



Bluegrass Workforce Innovation Board Full Board Meeting
February 21, 2017
Bluegrass Area Development District
Lexington, KY

Board Members Present	Staff Present
Boggs, David	Buschmann, Michael
Dougherty, Jon	Duke, Mable
Farmer, Lisa	Duttlinger, David
Henson, Ryan	Gibson, Ashley
Hollan, Dolly	Glasscock, Amy
Jones, Todd	Linville, Ethan
Julian, Dr. Augusta	May, Staci
Menke, Kim	Reeves, Tiffanie
Montgomery, Matt	Vaught, Jacqueline
Oney, Regina	Wilson, Megan
Pratt-Savage, Tracy	Wright, Katie
Sigg, Steve	Guests Present
Troske, Dr. Ken	Back, Adam
	Dickinson, Elodie
	Murray, Natasha
	Turley, Chris
	Williams, Judge/Executive Mike

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. Dr. Ken Troske suggested that due to recent board turnover, each board member should be provided with contact information and bios of each member. Tracy Pratt-Savage also suggested that each board member should be provided with training materials. Chair Menke stated that currently there is no training plan, but employees of the state have come in to provide initial training, back in November of 2016. Ms. Pratt-Savage then made the motion for all members receive board training as soon as

Motion: For all BGWIB members to receive board training as soon as possible.

Motion by: Tracy Pratt-Savage

Second by: Dr. Ken Troske

Motion passed

possible and also volunteered to be a part of the committee to set that up. Dr. Troske and Jon Dougherty volunteered as well.

After this motion was made, Chair Menke apologized to the board for the board packet, stating that there was an overwhelming amount of information that “a lot of work needed to be done with those materials prior to coming to a full board meeting.” Ms. Duke spoke up and wanted to address this.

Ms. Duke stated both the Local Elected Officials and the Bluegrass WIB have instructed staff to proceed on several items such as the plan and other outstanding issues that have been left over from the past year.

She also stated that the agenda was sent to Chair Menke, days prior to sending out, asking him if there were any changes or anything to be added, and said that if none were received, the agenda and back up documents would be sent out. After not hearing back from him, Ms. Duke proceeded to send out the agenda as it needed to go out in a timely manner, because this was a special called meeting.

Mr. Menke responded saying Ms. Duke didn't send him the agenda and also told Ms. Duke he wanted a conversation about this package. Ms. Duke responded and said, he had not and would like for him to show her the e-mail. She told the members she would be happy to open her computer and files to any board member that would like to look at them for verification.

Mr. Menke told Ms. Duke he is the Chair of this Board and any board he has been the leadership of, the Chair concurs with the information before it is sent out. Ms. Duke responded, when I can't get a response from you that's why I put in the email, that if I don't hear from you by a certain date that it will go out as is.

Next, Mr. Menke told Ms. Duke her opinion was noted and will be discussed later.

c. Minutes from January 17th Full Board Meeting

Chair Menke allowed all members to review the minutes from the previous full board meeting. A motion was then made for approval.

Motion: To approve the January 17th Full Board meeting.

Motion by: Dr. Augusta Julian Second by: Ryan Henson

Before the approval of the minutes, Chair Menke mentioned that in the January 17th meeting minutes, it was not noted that Ms. Pratt-Savage's position on the board had yet to be certified by both Co-CLEOs. Since Ms. Pratt-Savage made motions at that meeting, those motions were invalid because her nomination had not been approved. Ms. Duke confirmed. Chair Menke suggested that the motions from that meeting be revisited and voted on again, now that she is officially a Bluegrass WIB member. Dr. Julian amended her motion to approve the minutes, with the change to the January 17th minutes stating that Tracy Pratt-Savage was technically not a board member during that meeting.

Motion: To approve the minutes, with the change to the January 17th minutes stating that Tracy Pratt-Savage was technically not a board member during that meeting.

Motion by: Dr. Augusta Julian Second by: Ryan Henson Motion passed

Dr. Julian made the motion from the last meeting to allow Chair Menke to look into increasing the maximum cost per participant to \$9,200 and to also eliminate/increase the time limit. Ms. Duke mentioned that she looked into this issue.

Motion: To allow Chair Menke to look into increasing the maximum cost per participant to \$9,200 and to also eliminate/increase the time limit.

Motion by: Dr. Augusta Julian Second by: Dr. Ken Troske Motion passed

II. Old Business

a. Monitoring Review/Resolution

Ms. Duke gave an overview of the monitoring report history, stating that the monitoring report from July 2016 had 18 findings. The final response was submitted to the state by December 30, 2016 and all findings have been addressed and resolved. Ms. Duke had an email confirmation from the monitoring team that all issues were resolved. The next monitoring review begins on February 27, 2017. Chair Menke thanked Ms. Duke and the workforce staff for their efforts on this item and suggested that Ms. Duke forward the confirmation email to all board members.

b. OET Reorganization

Ms. Duke shared with the board, the plan of action for Bluegrass ADD staff members and their relocation caused by the OET reorganization. In January of 2017, news was received that OET staff would be reducing their presence across Kentucky, reducing their regions from ten to five and offices from 33 to 12. This affected five of the six career centers in the Bluegrass Region.

Ms. Duke recommended to the state and also to the board that the Danville Career Center Bluegrass ADD Workforce staff would move from the state owned building into a location provided by Jody Lassiter, former board member, and the Economic Development Partnership. However, that plan fell through as the new location suffered water damage from a pipeline break. For the time being, the Danville Career Center Bluegrass ADD Workforce Staff will stay in the career center and the Office of Vocational Rehabilitation plans to move in as well.

The Frankfort Career Center has been permanently closed. However, BCTC Lawrenceburg has provided free space to the Bluegrass ADD Workforce Staff. Also, space is being secured at the Vocational and Technical School in Franklin County for the Bluegrass ADD Youth Services Staff.

The Lexington Career Center will be the OET “hub” for the Bluegrass Region. However, this location is not ideal as it is above a homeless shelter and has had previous pest infestations. In the conference call with the state, Ms. Duke mentioned that the Cabinet leadership would work with the workforce staff and OET staff in order to change the location of that career center.

Ms. Duke would like to keep the Bluegrass ADD Workforce Staff in the Richmond Career Center, as it is a good location and a fairly new building. An OET presence has been requested in that location. Currently, Ms. Duke is waiting on clarification from the state to determine the status of the lease negotiation.

The Winchester Career Center has been permanently closed, as this office was not in a good location and rundown. The Bluegrass ADD only had a part time staff member (working one day a week from the Winchester location) and one full time staff member working out of that office. The full time staff member has currently been moved to the Richmond Career Center. The Winchester Public Library has offered free space for the part time Bluegrass ADD Workforce staff member.

The OET transition should be complete 30-45 days after February 16, 2017.

After Ms. Duke's overview of the OET reorganization plan, Dr. Troske stated that he had spoken with Michael Gritton, Kentuckiana Works' (Louisville) Executive Director, and according to Mr. Gritton, he knew about the OET reorganization months ago and was well prepared for the transition. He added that this is not the first time since he's been on the board that we've been caught off guard by something that he thought we would have been informed of ahead of time. Dr. Troske stated that Louisville knew about the reorganization months ago and he recommended reaching out to Mr. Gritton for any suggestions that he could provide, since the OET reorganization is no longer an issue in the Louisville area. Ms. Duke noted that Mr. Gritton was at the meeting where the OET reorganization was announced and that if he knew of it ahead of time he gave no indication. She added that she wished he had shared that information with his colleagues as the other local area directors there were as surprised and shocked as she was. Ms. Duke agreed to reach out to Mr. Gritton to see if there was any information he could share that would be helpful.

In terms of a short term plan, Chair Menke asked if the board if this seemed reasonable and also opened the floor up for suggestions. Dr. Troske questioned the budgetary impact of renegotiating the leases and Ms. Duke stated that there would be no serious impact at this time.

After this discussion, Chair Menke brought up the mobile unit. He stated that this could be an excellent opportunity for outreach in the 17 county region. This mobile unit has not been used for a few years, is about 12 years old and in need of dire repairs. Ms. Duke stated that in past experience, a mobile unit can be very cost prohibitive. Tab Patterson, Bluegrass ADD Building Superintendent, gave a brief overview of the current mobile unit truck. It currently has eight PC work stations and a trainer work station. Repairs for the mobile unit could cost up to \$5,000. It was most of the board consensus that it would be easier to find work space within the 17 county region, instead of paying for upkeep of the mobile unit. Tracy Pratt-Savage made the motion that each board member to contact their respective county to identify potential work space.

Motion: For each board member to contact their county to identify potential work space.

Motion by: Tracy Pratt-Savage *Second by:* Dr. Ken Troske *Motion passed*



c. Letter of OET Reorganization Intent

This agenda was briefly discussed and Chair Menke stated that he would send the OET Reorganization Plan Intent Letter and send it to the state.

III. Finance

a. Status of State Reimbursement of Legal Bills

Ms. Duke updated the board on this agenda item. Two sets of legal bills were reviewed. One set identified the debarment/questioned cost legal fees and the other set identified the routine workforce activity legal fees. Ms. Duke stated that although she has made her recommendation of ceasing the use of attorneys for routine workforce activities, these legal fees are allowable and should be reimbursed by the state. In the meeting with Ms. Duke, Commissioner Kuhn stated that if these bills were separated out from the debarment/questioned cost legal fees and resubmitted, they would then be reimbursed. Jacqueline Vaught, Bluegrass ADD Interim CFO, submitted this invoice as of February 21, 2017.

Todd Jones questioned the routine daily workforce activity legal fees. Ms. Duke stated that attorneys have been paid to read emails, book rooms, sit in on meetings, prepare agendas, etc. She believed that these activities should be done by the workforce staff and the boards and do not require the aid of any attorneys, both Bluegrass WIB and LEO/Bluegrass ADD. Adam Back, Attorney for the Bluegrass WIB, stated that he has only billed the Bluegrass WIB for time when he was specifically asked by board members and that he did not appreciate Ms. Duke's tone or suggestion. Ms. Duke said she was sorry but that she was basing her opinion on the bills that were coming across her desk to be presented to the finance committee that in no way could be considered for anything other than routine workforce activities. Ms. Duke offered to make the backup for all the legal bills available to the board members for review. Mr. Back did as well. Ms. Duke then asked for clarification of who has the authority to request attorney presence: the full board, the executive committee or individual board members. Chair Menke stated that he requested the presence of Mr. Back at this meeting due to certain agenda items.

After this discussion, Ms. Duke reviewed two bills from Stoll Keenon Ogden and Walther, Gay, and Mack. Both needed approval. David Boggs made the motion to approval both legal bills.

Motion: To approve both bills from Stoll Keenon Ogden and Walther, Gay, and Mack.

Motion by: David Boggs Second by: Tracy Pratt-Savage

The Partnership Agreement was then brought up and Mr. Duttlinger stated that once this is in place, it will eliminate the need to have two separate attorneys. Ms. Duke mentioned the Partnership Agreement that the LEOs approved was done without the use of attorneys, however the previous Partnership Agreement was needed from Walther, Gay, and Mack.

After further discussion of this issue, the motion to approve both legal bills was passed by the Bluegrass WIB.

b. January Report

Ms. Duke introduced Michael Buschmann, the new WIOA financial officer who is replacing Clinton Colliver. She then stated that the Workforce budget is still under spent. This was caused by the three month freeze from May 2016-August 2016 and the revision of all policies (must be approved by the Bluegrass WIB) once the freeze was lifted.

If the Bluegrass workforce area does not spend at least 80% of its funds, then the state has the authority to deobligate and redistribute that money to other workforce areas around the state. In her career, Ms. Duke has never sent money back to the state and that is not her intention to do so with the Bluegrass workforce area. She is attempting to keep these funds in the Bluegrass area, in order to serve the employers and job seekers of this region. However, there is a willingness from the state to not deobligate those funds, due to the three month freeze that was imposed on the Bluegrass ADD back in May 2016-August 2016. Chair Menke stated that it seemed as if Ms. Duke's intention was to protect the "pot of money" and that this situation was being looked at "backwards" and that certain resources should be used. Ms. Duke asked Mr. Menke if he was saying he was not concerned that the money might be taken from the Bluegrass area and distributed to other areas of the state. He replied he wasn't saying that but that we have these resources so we ought to be focusing on where they should be used and how they should be used and if we end up not being able to utilize all those things, then we'll investigate the opportunities. Ms. Duke reiterated that the reason that spending is behind schedule was because the freeze that was imposed on enrollments for over three months and the revision of policy which must be approved by the WIB which has proven to be a very time consuming process. She stated that we have resources available to this area and we do

need to identify where the needs are and how we can make best use of the resources in our 17 counties. She said we are all here to serve the jobseekers and employers in this region and that her concern was making certain that those funds remain available to the jobseekers and employers that need it and that it doesn't get redistributed to other areas of the state.

Ms. Vaught then reviewed the January report, containing the Adult, Dislocated Worker, and Youth Admin/Program reports. The Adult program is 30% spent for the year, when it should be 58% spent. Ms. Vaught stated then that it may look as if the budget is over spent in the Dislocated Worker report, but that is only because the state has directed the Bluegrass ADD staff who are working with Trade participants, to charge their time to the Dislocated Worker grants. In the past, staff working with Trade participants would charge their time to the Rapid Response grant instead. Ms. Vaught has contacted the state about this issue and is still awaiting confirmation.

c. Status of Workforce Area Budget

This agenda item was discussed in the previous item.

IV. New Business

a. Youth RFP

Chair Menke reviewed the proposal for additional youth programs. Ms. Duke requested Mr. Boggs excuse himself from this portion of the conversation and any voting taking place in regard to this portion of the meeting due to being a part of one of the proposals. BGADD received two proposals by the deadline; one for an "Out of School" program, one for an "In-School" program. Ms. Duke reviewed the laws pertaining to sufficient competition between RFPs, covering both sole-source and partial sole-source options. After staff review of both RFPs, there were issues found with both RFPs. In the in-school program, the contractor is not performing to the standards of the contract they currently have. The out-of-school proposal's issues were believed to be resolvable during proposal negotiation in the future to suffice full compliance with the law. Ms. Duke asked for a volunteer committee from the board to review the two proposals to make a decision whether to fund any or all of the programs, begin negotiations with any or all of the programs, then the board must make the decision whether to fund any or all RFPs they receive competitively, plus sole source, going forward, approve any sole source future programs based on the fact that there was inadequate competition.

Chair Menke questioned the proposal type we requested RFPs for. Ms. Duke said that our RFP request requested both types of RFPs, with the caveat being we could not fund more than 25% of an in-school program. In the law, there is language that if in-school programs are provided by an alternative school, and are re-engaging dropped out students, they are considered an out-of-school program. Ft. Logan meets that criteria. 100% of our programs are out of school youth. An in-school program is possible for funding, as long as it goes through the scoring process and is approved by the board.

Chair Menke questioned whether the programs met the requirements, and Ms. Duke said that the current in-school program meets the in-school requirements, except that when you get to the past performance and experience requirements, is not performing well. They currently have one out-of-school contract, and are not performing well in that contract.

The out of school provides OJT services not work experience. Work experience is one of 14 elements. There is language about not serving youth who have a history of committing crimes/sexual offenses, which is fine, but needs to be addressed in proposal negotiation contract. The board reserves the right to negotiate. If there is a sense of urgency, the board may want to move to approve anything to get it into place.

Ms. Pratt-Savage asked why there were only two proposals this year. Ms. Duke stated that was all we received, after two rounds. The BGADD has five current youth contracts in place. With the reclassification of Ft. Logan, they are all out-of-school contracts. We re-issued the RFP because we needed more contractors. The RFP left open the in-school portion as well, with the understanding that we can't fund more than 25% of youth programs as far as in-school is concerned. Ms. Drake and Ms. Pratt-Savage agreed this was a low response. Ms. Pratt-Savage asked why there were five respondents the first time, and only two this time. Ms. Duke stated she was not present at that time.

Ms. Glasscock stated that the only projects that applied the 2nd time were LEEP and OWL. LEEP already has two out-of-school contracts with BGADD, Leep Rural, LEEP Fayette. They have not been performing well, and have enrolled one person since receiving the contract. They have three other contracts, Ft. Logan, SWAG in Anderson County, and WIN in Frankfort.

Ms. Pratt-Savage asked for the reasons of why there were fewer respondents. Ms. Duke said that while there were many in-school programs, the restrictions have made it more difficult for programs to respond.

Ms. Pratt-Savage asked if we should look at other districts for examples going forward.

Chair Menke said the issue is that we have two opportunities to grow the program and satisfy needs, with two with “minor” (minor being Chair Menke’s word) adjustments, everything should be fine. Underperformance, which Ms. Glasscock and Tiffanie Reeves, Youth Services Manager, commented that the underperformance, came from under-enrollment and only reporting one student enrolled to date, while the goal is for 40. The enrollment phase ends March 31.

Chair Menke asked the repercussions of them not meeting their enrollment, and stated that he is under the impression that if they don’t meet their goal, they will not get paid. Ms. Glasscock and Ms. Duke confirmed that.

Ms. Duke stated that Chair Menke had summarized what she had said, however, she would like a committee of the board to look at it. Chair Menke interrupted her and said, “I’m headed there” followed by chuckling. Chair Menke then stated the board should look at these opportunities with a committee as soon as possible to ensure that the right changes are made and obligations are there.

Mr. Steve Sigg asked, as a new member of the board, why this was brought to the board without a recommendation. Mr. Sigg said he was not qualified to go study these programs in order to make a decision. He questioned the productiveness of this form of introduction. Mr. Sigg wanted a recommendation from the WIOA staff.

Ms. Duke stated this was option B, if the board would like to relegate the negotiation and scoring to the staff. The board would need to give the staff the power to do that.

Mr. Sigg wanted to reserve the power to approve; however, he wanted an official recommendation presentation from the ADD. Mr. Sigg didn’t understand the pros and cons of each program.

Ms. Duke then asked if Mr. Sigg wanted to postpone the decision until the next board meeting.

Mr. Sigg disagreed and said that the current situation is that the staff knows the most about the programs and should offer a review.

Ms. Pratt-Savage then said she believed there was a veiled recommendation from the ADD, tentative, as it has been stated, there is one program that fits fine with a few tweaks. The other, that may be lacking, however, they have 40 positions and have only filled one.

Matt Montgomery asked if they are competing on the same location, to which Ms. Duke said no. Mr. Montgomery then stated we should probably look at solving each independently, and volunteered his time to do that.

Ms. Duke thanked Mr. Montgomery for his volunteering. She stated that the staff has reviewed and scored the RFPs and believe working with the Out-of-School proposal to get the proper language in there to abide by local law and get the missing elements into the RFP. Ms. Duke said she could not, in good faith, recommend entering into a contract with a group that is not performing well now; however, she is willing to re-review after a conversation and seeing enrollment numbers go up.

Mr. Montgomery said that was seemed like a good plan.

Dr. Ken Troske then stated it would've been nice to have a copy of the RFPs before deciding, and also inquired as to why they weren't in the packet.

Ms. Duke said one proposal was submitted in hard copy, and was very thick; the other was submitted electronically. Ms. Duke also believed that the board would have wanted to form a committee to review them before approving.

Dr. Troske then stated he would've liked to have had a chance to review the RFPs before being asked to make a decision.

Ms. Duke then asked if the board would like to receive these and then comment back.

Ms. Pratt-Savage then proposed that going forward; the documents should be available by either Drop box or scanned. She stated that she would also like to have a discussion with the program that has only one student enrolled, but separately review the other program, and find easier ways to communicate going forward.

Chair Menke stated that we have standing committees that, because of transitions, people have fallen away and now we need to go back and get open positions filled, as that is the most appropriate place to complete these review functions. What they have done in the past is have someone chair that committee and establishment, and begin setting those up with staff support to get them up to speed with experts in the field that serve the various functions of the ADD.

Ms. Pratt-Savage then asked if there were any other programs that were in need.

Chair Menke then said he would re-send the paperwork outlining open positions, expectations, etc. Typically, this was a survey. Each of these would typically also include a board member.

Dr. Troske stated that this had been done already, to which Chair Menke concurred and followed up saying that those positions had cycled.

Ms. Pratt-Savage inquired as to where positions were most needed, to which Chair Menke stated he would re-send the surveys.

Ashley Gibson, Office Support Specialist, stated that in the last round of surveys, many respondents were interested in youth.

Chair Menke then requested the responses from Ms. Gibson. He then said that if we get the response out to the folks, if it's the will of the board to move forward with at least one of those.

Ms. Pratt-Savage made a motion to move forward with the OWL program and to look at setting up a benchmark for the LEEP program before proceeding further in consideration, which was second by John Dougherty. Discussion followed.

Dr. Troske wanted a further explanation of what the programs are proposing to do.

Ms. Reeves explained that there are 14 WIOA elements that must be met. She offered to email Dr. Troske the 14 elements, and he asked for a general breakdown.

Ms. Reeves specified that OWL is an out-of-school youth program, and they focus on helping dropouts, re-engage them, help them get

their GED, help them get post-secondary school, help them get work experience, give them financial literacy and financial guidance, career counseling, and entrepreneurial skills.

Dr. Troske stated that the academic effectiveness of a GED makes almost no difference, and has no impact on success for the typical respondent. He then stated that we should be more pointed in focusing on things such as preparing employees in three things: to show up on time on a regular basis, dress accordingly, and treat coworkers and authority in the appropriate manner, which creates a successful employee, and that a GED makes no difference.

Ms. Reeves then said that within the 14 elements, it covers those soft skills.

Dr. Troske stated he would like to see the ADD focus more on those aspects of the proposal.

Ms. Duke then explained that those 14 elements are outlined by the WIOA law, and it is the proposers, not the ADD, who choose how to deliver or access those elements.

Dr. Troske then suggested looking for proposers who focus on those aspects that have some evidence of success.

Chair Menke said that the GED is more about the credential, not the content or result that is a trigger for some companies, where they have to have a high school graduation or a GED.

Dr. Augusta Julian said that a GED is important if they want to further their education after they get a job.

Dr. Troske then said that when a male gets two credits, a female gets six. Dr. Julian stated she's not arguing with his data. Dr. Troske then said that Dr. Julian doesn't even keep track of whether students at KCTCS have a high school diploma.

Dr. Julian then stated that for the academic programs they would, but other programs they would not.

Mr. Jon Dougherty then inquired as to if we could use our funds with the Job Corps.

Ms. Pratt-Savage then stated that we should ask the Job Corps; because we need more RFPs. Mr. Dougherty stated that the Job Corps were outside our 17 county area.

Ms. Pratt savage then said we should get the job corps involved.

Motion: *To authorize proceeding with the two programs, with negotiating changes in OWL and creating benchmarks with LEEP to increase enrollment.*

Motion by: *Tracy Pratt-Savage* *Second by: Jon Dougherty* *Motion passed*

It was brought to the attention of the board that the January report needed approval, and a motion was made by Mr. Boggs to approve.

Motion: *To approve January financial report*

Motion by: *David Boggs* *Second by: Dolly Hollan* *Motion passed*

Chair Menke then asked for a five minute break. Ms. Duke stated she had four action items at the end due to Mr. Boggs giving notice that he would be arriving late. Dr. Troske also stated he needed to leave early.

b. Transitional Local Plan

Ms. Duke stated the Transitional Local Plan was due June 30, 2016. The Bluegrass local area is currently operating without a plan. It's been a priority of Ms. Duke's since she started in late October. She has met with state staff to discuss their expectations. She has received plans from other stated and around our state, including other ADDs. Included in the packet was a draft local plan. She stated that it was much like what other stated have in place. When she met with the state staff, they said that the transitional plan was more or less a placeholder until the full local plan is due, which originally was June 30, 2017. However, now it is believed to be December 31, 2017. Ms. Duke believed that with the more time allowed, the WIOA staff will be able to do more research and gather more data. Ms. Duke believed the plan meets the state's requirements and can remove the Bluegrass local area from being the only place in the state without a local plan. This plan was presented to the LEOs. They have asked for a comment period through the end of this month. Ms. Duke suggested that the members of the board do the same, and return those comments to her. She will then send it out to the full board. If it is met with satisfaction, Ms. Duke believed that the state would receive the plan by March 1, 2017.

Chair Menke state the plan was the responsibility of the WIB and believed that the delays that have occurred are due to board staffing changes, and said that the board is now staffed properly to have the local plan completed. He said the way the process is supposed to work is that the plan is generated by the board, with consultation with the LEOs, and then sent to the state so he was not certain why we'd done it backwards in this case. (Note: The LEO Governing Board and the WIB both directed WIOA staff to complete a draft Transitional Local Plan for their review in November/December 2016 meetings. Plan progress was discussed in the January WIB meeting and was sent out to further allow members to contribute.) Chair Menke wanted this process done as expeditiously as possible and believed the draft is a good plan to meet the criteria and provide direction. Any preparation or clarification will prepare the board for the next plan, and will guide the board going forward. Chair Menke wanted members to look at the plan and get comments back to Ms. Duke by the end of the month. He also requested redlines for questions and comments, since the plan is a word document. Ms. Duke said all changes will be incorporated into that document. All changes will go to the LEO governing board and Bluegrass WIB. The plan will then be submitted to the state as scheduled.

Mr. Boggs then inquired as to when the next LEO meeting will be, and Ms. Gibson answered April. Mr. Boggs then asked if they could wait until after the LEO meeting to make a decision. Ms. Duke then stated that the LEO voted on, and agreed to provide feedback, and if there were any issues once the changes had been incorporated, they would let the Ms. Duke know, and the necessary changes would be made, then submit the plan to the state. Ms. Duke believed that the LEO's concern was that they wanted the plan much sooner than April.

Chair Menke asked if everyone was in agreement with that plan, to which many replied yes.

c. Procurement of One Stop Operator and Direct Service Provider

Ms. Duke explained the one page rationale for the procurement of the One Stop Operator and Direct Service Provider. She also explained the training employment guidance letter from the department of labor from January 17th that requires the procurement of the One Stop Operator by June 30th. That date has been postponed again, as the original date was November 16th of last year. The federal regulations, the law, and the workforce cabinet encourage that direct services be competitively procured, absent compelling reasons to do otherwise. The only two they've

mentioned are either absence of qualified bidders, or in an emergency situation. The Education & Workforce Cabinet has further stated their intention to mandate that the delivery of direct services may not be provided by the same entity that is providing administrative oversight of direct services. Ms. Duke then said that due to these conversations with state leadership and the letter that came out on the procurement of One Stop and the deadline of that, this RFP was put together based on what's in the law, in the regs, and what state leadership has put in to policy, or stated will be put into policy, such as the prohibiting the One Stop administrative oversight being the same as the Direct Service Provider. Under the law there are four groups they identify as functioning groups of workforce groups services: the fiscal agent, the administrative support, the Local Elected Officials, and the Workforce Innovation Board. The other is the One Stop Operator, and the last is the Direct Services Provider. The state and the nation agreed that workforce dollars are not likely to become more available. Ms. Duke believed that there is little reasoning that would allow for procuring the One Stop Operator as a separate entity from the Direct Service Provider. Commissioner Kuhn has also recommended that in light of the fact that there is such a strong stance on it, that the sooner that procurement guideline is underway, the better.

Mr. Boggs asked if Commissioner Kuhn recommended that the One Stop Operator and the Direct Service Provider can be the same person.

Ms. Duke answered not necessarily the same person, but they can be the same company.

Mr. Boggs stated that this was a big switch. Ms. Duke agreed, and stated that Secretary Heiner had changed his position on that because if you wanted to procure all four of those areas separately, you would have four fiscal agents, four administrative oversights, etc. It's just not financially feasible.

Mr. Boggs stated that was a complete flip-flop from the previous year. Ms. Duke agreed. Mr. Boggs requested to see that position in writing.

Ms. Duke said she would email Commissioner Kuhn and ask her to respond in writing and forward the statement to her, which she would then forward on to the board.

d. Partnership Agreement

Ms. Duke stated that the partnership agreement has gone back and forth between the two law firms for over a year, resulting in many of the legal bills seen in the packet. From the last draft, received by the LEOs in December, it appeared they were no closer to reaching an agreement. In the discussion with the state leadership, they've stated it's taken long enough and wanted to see it submitted soon. Ms. Duke had explained the situation, and had taken the agreement to them in December, and had gone through the agreement with them. Ms. Duke said David Duttlinger, Bluegrass ADD Executive Director, had asked Walther, Gay & Mack where they are at in that process. The partnership agreement that Stoll, Keenon Ogden had prepared was eight pages long. The partnership agreement by Walther, Gay & Mack was ten pages long and was really not a draft but just a working document with comments and questions noted on the last draft. Ms. Duke said the Bluegrass ADD had asked Walther, Gay & Mack to take a step back and let the Bluegrass WIOA staff create a partnership agreement that was simple, straightforward, and in compliance with the law. There are references to the law cited throughout so there wouldn't be any question as to compliance. With that, Ms. Duke introduced the four page partnership agreement. The agreement has nothing in it that isn't referenced in the law with the exception of the one statement of "The Governing Board, in addition to exercising their authority in the law of designating the fiscal agent, that they would also - the local grant recipient." The rationale behind that being that they would not be liable for - which they are - for funds they had no administrative oversight over. This is basically quoting the law and puts a partnership agreement in place, which is overdue. It has been approved by the LEOs to send to the WIB for their approval and review - they have asked the board to constrain their review to three weeks because of the request from the state to get something done, and go from there.

Dr. Troske had concern about clause 4, B, which is the one that is not consistent, or does not reference law. Ms. Duke said the fiscal agent portion is referenced directly. The local grant recipient (sub-recipient) is the administrative oversight.

Dr. Troske asked if the governing board were the LEOs, which Ms. Duke confirmed. Dr. Troske asked if that meant that the LEO's were responsible for appointing administrative support for the board, to which Ms. Duke said no. The law said that the WIB can hire administrative support. Now what you will find around the country, and state leadership will tell you, is that it has never been a good situation to have staff to the board and staff to the LEOs. It is

financially detrimental, and contentious between the two groups and results in more problems.

Chair Menke then said that the partnership agreement draft that was reviewed and approved is not consistent with the agreement made between the Co-CLEOs and himself. He does not know how we would proceed in developing this partnership agreement. The discussion has always centered about changing the process for the better to avoid previous issues using benchmarks. The benchmark agreed upon was the Kentuckiana Works model as the activity. Chair Menke reiterated that this is the first time that he's heard of this agreement, and is concerned since this is different than all previous conversations he has had with the LEO's previously in terms of the agreement. Chair Menke agreed that there was no reason this should've taken this long and welcomes the opportunity to sit down with the state and have that conversation to understand the differences in the direction from what they have been instructed and coached on previously.

Ms. Duke stated she does not have knowledge of the meeting Chair Menke is referring to, and knows of no official meeting reported with minutes that refers to any such agreement with the Co-CLEOs and Chair Menke.

Ms. Duke went through the draft submitted to the LEOs in December with Commissioner Kuhn, and it is not in compliance with the law, nor is it in line with the service structure that the state intends to mandate which is the separation of administrative oversight from the delivery of direct services. Even if the LEO's had approved that, it would not be accepted by the state because it isn't compliant with the law.

Chair Menke asked if Commissioner Kuhn was the one that found it not compliant with the law.

Ms. Duke stated that Commissioner Kuhn is stating what Secretary Heiner is saying, as far as his service delivery structure that the state intends to mandate which is a separation of the administrative oversight and the direct delivery of service. Even if the LEOs had approved it, the state would not accept it because it is not in compliance with the law.

Chair Menke asked again, if Commissioner Kuhn stated it was found to not be compliant with the law.

Ms. Duke stated that Commissioner Kuhn is saying what Secretary Heiner is now saying, as far as his service delivery structure. Ms. Duke noted that the service structure in the WIB partnership agreement gives both direct service delivery and administrative oversight to the same entity.

Chair Menke stated he has not seen Secretary Heiner's chain.

Ms. Duke said she is quoting state staff in high positions, and that's the best she can do, and is also quoting the law when she said the agreement is not in compliance with the law. It removes the collaboration or approval of the LEOs in certain things, such as the One Stop Operators, for example, which is required under law that they have that ability as well.

Chair Menke said his recommendation to the group, based on the information provided, is to table the activity so Chair Menke can go back and have those conversations.

Ms. Duke has an action item from the LEOs of a three week review period for review and response. If that is Chair Menke's response, that's fine, and the meeting can proceed to the next step, which is, per Commissioner Kuhn, then they can submit all copies to the state for review and approval.

Chair Menke has said he has not received that directive, and wanted clarification on the three weeks.

Ms. Duke stated that the three weeks review was a motion made by the LEO's last week to make a three-week review period for the approval or the WIB for comment and or a counter-proposal or partnership agreement. If the partnership agreement does not meet with the law or their approval, then it's time to turn it over to the state, give them the drafts, and let them sort it out.

Chair Menke requested the LEO governing board information online and could not access that information online.

Ms. Gibson asked if Chair Menke was looking for the minutes, to which he confirmed. Ms. Gibson said the minutes were not complete yet, as the meeting was last week on February 15, 2017. Ms. Gibson referenced the meeting notes she took from the LEO meeting, and referenced the motion made by Judge Gritton, and second by Judge Pryor.

Chair Menke requested the minutes, to which Ms. Gibson replied they'd be given to him as soon as possible.

Dr. Troske asked for clarification on section 2, the selection of service providers, which gives the Bluegrass WIB the authority to select One Stop Operators, so the fiscal agent is not delivering the services going forward. Dr. Troske asked if, currently, the fiscal agent is delivering services.

Ms. Duke said that currently the fiscal agent is delivering services, not just here, but in some other areas around the state.

Dr. Troske asked if this will be concluded.

Ms. Duke confirmed. She believed it will be mandated in policy that you cannot provide administrative oversight - oversight cannot be done by the same entity that is providing direct services.

Mr. David Dutlinger said that this could be done by attaining a waiver from the Governor or because of lack of providers.

Dr. Troske said that this partnership will not allow for any exceptions.

Ms. Duke said this may change over time again, but that the secretary feels strongly about this, and has the Governor's support, and that waivers will not be easy to obtain.

Dr. Troske said there's nothing in this agreement that would allow the ADD to apply for a waiver.

Ms. Duke said that the part of the problem that the ADD had experienced in the past with both the board and the LEOS was that they were very unhappy that the ADD was acting as both the administrative oversight and the direct service provider.

Dr. Troske said he didn't disagree, and said he was talking about waivers, but there's no option for us to apply for a waiver.

Ms. Duke said it does not preclude applying for a waiver, it doesn't say you can't, but it does not talk about it.

Dr. Troske read the waiver.

Ms. Duke said, that would be a waiver to overrule that clause, she would think, in order to apply for a waiver.

Dr. Troske believed there is no way to get a waiver, as there's no way outlined in that document.

Ms. Duke suggested that Dr. Troske add that to his comments during his review.

Dr. Troske said he preferred it not be there, but he wanted to understand that there is no option to waive any clauses, and that the only option is to break the agreement. Dr. Troske wanted to confirm a three week time period to review this. Chair Menke said that's what he had heard.

Ms. Duke confirmed that there is three weeks from the date of the meeting to make comments.

Chair Menke suggested that this does not reflect our previous agreements and discussions thus far. He has requested from the Co-CLEOs why, and he has not heard back.

Ms. Pratt-Savage asked if the board has a copy of the previous agreement.

Chair Menke said yes.

Ms. Duke said she's not aware of any such agreement.

Chair Menke said yes, there was a diagram that shows the model.

Ms. Duke said there is no meeting minutes recorded that she can locate and asked if the meeting was a board meeting or executive committee meeting with minutes, or just an informal meeting.

Chair Menke said that the meeting with the Co-CLEOs was to work out the arrangements to draft and agree upon a partnership agreement.

Ms. Duke said, so it was informal meeting. She stated she was unsure that either Chair Menke or the Co-CLEOs had the ability to speak on behalf of the full boards based on an informal meeting.

Chair Menke said the purpose of the meeting was to create a draft that could then be taken with concurrence to the respective boards for approval.

Ms. Pratt-Savage said she would like to see this to help understand.

Ms. Duke said that's fine, but she has three weeks from today to respond to the LEOs as to whether they can come to an agreement or if there is an agreement for them to look at and approve, or it goes to the state.

Ms. Pratt-Savage asked if during the three week period if they can look at what Chair Menke has.

Ms. Duke asked Chair Menke what he has.

Chair Menke stated he has a diagram and a partnership agreement that was submitted.

Ms. Duke said the partnership agreement was the one that was not compliant with the law, with the references in the revision.

Ms. Pratt-Savage acknowledged that there was intent in the diagram and partnership, and wanted to see what it was.

Ms. Duke stated it wasn't signed.

Ms. Pratt-Savage said that doesn't matter, that it's more information to help them understand where it came from.

Ms. Duke believed she is free to submit all three copies of the partnership agreement: The draft, the partnership agreement that the WIB submitted to the LEOs, and the 4 page draft.

Chair Menke submitted a request for the draft partnership agreement to be commented on and comments submitted to Chair Menke for review, and then he will confirm with them.

Ms. Duke asked if they can revisit the procurement.

Chair Menke believed that until the partnership agreement is approved, procurement cannot be approved.

Ms. Duke said the LEOs have asked for review of the RFP for a two week period. They'll get back with comments. She discussed it with Commissioner Kuhn, and said once she got back with the comments and feedback, she would submit the RFP for review and any other language changes or legal issues that they needed to address. The secretary is considering legislation that would include

Medicaid and the money that goes with it coming to the boards, and the money would come to the WIB, which would alter this procurement to the effect that, (quoting) “If you include language to the effect of that, and we would help you with that, then you would not have to procure again, or you could add to it, if in fact that came about.”

Chair Menke said it looks like they do not have a quorum at this point, and wanted people to take a look at the policy updates and wanted the attendants to take a look at those and provide feedback.

Ms. Duke said this is the reason services are behind schedule. This is at least the second or third time some of these policies have been submitted to this board.

Ms. Pratt-Savage wanted to know if there should be a special called meeting within the 2-3 week period to go through all this so that they are not going another month, and another month, because it sounds like they’re getting more information, and they might have enough information to put something together.

Ms. Duke said that at least six of the policies that were in the packet were a result of the State monitors that are coming next week and had sent specific requests to see the updates to these policies in their monitoring toolkit. Most are simple changes, to go from WIA to WIOA, but because the board retains the right to vote on all policies, and doesn’t delegate that to staff, then we will be behind on that and will likely be written up again. Ms. Duke wanted to make everyone aware of that.

Ms. Pratt-Savage stated that there are many new people on the board, and wishes to ask the monitors for understanding on that, in order to make educated decisions and know what’s going on. There are things that come up, and wishes to request additional time as needed, and are willing to call a special meeting to approve this. Not delaying or putting this off, since there are so many people that need to get up to speed on this.

Ms. Duke stated there is one policy that was not included in the email that went out. The youth incentive policy, it was an oversight, did not get connected to the PDF, but it is in the packet, but the only difference is that it was changed to reflect all 14 elements that are required under WIOA that were not required under WIA, so that’s the difference in the packet and it needs approval as well.

Ms. Pratt-Savage asked whether we need a motion or call a specially called meeting to do this.

Chair Menke said that we cannot do a motion, but the board can set a special called meeting.

Ms. Pratt-Savage requested that we get them information, although it might not be legal, as basic a level of understanding as possible. Dumb it down to make it simple for us, so that would make it easy for Ms. Pratt-Savage personally. She wanted to know the intent so that they can be ready to move ahead and come to agreement, because she believed they're all here to do that.

Ms. Duke stated that was the intent of the rationale of the one page procurement which was sent to you and in the packet, and also the modification of the partnership agreement.

Ms. Pratt-Savage said she will go through it, but will ask lots of questions.

Chair Menke said we should get a Doodle poll.

Chair Menke clarifies that a Doodle poll is a special poll in order to set the meeting.

Ms. Lisa Farmer asked when they are coming.

Ms. Duke said they are coming Monday.

Ms. Amy Glasscock said the toolkits are due Monday.

Ms. Duke said they asked for a lot ahead of time.

Chair Menke said we could include them with a note.

Ms. Duke said it will still be a finding in the report.

Ms. Pratt-Savage asked that we put in a note to state where we are, and that we request we reschedule at a later date.

Ms. Duke said she has done this, and was told it was not possible. She asked for them to push the monitoring visit out a little.

Chair Menke asked how long the monitoring goes on.

Ms. Duke stated it starts Monday, and is open ended.

Chair Menke said usually three weeks.

Ms. Duke said one week, and she thought he had been invited to the opening.

Ms. Pratt-Savage said a whole week would be hard to reschedule so she understands.

Chair Menke said he received the meeting invite today.

e. Policies Update

This item was discussed previously in the Partnership Agreement discussion.

f. Success Stories

Ms. Duke covered the two success stories included in the packet.

g. Schedule Election of Officers and 2017 Meeting Dates

Ms. Duke asked if they will schedule the election and meeting dates at the next meeting.

Chair Menke confirmed and thanked everyone for their time. Since there was no longer a quorum present, there was no motion to adjourn.