucky manufacturing employee earns an annual base salary of \$45,094 – a 3.7 percent increase from the previous year's salary. Compared to 2006 data from the Kentucky Cabinet for Economic Development, the average per capita income for Kentuckians is \$29,719 – about \$15,000 less than the average Kentucky manufacturing employee makes per year.

The Wage and Benefits Survey of manufacturing jobs was sponsored by The Barren River Area Development District (BRADD), the Bowling Green Area Chamber of Commerce, South Central Kentucky, Logan Economic Alliance for Development (LEAD), Barren Industrial Development Economic Authority (IDEA), and the Kentucky Association of Manufacturers (KAM). Martin Kish, vice president of marketing and revenue for KAM, provided an overview of the statewide survey results at a local news conference.

George E. Leamon, director of the Barren River Workforce Investment Board at BRADD, said: *This survey provides accurate, understandable data that industries and economic development groups can use as a guide to making policy decisions. Overall, it proves most valuable because it paints a clear picture of the industries in our region and in the state as a whole.*

Bluegrass Workforce Investment Area



Health Care has been identified in the Bluegrass region of the commonwealth as a high-demand sector. There are an estimated 400+ openings projected annually for registered nurses (RNs). The Bluegrass Area Development District (BGADD) has taken steps to address this high-growth, high-paying industry by using WIA funding to recruit and train Kentuckians

Cumberlands Area Workforce Investment Area

In the Lake Cumberland Area Development District (LCADD) there was a shortage of qualified high-tension power line service technicians. With the local economy in the area slowing and unemployment rates hovering at 6.1 percent, it was imperative that this region provide training to unemployed and underemployed adults.



Build it and they will come – Lineman Tech Center



LCADD teamed with the local utility industry as well as the Somerset Community College (SCC) and Kentucky Community and Technical College System (KCTCS) to train qualified individuals in the field of high-wire line repair. This collaboration has resulted in a new facility at SCC and first-year graduates who will soon join the labor force.

Eastern Kentucky Concentrated Employment Program (EKCEP)



The Success Xpress is a mobile training facility built inside a 53-foot truck trailer. It provides working coal miners access to high-quality training in key coal mining skills using the industry's most advanced technology. Success Xpress is owned and operated by Eastern Kentucky Concentrated Employment Program (EKCEP). It allows working miners to train for certifications in high-skill positions (mine electricians, equipment operators, foremen, etc.) at their work sites, reducing the impact of training on their companies' productivity. Success

Xpress features two new state-of-the-art training modules along with a computerized three-dimensional continuous mining machine simulator and a hands-on lab area with electrical training panels exactly like those on a real continuous mining machine. It can be driven to remote coal mines, colleges, high schools or any other location where training is needed. This mobility also allows high school students, who are considering careers in coal, to get a firsthand look at the high-tech nature of modern mining. Use of the Success Xpress is offered at little or no cost to coal operations. In 2007, EKCEP's Coal Services Program was one of only five workforce programs across the country to receive a Recognition of Excellence Award from the U.S. Department of Labor.



In the Big Sandy area of EKCEP there has been a severe shortage of emergency medical technicians (EMTs). Because of the expense and time involved in required EMT training, new EMTs are scarce and the existing ones find themselves working long shifts. To combat these problems, EKCEP and Big Sandy Area Community Action Program (Big Sandy Area CAP) are working with DHP Ambulance Service to help fund a new training program that is already making progress in building the area's EMT ranks. The program has been so successful that a second training class was scheduled to begin in late summer 2008.

Greater Louisville Workforce Investment Area



KentuckianaWorks Construction/Skilled Trades Pipeline Project

Louisville continues to be one of the fastest growing metropolitan areas in the state. With construction projects like the Downtown Arena, the Fort Knox and UPS expansions, and many other large regional projects on the horizon, construction workers are in demand across the region. Because of the projected demand for skilled construction workers, Louisville Mayor Jerry Abramson and regional business leaders supported an initiative to help local residents enter the field of construction work. This broad-based partnership, known as the KentuckianaWorks Construction/Skilled Trades Pipeline Project, began as a pilot in November 2007 and is spearheaded by KentuckianaWorks, Greater Louisville's Workforce Investment Board. The partnership was made possible by \$1 million in Workforce Investment Act statewide reserve funds to KentuckianaWorks.

This free training pipeline is offered at the new KentuckianaWorks Construction One-Stop Career Center. Participants go through an intensive screening process and are required to successfully complete a 2 ½ week training course that includes basic employability skills, the OSHA 10-hour safety certification, and construction mathematics, along with a series of other topics. They are also introduced to a range of career opportunities available through local skilled trade apprenticeship programs and are assisted with job placement. The Construction One-Stop, operated at the Louisville Urban League at 1535 West Broadway, has produced a pool of 82 workers for employment and apprenticeship opportunities in construction and skilled trades and has placed 24 into employment.

KentuckianaWorks Scholars Program

Mayor Abramson, U.S. Congressman John Yarmuth and other regional leaders announced in early March \$1 million in college funding available to help Greater Louisville-area residents finish associate degrees. The KentuckianaWorks Scholars

Program is designed to help 500 students who show financial need and meet eligibility requirements complete an associate degree by December 2009. 448 students are now enrolled in the Scholars Program funded through the U.S. Department of Labor

Workforce Investment Act. Raising the educational level is critical in shaping the future of the region for individual citizens and for economic development. In 2006, the Louisville area awarded 2,458 associate degrees, and ranked ninth in the region. By adding 500 additional associate degrees and continuing at the same growth rate, the

Greater Louisville metropolitan statistical area will move up to fifth among the 16 peer cities in number of associate degrees earned by 2010. On average, the earnings difference between someone with a high school diploma and someone earning an associate degree in the Greater Louisville area is approximately \$262,500 over a lifetime.

Northern Kentucky Workforce Investment Area



The Health Connections Career Cluster was developed to meet the needs of the healthcare employers in northern Kentucky. More than 6,000 clients receive informational core services yearly. Health Connections clients have the option of 26 health fields offered at 14 area schools. Last year, Health Connections served 97 clients in intensive training with an 80 percent employment rate.

TENCO Workforce Investment Area



Retaining quality employees is critical to the advancement and future growth of TENCO area industries. The TENCO region is geographically located in an area bordering generally urban communities. Easy access to urban companies that offer higher wages and benefits puts small local companies at a disadvantage for qualified employees.

The TENCO Regional Advancement Mapping (TRAM) project has identified health care as one of four high-demand sectors. Through a partnership with St. Claire Regional Medical Center, critical needs and skills for the region were identified. From that research, career ladders were developed and employees who desired advanced training were identified. This model of referral, training and placement has resulted in skill advancement, qualified employees in critical positions and higher wages for employees. TENCO plans to replicate this project with another regional health care provider.

**WORKFORCE INNOVATION AND REGIONAL ECONOMIC
DEVELOPMENT (WIRED)**

Central Kentucky's Workforce Innovation and Regional Economic Development (WIRED) effort, primarily in the Lincoln Trail Workforce Investment Area, is focused on uniting the region and building a cooperative community that supports new economy jobs. Ten years of focusing on economic strengths has brought growth to the I-65 corridor from Southern Indiana through Louisville to Elizabethtown and outward to more rural counties. Continued job growth in key economic sectors is on the horizon, with the important addition of the Ft. Knox Human Resources Center and Accessions Command. This WIRED initiative is called Wired65 in reference to the significance of the I-65 corridor to the regional economy.

The Regional Competitiveness Strategy will focus on identifying new opportunity, as well as supporting key sectors of the regional economy. An economic positioning analysis will assess the area's unique economic strengths and weaknesses in the context of the global economy. Workforce issues uncovered in the first phase will be explored more fully in the human capital analysis. Together, these two analyses will constitute an asset map of the amenities and economic opportunities in the region. They will also bring to light the barriers the area faces in achieving its economic goals - now and into the future. The final product will synthesize the results from the prior analyses and provide strategies and implementation steps for training, attracting and retaining the talent that will be required to grow the regional economy.

Public engagement is also an important component of the WIRED initiative. Wired65 staff has conducted input sessions throughout the 26-county region to get feedback on their preliminary findings. Findings from the strategy study will be released for comment in fall 2008. The primary goal of the Regional Competitiveness Strategy and the ensuing visioning work that will follow it is to proactively position the regional economy to remain competitive and sustainable over the next 10 to 20 years and beyond.

The Wired65 Leadership Team has been guiding the effort to develop the regional competitiveness strategy and will use the work as the foundation for setting goals for the initiative overall. The team will determine the best investments to encourage the development of talent in the region to support a growing 21st Century economy. The research shows that regional jobs will continue to require higher-level skills and postsecondary education. It also shows a shortage of qualified workers. Discussions throughout the region point to the need to ensure career pathways are available to high-demand sectors in the area with a focus on reaching into high schools. The decisions about Wired65 goals and investments will begin when the strategy is completed in late 2008.

BASE REALIGNMENT AND CLOSURE (BRAC)

In spring 2008, the Lincoln Trail Career Centers co-hosted the annual job fair in Elizabethtown. Both the Civilian Personnel Advisory Center (CPAC) and Human Resources Command (HRC) were in attendance. Approximately 3,800 individuals attended the job fair and spoke with one of their representatives from the area career centers. The Lincoln Trail Workforce Investment Board and One Knox also hosted seven federal hiring symposiums throughout the region and metro Louisville. Attendees heard from CPAC representatives, as well as experts from new organizations moving to the Fort Knox area.

Work has also begun on the development of a Blueprint for Your Future decision-making tool that Armor Center employees and their families can use to determine whether they want to move to Fort Benning. The Lincoln Trail WIA is working closely with One Knox, Fort Knox CPAC, and the Elizabethtown Community and Technical College on the content of the tool. Town-hall style briefings geared specifically to the Armor School Civilians were planned for late summer 2008.

Work continued on the HRC Career Pathways Curriculum, a short-term, Web-based curriculum that will focus on Intro to Army and Army Military Personnel Management. The curriculum will allow job seekers to become familiar with the unique terminology, culture, structure, organization roles and technologies of the U.S. Army.

DISLOCATED WORKERS - RAPID RESPONSE

Meeting needs of Kentuckians via a workforce team

Kentucky's one-stop service delivery system continues to address ever-changing workforce needs with a proactive, innovative and integrated approach. Local area Rapid Response teams, led by local WIA professionals and involving workforce partners, were established in 2007. This approach has enhanced and strengthened Kentucky's workforce system because local teams have the flexibility to customize training and utilize local relationships. Streamlining Rapid Response has led to a seamless service delivery approach that allows quick action at the local level to assist employers and their employees during layoffs. This change was one of the early implementation steps towards transforming the Kentucky one-stop system and it has led to positive results.

The partnership of local workforce teams facilitating Rapid Response activities and a State Rapid Response coordinator monitoring trends and researching approaches to address those trends has given employers and employees a better grasp of what services are available through the one-stops. It also gives employees local and state information to succeed in a fast changing labor market.

Since the inception of the new approach to responding to layoffs across the state, our Rapid Response teams have conducted more than 100 Rapid Response sessions and provided valuable information to 6,014 employees and 103 employers.

These sessions have brought several notes of praises such as:

Fast response is an understatement. They were very quick to respond.

Joe Dawahare, Company Treasurer, Dawahares, Inc. (Lexington, Kentucky)

Our contact pulled the team together and all the representatives of the various agencies did a great job in their preparations and presentations to our employees. They answered all questions and after talking with various employees - they were very appreciative of the information and enjoyed the meetings.

Bart Ashley, Human Resource Director, A.O. Smith (Scottsville, Kentucky)

Kentucky strives to provide the best and most informative Rapid Response sessions to improve communication with both employers and employees. This quick response to layoffs puts valuable information into the hands of employees so they can reenter the workforce and become self sufficient as soon as possible.

INCUMBENT WORKER TRAINING

Incumbent worker training continues to play a vital role in Kentucky's workforce development transformation by keeping job skills updated and supplying businesses with the needed skill sets to make workers more competitive. Kentucky encourages lifelong learning and upgrading of the workforce system through the use of customized incentives for human capital investment by individuals, employers and government. Incumbent worker training empowers an employer or a group of employers to upgrade the skills of a targeted workforce. The following are examples of Kentucky's incumbent worker training projects.

Lincoln Trail

Lincoln Trail ADD partnered with Modern Transmission Development (MTD) in Leitchfield to establish a die cast and basic gear fundamental training to develop the skills of incumbent workers. As a result, training produced growth opportunities and increased productivity for the company and growth potential for incumbent employees.

Nelson County Consortium (NELCO) in Bardstown provided training in the principles and practices of Lean Production Systems and Lean Operations Management. Training was conducted by the University of Kentucky (UK) Center for Manufacturing and was funded by Bluegrass State Skills Corporation (BSSC) along with Lincoln Trail, WIA funds. Two companies had one employee each trained as a Lean Champion. The Lean Champion training program gives each company in-house staff that will provide continued training and support to all employees participating in the implementation of Lean Production Manufacturing concepts.

TG Kentucky, LLC in Lebanon (Marion County) received production systems engineering training by the UK Center for Manufacturing. This training provided employees in-depth engineering knowledge for the measurement-based management of production systems, design and continuous improvement. Knowledge from this training is being incorporated into plant operations and supply-chain management.

Barren River

Training facilities, like the welding training location established in Bowling Green, has given the region a workforce equipped with high-demand skills. These skills have equipped the area to attract new manufacturing companies and expand existing operations.

Green River

On May 13, 2008, Titan Contracting & Leasing Company of Owensboro held a ribbon-cutting ceremony to celebrate its newly expanded state-of-the-art training facility. The project was funded by a \$355,000 Kentucky Department for Workforce Investment, Office of Employment and Training grant secured through GRADD's Green River Workforce Investment Board (WIB). Titan Contracting & Leasing Company is a full-service contractor and fabricator for the energy industry, providing new plant construction, existing plant modifications and repairs, as well as maintenance services.

The new Horn Industrial Services Welding Training Facility will provide trainees with hands-on welding applications, blueprint reading, rigging and construction safety standards, placing the Green River region at the forefront of workforce development in this field. Economists predict that Daviess County and surrounding counties are poised for an influx of construction-related jobs, particularly specialty welders, due to recent rapid growth in the region's energy sector.



EKCEP

A collaboration among EKCEP, Big Sandy Community and Technical College and Big Sandy Area Community Action Program brought pole-climbing training and a vast array of other essential incumbent worker training to Gearheart's Telecommunications Companies at little or no cost to the company.

J.R. Hoe and Sons Fabricators/Programmers bought a new computer-controlled drill at their fabrication plant in Middlesboro. The company needed assistance in training workers on how to use the new equipment. EKECP responded by covering half of the \$40,000 cost to train the company's employees.



YOUTH SERVICES

Kentucky's LWIAs continue to direct resources to help meet the goals of WIA and those expressed in the Strategic Vision for the Delivery of Youth Services.

Barren River LWIA - An increased effort to serve out-of-school youth with Individual Training Accounts (ITAs), has led to more students completing bachelor's and associate's degree programs. Many are currently earning high wages as nurses, accountants and industrial maintenance workers.

Cumberlands LWIA - All 21 high schools in its 13-county area partner in administering the WorkKeys assessment to seniors. During the process, Cumberlands enrolls each student in the Employ Kentucky Operating System (EKOS). WorkKeys is then provided to promote the employability of each student. Over the past three years, 7,492 students have been assessed with 4,457 of them receiving either a silver or gold certificate. The results are available for use by anyone by accessing the e3 Web site and looking at Kentucky Employability Certificates.

EKCEP LWIA - (Eastern Kentucky Concentrated Employment Program, Inc.) – As a summer project, four youth program participants helped build a playhouse for children visiting the Ronald McDonald House in Lexington. Although the Ronald McDonald House is not located in Bell County, they thought building the playhouse would be a good opportunity for the youth program because the facility serves local people. Participants worked with a master carpenter to design and build the playhouse.

Greater Louisville LWIA/KentuckianaWorks Youth One-Stop in Jefferson County—Youth Opportunities Unlimited (YOU) Center A total of 561 youth were served during the program year with 211 entering employment, 88 attaining GEDs, 52 entered occupational training and 50 entering college. The YOU Center entered a partnership with the Department of Community Based Services Foster Care and the Louisville Orphan Care Initiative to pilot a mentoring internship program for youth in foster care. YOU celebrated the achievement of having its first YOU participant to graduate college with a bachelor's degree in nursing.

Greater Louisville LWIA/KentuckianaWorks Youth One-Stop in Bullitt County—JAG Program Of the 173 youth assisted through the Bullitt County JAG program this year, 52 entered employment, 65 attained GEDs and 25 entered college. The program, part of Bullitt County Adult and Community Education, is located in the Bullitt County Career and Educational Center, which provides an opportunity to strengthen partnerships, collaborate, and share resources with KentuckianaWorks One-Stop Career Center partners, Goodwill Industries of Kentucky, and Jefferson Community and Technical College. Program staff works closely with key employers in the area, such as Zappos and Publisher's Printing, to hire youth who are working toward or have earned their GED or other credential.

Green River LWIA - GRADD hosted the Extreme Entrepreneurship Tour, with 224 youth from the area's high schools and colleges attending. In addition to the national team, local entrepreneurs were incorporated to show that students can stay in their hometown and be successful. GRADD received two national awards for this event: The National Association of Development Organization's (NADO) Innovation Award and the Rural Achievement Award from the National Association of Regional Councils (NARC).

Lincoln Trail LWIA - A local, year-round **Yes, I Can** program, focused on five career tracks: allied health, human resources, transportation, distribution and logistics, manufacturing skills and information technology. Of the 40 youth who participated in the program, 20 have either enrolled in college or expressed an interest in attending. Twenty-six youth gained employment and two obtained their GED. Additionally, youth were served with ITAs for training in high-demand occupations.

Northern Kentucky LWIA - Northern Kentucky has two outstanding Jobs for America's Graduates (JAG) programs. The program routinely serves 80-90 out-of-school students a year. The LWIA and the affiliates in Carroll County and Jefferson Community College provide consistent leadership, resulting in a mid-year enrollment of 95 percent of projection and contract numbers often exceeded by 90 percent.

TENCO LWIA - TENCO and Maysville Community and Technical College presented an Entrepreneur Tour for area youth. More than 500 seniors attended the conference where some of the nation's top young entrepreneurs encouraged youth to plan and succeed in the business world. TENCO also partnered with six local high schools to initiate Junior Achievement or a Work Ethic Seal program for seniors who will be entering the workplace after graduation. This program will serve approximately 120 youth.

West Kentucky (Purchase/Pennyrile) LWIA - A junior coal academy pilot program has been developed to prepare students for local, in-demand careers. Within the next year, local coal producers anticipate hiring an additional 1,200-1,500 workers. Pre-employment drug testing and internships were instituted to add another level of real-life job preparation. Students also have the opportunity to train for a high-wage, high-demand occupation through youth Individual Training Accounts (ITA); providing opportunities for youth who would never have envisioned that they could go to college.

YOUTH FEATURE

Green River Workforce Investment Area



The Extreme Entrepreneurship Tour gives young people an opportunity to learn about entrepreneurship and apply the principles to all aspects of their lives.

In an effort to give local young people career opportunities in their communities, the Green River ADD hosted the Extreme Entrepreneurship Tour. More than 200 individuals from area high schools and colleges attended this high-energy event. The tour brought together some of the country's top entrepreneurs to share the concept of entrepreneurship at a grass-roots level. Local entrepreneurs were incorporated into the event to show that young people can stay in their hometowns and be successful.

Moving the event from a college campus to a venue more convenient for all area students encouraged high school students as well as college students to participate. A total of 224 students from the seven-county ADD attended. In addition, transportation was provided to many students who traveled from outlying counties.

Some instructors required their students to attend the event as their class for that day while others offered extra credit as an incentive. Student feedback from the event was suggested that they found the tour very interesting and informative.

Prior to the event, local entrepreneurs at exhibits shared their stories one-on-one with students. Two well-known local businessmen represented the region on a panel of successful entrepreneurs. This provided the attendees the opportunity to hear their stories and ask questions. The interactive format was very popular with the young people.

To compliment the Extreme Entrepreneurship Tour, the Green River ADD provided attendees with resource materials, and they continue to assist them through other services offered within the organization. Many of the students have remained in contact with the tour team through an on-line support system known as JourneyPage.

The Extreme Entrepreneurship Tour has been awarded the National Association of Development Organization's (NADO) Innovation Award and the Rural Achievement Award from the National Association of Regional Councils (NARC). Receiving these national awards reiterates how innovative and successful the event was for the young people in the region.

PERFORMANCE RESULTS

Kentucky has taken steps to ensure it meets and exceeds the federal common measures. To help accomplish this task, the Office of Employment and Training (OET) hired two full-time employees to provide real-time analysis of the state's one-stop data. The analysts compile, prepare and analyze common measure reports to monitor the effectiveness and work levels of the 27 local offices and the 10 WIAs to ensure regulations and statutes compliance.

The analysts work closely with the Department of Labor and the Kentucky LWIAs to achieve common goals that will enhance the state's ability to provide the best services available to the citizens of the commonwealth. With real-time analysis, officials have made timely adjustments, when necessary, utilizing a statewide approach. On-going analysis helped steer Kentucky's one-stop operating system in the direction of achieving a true transformation of the delivery system. The close monitoring of all performance data was instrumental to Kentucky meeting or exceeding each of the performance measures.

EKOS (Employ Kentucky Operating System)

Kentucky strives to improve the workforce by utilizing a multitude of software systems including Employ Kentucky Operating System (EKOS). Kentucky has numerous data exchanges that tie into EKOS. America's Job Exchange and Job Central post job information daily providing the most up-to-date customer resumes and job order records for EKOS.

At this time there are 271,235 active customer records, 18,158 employer records and 30,132 open job orders. Every one stop and WIA office works daily with both job seekers and employers in the state. Every OET and WIA office has access to the EKOS system to match and refer individuals to the job orders placed by Kentucky and surrounding state's employers.

EKOS is used in conjunction with other software such as Crystal Reporting. Data is pulled from EKOS utilizing Crystal reporting and a multitude of other reports throughout the state. These reports are able to give real-time data for analysis to enhance management of the entire one-stop system in Kentucky.

e3 (Education, Employment, and Economic Development)

In a demand-driven world, education, employment and economic development share critical roles in making Kentucky a great place to live, work and grow a business. The **e3.ky.gov** equation is undeniable: a solid **education** increases **employment** opportunities and leads to greater **economic** prosperity. Students, job seekers, employers, researchers, policy planners and economic developers can use **e3** to explore Kentucky's services, information and human capital. The **e3** site gives users a multitude of options such as searching for jobs, training or educational opportunities, or posting jobs, locating workplace training or hiring the next employee. Users can find valuable data with **e3's** powerful search engines or link to other Kentucky Web sites for more in-depth details about available programs, services and benefits.

The e3 system has been beneficial to the entire state to assist employers in finding the most qualified candidates for employment and for job seekers looking for employment and training. Currently, 6,007 job orders have been entered into the e3 and EKOS systems.

The application has received state and national recognition including selection as one of the 10 Southern Regional Finalists for the U.S. Council of State Governments' 2007 Innovations Award and winner of prestigious 2008 Best of Kentucky Award for Best Application Serving the Public. More importantly the application has been well received by employers using the application and by staff.

COST AND EVALUATION

WIA Title 1B
**Cost of Program Activities Relative to Program Outcomes
July 1, 2007 – June 30, 2008**

	PY 2007 Expenditures	PY 2007 Customers Served	PY 2007 Exiters	PY 2007 Cost Per Customer Served	PY 2007 Cost Per Customer Exited
Adults	\$18,100,682	7,076*	3,169	\$2,558	\$5,712
Dislocated Workers	\$7,189,033	4,375	1,690	\$1,643	\$4,254
Youth	\$13,002,799	3,994	1,584	\$3,256	\$8,209

**Does not include 15,782 Self-Service only.*

Kentucky received a substantial increase in state allotments from the Department of Labor in all three funding streams in PY 2007. The adult and youth funding streams increased 30 percent from PY 2006 and, most notably, the dislocated worker program funds increased from \$14,247,753 in PY 2006 to \$27,848,252 in PY 2007 representing over a 95 percent increase.

Although final dislocated worker data indicated a decrease in the number of customers served since PY 2005, from 4,934 down to 4,375 in PY 2007, Kentucky continued to experience a significant number of dislocations. Figures indicate that out of the reported 103 dislocations, 22 qualified under the Trade Act. New trade-training enrollees in PY 2007 totaled 1,484. In PY 2007, an additional \$6,865,117 of trade funds were made available to local workforce investment areas, of which over \$5 million was allocated to southwest Kentucky to meet the needs of this population. Nearly \$6.65 million of Trade Act funds was expended at the local level to assist Trade Act participants.

In PY 2007, the number of dislocated workers served decreased; however, the expenditures increased by 40 percent. The increase can be attributed, in part, to the increase of 11 percent in tuition and training at the state community colleges and universities. Additionally, as the commonwealth used Trade Act funds to assist dislocated workers with retraining needs, customers were able to utilize dislocated worker funds for other support services, such as transportation costs. By leveraging resources, Kentucky provided the necessary services for successful training outcomes.

Figures also indicate a considerable decrease in the amount of Rapid Response funds expended from PY 2006 (\$3,062,281) to PY 2007 (\$2,346,552). This decrease is attributed to the increased amount of dislocated worker funds available in PY 2007 as evidenced by \$2,056,477 more expended in dislocated worker funds in PY 2007 than in PY 2006. With the recent receipt of a waiver permitting the use of 20 percent of Rapid Response funds to support incumbent worker training and other layoff aversion programs, the commonwealth anticipates increased spending of

Rapid Response funds in the future. Further, several of Kentucky's LWIAs tapped Rapid Response funds to initiate Layoff Aversion Plans and local Business Services Plans to help adversely affected employers.

Since PY 2003, the adult program has experienced a higher number of customers each year. The number of adults served rose from 6,346 in PY 2006 to 7,076 in PY 2007, more than a 10 percent increase. Similarly, the amount of funds expended in the adult program increased 26 percent over PY 2006. Several LWIAs took advantage of a waiver that allowed the commonwealth to transfer up to 100 percent of local area allocations between the WIA adult and dislocated worker programs. In PY 2006, local areas transferred \$3,247,120 from the dislocated worker program to the adult program compared to PY 2007 when local areas transferred \$6,308,405 for an increase of more than 94 percent. The transfers amounted to approximately 18 percent of the total available dislocated worker funds.

Compliance and commitment of Kentucky's LWIAs to the Department of Labor's Shared Youth Vision is reflected in significant increases in the PY 2007 cost of program activities relative to program outcomes. Local areas have continued to focus on the goal of meeting the needs of the hardest-to-serve youth populations, with resources increasingly directed toward greater numbers of out-of-school participants.

This continuous adherence to the youth vision is best evidenced by the following changes from PY 2006: higher overall program costs, up by more than \$3 million; greater numbers served, up by almost 10 percent and an increase of nearly 58 percent in the cost per customer exited. Increased cost per customer served has risen 23 percent with slightly fewer exiters. These figures clearly illustrate the additional time and resources required to serve this population.

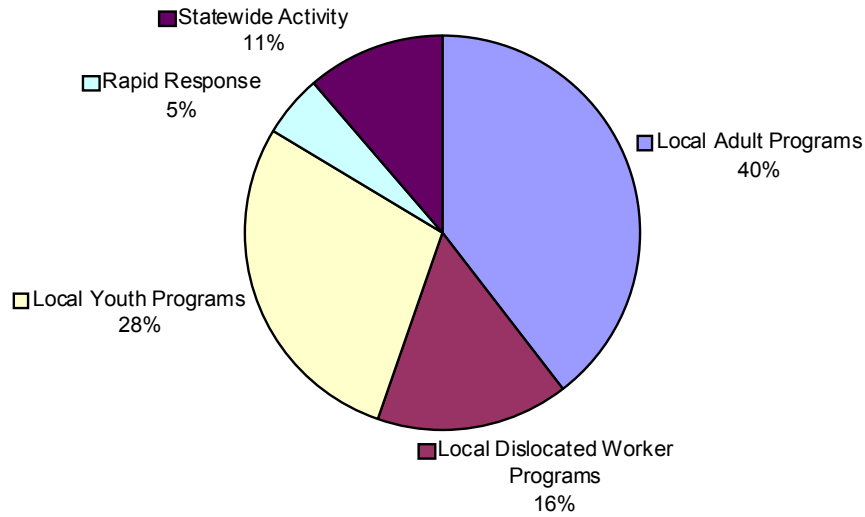
Statewide Activity fund expenditures decreased slightly from PY 2006. The decrease was due, in part, to a change in state government administration which resulted in awarding funds late in 2007 with project expiration dates of 2009 and 2010. Funds of \$3,778,520 were awarded late in 2007 for special projects and \$1,218,901 has been awarded during PY 2008.

WIA FINANCIAL STATEMENT PY 2007

Operating Results	Available	Expended	Percentage Expended	Balance Remaining
Total All Funds Sources	72,413,922	45,820,145	63%	26,593,777
Current Year Funds	56,032,511	31,758,111	57%	24,274,400
Carry in Monies (Non-Additive)	16,381,411	14,062,034	86%	2,319,377
Adult Program Funds	20,481,345	13,957,723	68.15%	6,523,623
Carry in Monies (Non-Additive)	4,143,617	4,142,959	99.98%	658
Dislocated Worker Program Funds	8,684,629	5,631,905	64.85%	3,052,724
Carry in Monies (Non-Additive)	1,557,130	1,557,129	100.00%	1
Youth Program Funds	12,467,604	9,044,424	72.54%	3,423,180
Carry in Monies (Non-Additive)	3,958,877	3,958,375	99.99%	502
Out of School Youth		7,473,931		
In School Youth		5,528,867		
Summer Employment Opportunities		825,595		
Rapid Response Funds	5,896,603	818,625	13.88%	5,077,978
Carry in Monies (Non-Additive)	2,176,561	1,527,928	70.20%	648,633
Statewide Activity Funds	8,502,330	2,305,435	27.12%	6,196,895
Carry in Monies (Non-Additive)	4,545,226	2,875,644	63.27%	1,669,582

Cost Effectiveness	C/E Ratio	Period of Availability on Balance Remaining:	
Overall, All Program Strategies	5,943	Through June 30, 2009 (PY2006 Carry in)	2,319,377
Adult Program	5,712	Through June 30, 2010 (PY2007 Funds)	24,274,400
Dislocated Worker Program	4,254	Balance Remaining	26,593,777
Youth Program	8,209		

PROGRAM YEAR 2007 EXPENDITURES



	Available	Expended	% of Total Expenditures
Local Adult Programs	24,624,962	18,100,682	40%
Local Dislocated Worker Programs	10,241,759	7,189,033	16%
Local Youth Programs	16,426,481	13,002,799	28%
Rapid Response	8,073,164	2,346,553	5%
Statewide Activity	13,047,556	5,181,079	11%

During PY 2007, Kentucky spent \$45,820,145 in WIA formula funds. As presented in the chart above, statewide activities constitute 11 percent (\$5,181,079) of the total expenditures, while state and local Rapid Response activities represent 5 percent (\$2,346,552). Kentucky's LWIAs spent 84 percent (\$38,292,514) of the total.

WIA PERFORMANCE PY 2007

In August 2007, Kentucky was granted a waiver permitting the commonwealth to replace the performance measures of WIA Section 136(b) with the common measures, reducing the performance measures from 17 to nine. Kentucky met or exceeded all of the nine required performance measures in PY 2007. Exceed is defined as obtaining 100 percent of the negotiated goal or greater. Kentucky continues to aggressively seek to improve workforce services as outlined by the nine WIA performance measures. OET is committed to providing management analysis and technical assistance which will lead to continuous improvement and better customer service to WIA participants.

The core indicators of performance for the adult and dislocated worker include:

- Entry into unsubsidized employment;
- Retention in unsubsidized employment six months after entry into the employment; and
- Earnings received in unsubsidized employment six months after entry into the employment.

The core indicators of performance for the youth population served include:

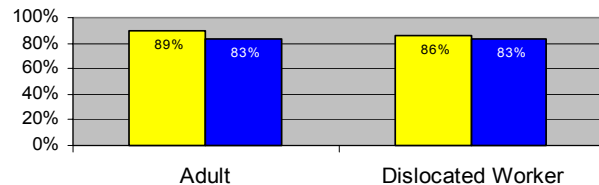
- Placement in employment or education;
- Attainment of a degree or certificate; and
- Literacy or numeric gains based on tests given to youth when they enter and exit the program.

The following charts provide an overview of the goals and performance for workforce services.

■ Actual ■ Target

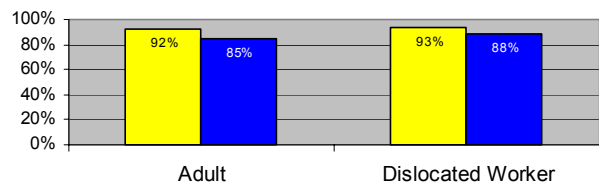
Entered Employment Rate

For the eighth year, Kentucky surpassed its targets for adult and dislocated worker entered employment rates. Both outcomes show a slight increase from PY 2006.



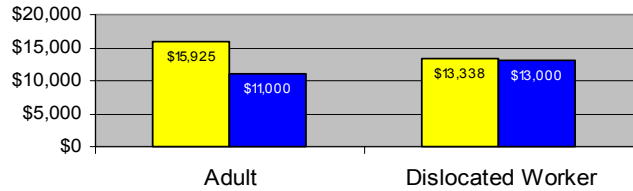
Job Retention

Kentucky surpassed its goals for adult and dislocated worker job retention performance for the eighth consecutive year.



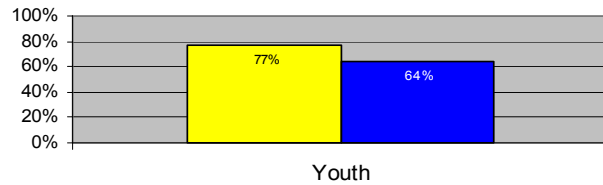
Average Earnings

For the second year Kentucky surpassed its target for adult and dislocated worker average earnings, with an adult earnings increase of 31 percent since last year. In PY 2006, Kentucky began to measure six month average earnings of the second and third quarter wages after the participant exits the program.



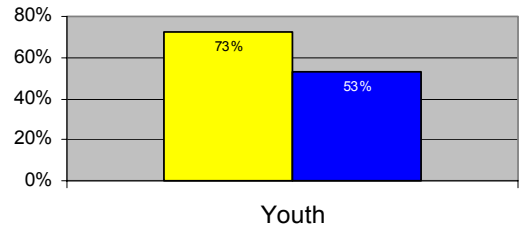
Placement in Employment or Education

For PY 2007, Kentucky surpassed its objective for placement in employment or education with a youth performance increase of 20 percent over the last two years.



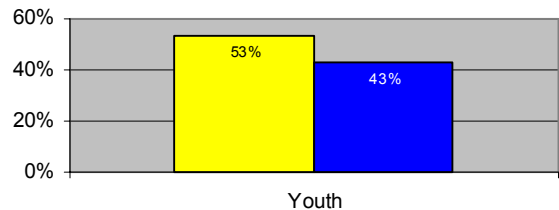
Attainment of a Degree or Certificate

Kentucky exceeded its objectives for the youth attainment of a degree or certificate measure with a 15 percent increase from PY 2006. Overall, Kentucky has exceeded or been within 80 percent its goals since PY 2001.

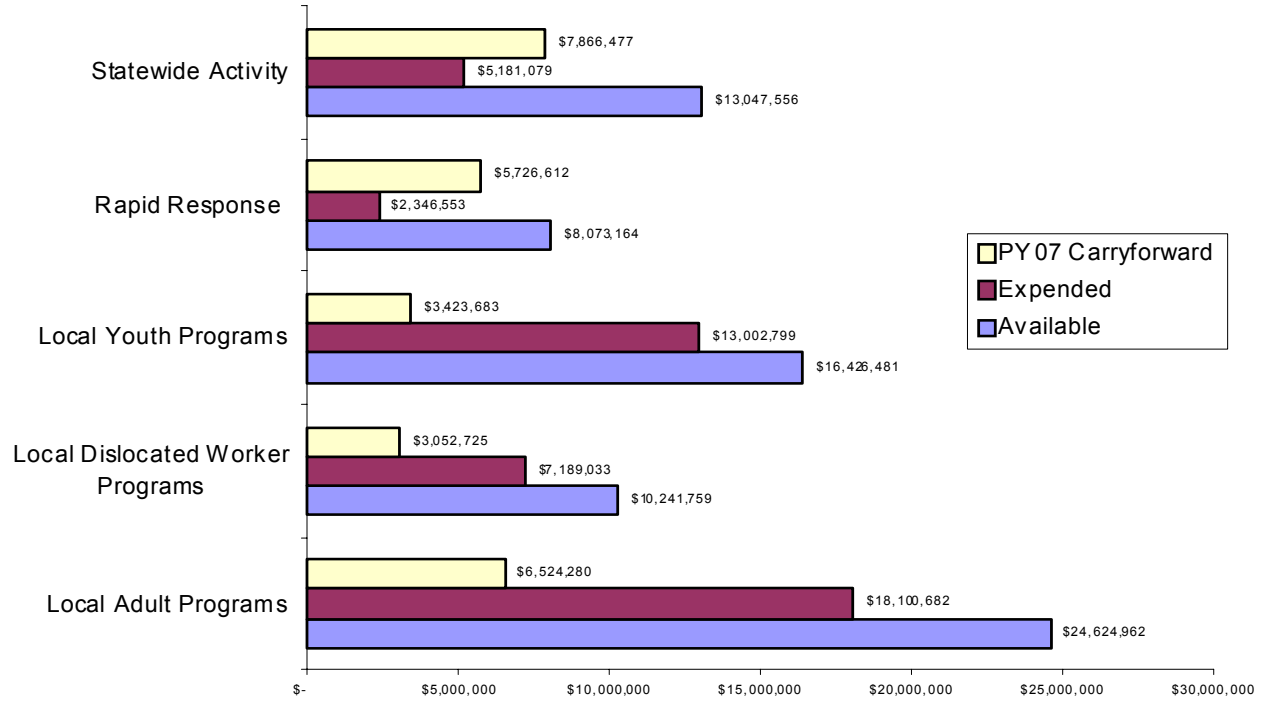


Literacy or Numeracy Gains

For PY 2007, Kentucky surpassed its target for literacy or numeric gains measure with a slight increase over PY 2006.



KENTUCKY WIA EXPENDITURE SUMMARY PY 2007



**STATE DISCRETIONARY FUNDING
LWIA PROJECT DESCRIPTIONS**

Barren River

Labor Market Analysis – Conducted regional analysis of available labor pools. Information used to illustrate critical features of the labor pool from which new and expanding companies could draw as well as to assist with long-range planning. The state's discretionary funds are being used to match county and private sector funding.

Bluegrass

Incumbent Worker Training for lay off aversion activities – Skills training helped keep major employer and 800 jobs in region.

Cumberlands

Incumbent Worker Training for Utility Workers – Training provided to meet the needs of the utility industry. A partnership was started among Local Workforce Investment Board, Community and Technical College System, Area Technology Park, EDA, USDA, ARC, KY's Community Block Grant Program and local RECC to pilot the program.

Incumbent Worker Training for Energy/Utility Industry – Area focused on high-skill occupations, training for construction skill occupations, and expanding activities with power/utility companies, landfill operators, community colleges and engineering firms to establish career pathways for incumbent workers. Also, supported demonstration projects associated with the energy/utility sector.

EKCEP

Mining Education Initiative – Multi-agency collaborative project to provide training that addresses the mining industry's immediate need for skilled workers. The mining initiative consists of four program areas: diesel mechanics, electricity, machine tool technology/industrial maintenance and welding.

Employer specific workforce training – Training for incumbent and new workers tailored to meet employers' needs to help expand business.

Greater Louisville (Kentuckiana Works)

Jefferson Community and Technical College (JCTC) Truck Driver Training – Program focused on providing urban minorities and ex-offenders opportunity for training that addresses the shortage of workers in the trucking industry.

JAG 2007 - 2008: KentuckianaWorks/Greater Louisville – Supported Bullitt County Adult Education Jobs for America's Graduates (JAG) Program.

Construction/Skilled Trades Pipeline Phase I – Project to establish a construction-focused one-stop career center and prepare new entrants, both adults and dislocated workers, for the construction field.

Construction/Skilled Trades Pipeline Phase 2 – Additional funding to prepare new entrants for the construction field.

Green River

JAG 2007 - 2008 – To support Union County's Jobs for America's Graduates (JAG) Program.

Lincoln Trail

Economic Impact Analysis (WIRED Initiative-leverage funding) – Economic impact planning analysis to assist decision makers on critical workforce and economic responses to impending changes in the region due to BRAC.

Advanced Manufacturing Initiative- (WIRED Initiative-leverage funding) – Training to address critical workforce need for higher skill levels in manufacturing. Robotics equipment and training modules for incumbent worker and new hire training.

Incumbent Worker to Address Skills Gap – Study of business needs, communication and promotion of services, and development of training to address the basic foundation skills and work ethic needed by business.

Capacity Building Project - (BRAC/WIRED Initiative-leverage funding) – Academy approach to support demonstration projects as well as capacity-building efforts to accompany BRAC/WIRED initiatives. Funding is being used to raise awareness globally in regard to job opportunities and to serve incumbent and new workers.

Northern Kentucky

Manufacturing Connection – Increased manufacturer pre-employment screening to job order specifications so that candidates/employees are a better fit for the job, the job training period is shortened and employee turnover decreased. Nine one-stop partners will participate in this project geared to better meet the needs of manufacturing companies and the people they employ.

JAG 2007 - 2008: Northern Kentucky Workforce Investment Area – Initiative to support Jefferson Community and Technical College (Carrollton) and Grant County Board of Education programs (both entities partner with adult education centers).

Regional Workforce Development Efforts – Strategy development to bring together business and industry, workforce system professionals, educators, economic development professionals and other regional stakeholders allowing for employment opportunities in high-skill and high-wage careers. Focus on development of a complete asset analysis and steps to meet those identified needs.

TENCO

Area is partnered with Cumberland Workforce Area Incumbent Worker Training for energy/utility industry listed above.

West Kentucky (Purchase Pennyrite)

Maritime – Niche industry in the Paducah area expressed a critical need for entry-level barge and deckhand workers to meet the growing labor demands of the river industry. The West Kentucky Workforce Board's (WKWIB) support of ongoing efforts in the development of maritime training opportunities will meet the demands of local employers and align with strategic initiatives to promote economic growth throughout the Paducah/Western Kentucky area.

Energy Grant – With resurgence of coal use in the area, the WKWIB was awarded a grant to increase the opportunities for individuals to enter into energy employment in West Kentucky. The WKWIB contracted with Green River WIB to serve individuals throughout the region interested in high-growth, high-wage energy occupations.

STATEWIDE INITIATIVES

Bioptic Driving (2006 - 2008) – The Bioptic Driver Program administered by the Kentucky Office for the Blind (OFB) enables individuals with low-vision to gain independence by using a bioptic device and behind-the-wheel training.

Re-Engineering for Best Practices – Analysis of current processes and practices to improve efficiency.

2007-2008 JAG Project – Program to support in-school youth activities for Jobs for Kentucky graduates (JKG).

SUCCESS STORIES

Mr. Wattenberger was a Trade participant who lost his job after 18 years at NACCO when that company opted to move its operation overseas. Unwilling to sit on the sidelines and wait for something good to come along, Mr. Wattenberger decided to improve his skills to better his chances of finding full-time employment. Mr. Wattenberger enrolled at Delta Truck Driving Academy in Mount Sterling where he obtained a Class A Commercial Driver's License (CDL). Within days of completing his training, Mr. Wattenberger went to work as a driver for Werner.

Mr. Fryman was laid off in 2007 from Solutions Dispersions, Inc., after nearly seven years of work. During his employment, he operated a fork lift, bailing machines, dump station and grind mills, and also worked in inventory, shipping and receiving. He had previously worked in transportation and had a CDL; however, the license had lapsed. Following his layoff, he searched diligently for any type of employment for which he was qualified. Unfortunately, he could not find a transportation position because his CDL was not current. He eventually obtained temporary employment but was again laid off and could not find work. Through the WIA program he earned a CDL at Delta Career Academy in September 2008. Mr. Fryman graduated with the highest grades the school has had in 16 years and was offered a position as an instructor. He also has an interview for a permanent position with Ryder Logistics.

Ms. Bruner was unemployed when she contacted the WIA program. At her most recent job, she made \$11 per hour. Ms. Bruner decided to enroll in the practical nursing program at Bluegrass Community & Technical College. She completed the program in May 2008 and went to work later that month. Ms. Bruner is making \$19.75 per hour in a high-demand occupation.

Ms. Fish was dislocated from Bendix in January 2007, ending her 27-year manufacturing career. She had trouble finding another production job because of health problems and came to the Central Kentucky Job Center in Georgetown in search of assistance. WIA and the Kentucky Office of Vocational Rehabilitation worked with her to update her resume and conduct a job search. It became apparent that she would have to upgrade her skills to make as much as she was paid at Bendix. Ms. Fish decided to become a medical assistant and, after researching some local programs, settled on National College. She began school in March 2007 and has five months to go before she can take the final certification exams. As of August 2008, she has maintained excellent grades in her classes and currently has a 3.79 grade point average. She is on track to finish school in 2009.