



Bluegrass Workforce Innovation Board Full Board Meeting
May 23, 2017, 1:30 PM
BGADD Conference Room
Lexington, KY

Board Members Present	Staff Present
Boggs, David	Duke, Mable
Farmer, Lisa	Wilson, Megan
Henson, Ryan	Glasscock, Amy
Jones, Todd	Linville, Ethan
Leary, Brian	May, Staci
Menke, Kim	Reeves, Tiffany
Montgomery, Matt	Vaught, Jacqueline
Pratt-Savage, Tracy	Buschmann, Michael
Sigg, Steve	Sluder, Erica
Troske, Ken	Landin, Marsha
	Fegley, Mary-Ann
	Fry, Kim
	Guests Present
	Murray, Natasha
	Dickinson, Elodie

I. Call to Order
a. Establish Quorum

Chair Menke established that there was a quorum present.

b. Introduction of Board Members and Guests

Chair Menke allowed all members and guests present to introduce themselves.

c. Minutes from March 14, 2017 Executive Committee Meeting

Chair Menke and the rest of the full board reviewed the minutes from the previous executive committee meeting. A motion was then made to approve the minutes.

Motion: To approve the December 14, 2016 executive committee meeting minutes.

Motion by: Brian Leary

Second by: Ken Troske

Motion passed

II. Election of Vice-Chair

Chair Menke opens the floor for nominations.

Motion: To nominate Mr. Matt Montgomery as Vice-Chair

Motion by: David Boggs

Second by: Ms. Tracy Pratt-Savage

Motion passed

III. Request for Proposals – Bidders responses & Committee Recommendations

Ms. Tracy Pratt-Savage discusses the committee meeting which occurred on May 10, 2017, and states that the committee met, reviewed, and discussed training recommendations, and stated that the committee unanimously recommended Rochelle Daniels. June 28th is the proposed date. Ken Troske states that he has a building reserved for the event. The other options are discussed, but due to cost issues, and the needed content, Rochelle Daniels was recommended. This training will be recorded. The budget is also discussed, and Ms. Mable Duke confirms that this training fits within the budget. The 28th was also chosen due to regional planning due the 30th, and other events happening around that date.

The RFP process in regards to how the trainer was chosen is discussed. Chair Menke asks that the committee members keep their notes on how they came to the decision.

Chair Menke then asks if there are any questions. Then, he takes a vote for hiring Rochelle Daniels to do the training, to which there are no “No” votes. Chair Menke states it was a unanimous yes vote.

IV. Request for Proposals – One Stop Operator and Direct Service Provider

Dr. Ken Troske states that since Dr. Julian Augusta is not present, he will be reporting on the RFP responses. National Able Network and ResCare were the two RFP responses. The committee felt that both the bids were under budget (1.5 million) at 1.2-1.3 million. National Able Network is a non-profit company, ResCare is a for-profit company. National Able Network included a 17% administrative overhead. ResCare had 9% administrative overhead, and 9% pay-for-performance component, which means that there can be set standards, and the pay-for-performance depends on their performance in regards to those standards. Both organizations seem able to fulfill the

contract obligations. The committee felt that ResCare was the preferred provider. ResCare is located in Louisville, Able is located in Chicago. Two components were main factors in this decision: ResCare is partnering with United Way of the Bluegrass, who is providing youth services. ResCare had a more robust staffing plan than National Able Network. The committee also felt that the fact that ResCare was located locally would mean they would be able to reach into the community more. Every member of the committee scored ResCare higher than National Able Network. Dr. Ken Troske spoke with Michael Gritton to get his impression, and Mr. Gritton stated that they had issues in the beginning, but they were able to be addressed very quickly and they are very happy with them at this point.

Ken states that it's the committee's opinion to recommend ResCare. Dr. Ken Troske states that there should be metrics, and that there will be some negotiation, and the best solution is a combination of very robust performance standards and leaving the 9%. Ms. Mable Duke states that she believes the best bet would be robust performance standards, and maybe lowering the profit somewhat. Ms. Mable Duke states she's more interested in performance at this point, which is agreed upon.

Mr. Matt Montgomery asks how their performance metrics are measured, and the reporting is discussed.

Brian Leary has asked for comparable metrics and performance standards. Ms. Mable Duke has asked other areas for their contracts so she can see how they are doing.

Chair Menke discusses the implementation of the program, and how long those people would be in the area to help set up the program. Dr. Ken Troske said there was not an exact time frame. Ms. Mable Duke stated that ResCare stated they would give first consideration to the existing staff. National Able Network did not. There will be big changes, and it's a work in progress.

Chair Menke states that he discussed ResCare with individuals at South Central. They had a team come in to help with the startup. They maybe pulled out a little too soon and had to bring them back in, so we should have milestones in place before the support team may leave.

Ms. Mable Duke stated that since ResCare is headquartered in Louisville, they have some motivation to do a good job.

Dr. Ken Troske reads the stipulation where any employees carried over will be on a 60 day probationary period, and subject to a background/drug test.

The contract needs to be in place by June 21st, and certain things will need to be negotiated. The board also needs to authorize Chair Menke to sign the

agreement in order to implement by June 21. Nothing will change other than the deliverables and profit rate, depending on how that plays out.

Mr. Matt Montgomery and Ms. Mable Duke discuss the conditions under which the contract will need to be signed, along with the term of the contract which is for 1 year with the option to renew, if the performance is satisfactory.

Motion: *To take the committee's recommendation to accept ResCare's RFP, authorize Mable Duke to negotiate the terms of the contract*

Motion by: *Todd Jones* Second by: *Ms. Tracy Pratt-Savage* Motion passed

Erica Sluder starts a discussion on the status of employees transferring, along with the personal impacts it may have.

Ms. Staci may clarifies the term of the contract. Contract clauses are discussed. Mr. Leary and Ms. Mable Duke talk about the staffing plans with both ResCare and Able Network. The board discusses the negotiation process.

Chair Menke asks if someone from the committee should accompany Ms. Mable Duke in the negotiation meetings. Ms. Mable Duke states that having another member is fine, but she is also happy to report back to the board in any way, or have someone accompany her.

Vice-Chair Matt Montgomery states that unless someone wants to, we should let Ms. Mable Duke do her job.

Ms. Erica Sluder confirms that the current employees would be considered during negotiations, and Ms. Mable Duke states she would like a listing of the current employees to ensure they get first consideration.

Motion: *To take the committee's recommendation to accept ResCare's RFP, authorize Mable Duke to negotiate the terms of the contract*

Motion by: *Todd Jones* Second by: *Ms. Tracy Pratt-Savage* Motion passed

Discussion begins on negotiations. Ms. Mable Duke states that the negotiations should happen after July 1. Ms. Mable Duke wants to discuss this process with ResCare.

The local contract is discussed by Chair Menke. Ms. Mable Duke asks for clarification on the contract Chair Menke is discussing. Ms. Mable Duke states that she's not aware of any contract that discusses the One Stop Operator. She is aware of a contract at the state that discusses administration of all kinds.

Chair Menke clarifies which contract he's trying to reference. Ms. Staci May asks if it is the resource agreement.

Ms. Mable Duke asks if he is referring to the MOUs, which have not been approved by the state since 2015.

Ms. Mable Duke states that the MOUs were submitted in 2015, and none were approved since that time. Ms. Mable Duke asked when she came on board, the status of the MOU. No area in the state of Kentucky has an approved MOU.

Ms. Mable Duke does not know when the state will address MOUs again. There is no contract in place that states the BGADD will deliver services. With the Medicaid Waiver, this will change workforce services drastically.

The local areas can't address these issues independently.

The cost allocation agreement is discussed as well.

V. Youth Work Experience Policy Revision

Ms. Mable Duke states she sent out the draft in the packet before the meeting. This policy had not been updated since 2008. In the old policy, you couldn't do more than 40 hours of per week for 5 weeks at minimum wage. The new policy, beyond bringing it up to WIA standards, states that work experience will be no longer than 320 hours. It allows flexibility without messing with the budget. It was also brought to our attention that some of these jobs are at prevailing wage, and not less than minimum wage. It was advised by the disability advisors to put into the agreement that the 320 hours could be waived under certain circumstances approved by the board, particularly for people with learning disabilities that may go at a slower pace.

Chair Menke asked if the prevailing wage was a WIOA requirement. Tiffanie Reeves covered the examples that the policy was based on. Ms. Mable Duke and Tiffanie discussed the requirements it takes to make the policy requirements legal. Chair Menke thanked them for the clarification.

Motion: To approve youth policy

Motion by: Dr. Ken Troske

Second by: Mr. Matt Montgomery

Motion passed

VI. Financial Report

Mr. Michael Buschmann covers the financial reports, starting with April 2017. Mr. Buschmann states they are cumulative. He covers the

categories we are under spent in. There is discussion regarding the under spent funds, along with the explanation thereof.

Mr. Boggs discusses the recent Kentucky Workforce Board meeting, and the changes coming to workforce in the future. He encourages everyone to go to the Kentucky Works website and research the new apprenticeship program.

Chair Menke also states this goes beyond apprenticeships and goes towards more certificate/degree programs. The new programs are discussed

Dr. Ken Troske inquires about the transfer between the dislocated worker program to the adult program. Ms. Mable Duke confirmed that this was acceptable.

Ken Troske believes we could be spending more in the Adult program.

Motion: To approve April financial report

Motion by: Mr. David Boggs Second by: Mr. Matt Montgomery Motion passed

Mr. David Boggs asks for comments on the attorney bills. While the bills have been decreased, there have been recent bills.

Even though the bills have been approved for payment, and submitted, the check has not gotten to all the attorneys yet. The state is holding them up. With the recent appeal, the attorney bills are coming in again. Mr. David Boggs is unsure as to whether these will be allowed costs or not.

Mr. Matt Montgomery stated that they are not getting interest or late fee charges yet.

Mr. David Boggs wants to move to approve these bills with the caveat that they do have a question about the permissibility of the bills being paid for disallowed costs that may occur because of the appeal because they'd thought the decision had been made.

Ms. Mable Duke states that the DOL appeal which was filed has no legal bills associated with it. Ms. Mable Duke assigned, prepared, and submitted it on her own. As far as the bills in here, most are going back to November and December, and the only bills that have been submitted to the state for reimbursement have to do with routine workforce activities. Ms. Mable Duke states that in December, she believes, she recommended to the boards to cease using attorneys for routine

workforce activities. The LEOs have not had any attorneys at any meetings this year. Nor have Mable or the ADD, for that purpose, other than to get the legal documents from the firm Walter, Gay & Mack who had partnership agreement that they had currently in place and what work they'd done, so they could take over and no longer incur those bills. The designation of the sub-grant recipient and the fiscal agent, by the LEOs – we had to get that from them as well. That is the only contact Ms. Mable Duke has had with Walter, Gay & Mack. Mr. David Boggs states that he sees the bills, and some line items were for upcoming LEO items, which occurred before Ms. Mable Duke was hired.

Mr. David Boggs states that his opinion is to submit the bills to the state and let them sort through it.

Mr. Ken Troske clarifies if this is the recommendation from the committee, which is confirmed.

Ms. Tracy Pratt-Savage asks if we are still using attorney on an on-going basis, or do we have one here today.

Mr. Boggs states no, we do not have one here today, and we have only been calling them periodically.

Chair Menke states he has been using attorneys periodically. Very periodically.

Ms. Mable Duke states that there are outlines in the bills which outline Stoll, Keenon & Ogden that go through April 25th.

Chair Menke states he has the recommendation of the committee to approve the bills.

Motion: To approve attorney bills

Motion by: Mr. Matt Boggs

Second by: Mr. Matt Montgomery

Motion passed

Ms. Mable Duke states that for last year, workforce legal bills totaled \$180,566. The budget was reduced to \$60,000 this year. To date, we are at \$46,551.

VII. Partnership Agreement

Chair Menke states based on the last meeting, and discussions with the state, they've updated the board's version of the partnership agreement.

The state wanted a streamlined document outlining the areas of disagreement.

Ms. Mable Duke stated that the WIB approved partnership agreement was the agreement presented back in December. The Partnership Agreement that she included in the original email that went out in the email, and the update that went out last night, is very close to the one she drafted and presented in March or February which was approved by the LEOs. There are differences. The only changes the LEOs made to the agreement in this packed is that they added language about hiring to add that it will be done jointly to clarify their stance. Ms. Mable Duke recognized the new agreement. Ms. Mable Duke states this agreement is a vast improvement, however, there are some language changes that might be sticking points, but the LEOs have not seen it yet.

Ms. Mable Duke covers the areas of the agreement she believes may cause concern.

The process of the agreements going to the boards and being rejected is discussed.

Ms. Tracy Pratt-Savage asks Chair Menke who put this agreement together with him.

Chair Menke states that Adam Back and consultation with the cabinet.

Ms. Tracy Pratt-savage asks who from the board authorized him making this agreement.

Chair Menke states that this is the same document, that, if you recall, in the last meeting, they opted to work from Mable's last document, to simplify the process. He asked Mr. Adam Back to add into that the specific components and reference points back to the policies so it was clear where that authority was coming from.

Ms. Tracy Pratt-Savage asks if there was any input from the board, or if this was all Chair Menke.

Chair Menke states it was the board's direction initially on the partnership agreement.

Ms. Mable Duke states that in the minutes, the partnership she presented to the board was rejected. She said she does not recall any motion stating they would take Mable Duke's partnership agreement and go off of that.

Ms. Tracy Pratt-Savage asks again, if there was a committee of this group of our members –

Chair Menke states that it was this group.

Ms. Tracy Pratt-Savage asks Chair Menke to confirm that this group, as a whole, authorized this, to which Chair Menke confirms.

Ms. Mable Duke states she can re-send the minutes out, as she does not recall that.

Judge Mike Pryor discusses the position of the LEOs, states that he believes that the concerns Ms. Mable Duke has expressed are legitimate, and that the LEOs want to work this out.

Chair Menke, Matt Montgomery, and Ken Troske discuss the wording in the agreement, along with the hiring process in place and the wording included in the agreement.

Ms. Mable Duke states both agreements contain language that allow the board to hire staff, and the budget for that must be approved by the LEOs to do that.

The agreement wording is discussed.

Ms. Mable Duke clarifies what the BGADD does, as well as clarifying from previous approved notes, what the direction from the board meeting was, as far as the board meeting was concerned.

Chair Menke states that this was only part of the direction.

Dr. Ken Troske covers what he believes the state's position is. Matt Montgomery goes through what he believes the positions are as well.

Ms. Mable Duke states that she does not believe any agreement can be signed until the appeal is ruled on.

Dr. Ken Troske, Chair Menke, Tracy Pratt-Savage, and Matt Montgomery discuss the agreement, the points of contention, and how to come to a resolution.

Judge Mike Pryor also discusses the agreement, and the position of the LEOs.

Ms. Mable Duke discusses the reason the appeal was filed by the LEOs.

Ms. Tracy Pratt-Savage discusses the process post-appeal as well.

Chair Menke asks for an update on the current Regional Office Status/Operation after the OET Consolidation Changes (WIB Chairman Request) as well as the State Medicaid Waiver Status.

VIII. Regional Office Status/Operation after the OET Consolidation Changes (WIB Chairman Request)

Ms. Mable Duke states this is still a work in process, and asked Ms. Amy Glasscock for updates. Ms. Amy Glasscock gave updates on the offices, including the opening of the Berea office. Ms. Mable Duke covers the resignation from the board of Ms. Gina Oney.

Ms. Mable Duke states that the state of Kentucky has applied for a Medicaid waiver. They are expecting it to be approved in June. Ms. Mable Duke covers the basics of the overhauls to the system. Ms. Mable Duke states these changes will hit 63,000 individuals. She anticipates the phase-in to occur in 2018. Ms. Mable Duke then discusses the procurement options, and refers the board to look at the packet at the current options. She states most areas are siding with the first option. She says as more information comes available, she will forward it to the board.

Chair Menke asks for the minutes to be sent out as a draft so that they can be used as a reference point.

Ms. Mable Duke covers the regional and local plan, due June 30th. Ms. Staci May covers the policy, and tells the board members to please answer the survey and give her feedback to help her develop the best policy.

IX. Development of RFP for BGWIB Staff (WIB Chairman Request)

Chair Menke delays this, as this was an action item he requested.

X. Success Stories

Ms. Mable Duke tells the board that there are two success stories in the packet.

XI. BGWIB Website

The new website is discussed by Staci May.

At 3:45 the meeting is adjourned, as there is no longer a quorum