

PROJECT NARRATIVE

STATEMENT OF NEED

Current Practice/System Change Required The Kentucky Workforce Investment Board's (KWIB) 2010 (updated in 2013) Strategic Plan focuses on bringing business driven, sector strategies to life and developing a world-class talent pipeline producing best in class employees for employers. Implementing a Unified Business Services Approach was identified as a key strategic initiative, and work has been underway since then to implement such an approach. Progress has been made, and much work needs to be done.

In order to identify the "current state" of business service delivery, in May 2013, Kentucky conducted facilitated focus groups sessions held in three regions of the Commonwealth. Each focus group was comprised of leaders representing economic development, the workforce system, and community and technical college system. Participants discussed the current state of business services and their vision for a Unified Business Services Approach system and roles in that system. This research identified strategic and operational aspects and issues that need to be addressed in order to truly support a unified system and ultimately achieve Kentucky's mission in a sustainable way. The final report recommended a collaborative approach to meeting employers' needs that promotes close partnerships with economic development, labor and education.

Statistics related to Kentucky's businesses and workforce reinforce much work needs to be done to become more efficient and effective in providing business services:

- Of the 98,188 registered companies in Kentucky's Unemployment Insurance system, only 2,551 companies received workforce training services by partners in 2013.
- Approximately 2 million Kentuckians are in the labor pool out of our 4.3 million citizens.
- Only 83,264 Kentuckians have participated in training services in the past year.

- The statewide unemployment rate is 7.2%, higher than the national average at 5.9%.
County rates are as high as 17% in one county while others are between 11-14%.
- In 2013, there were between 160,000 in Focus Career and 250,000 job openings posted in Labor Insights by Kentucky businesses.

This data shows a critical demand for skilled workers along with a need to strengthen the connection between skilled workers, job opportunities and targeted training. It also reinforces that no one agency, organization or individual can successfully serve all of an employer's needs. By leveraging the collective resources and knowledge of partners, effective Business Services Teams can help sustain Kentucky's economic growth and improve the lives of its citizens.

Current Practices Negatively Impact Workforce System Performance The Education and Workforce Development Cabinet (EWDC), Cabinet for Economic Development (CED), Labor Cabinet (LC) and Kentucky Community and Technical College System (KCTCS) recognize that our systems are fragmented and ineffective in developing talent pipelines to meet the rapidly changing workforce demands of existing and prospective employers. There is duplication fueled by a lack of communication and coordination in the areas of sector data, customer relations management, training options, etc. The Cabinets must align policies, strategies, data and resources to attract and retain business while developing the talent pipeline to fuel economic growth. We are fully aware of the need to change and is committed to change the shape and culture of the current workforce system to meet the needs of business. We must completely rewrite how we do business.

Early on when evaluating business services structures, stakeholders attending regional meetings reported significant workforce quality skill gaps. The meetings revealed that in some areas staff lack the finesse and knowledge to fully respond to employer needs. These meetings also revealed the need to improve communication among partners at all levels, to develop tools for business analysis and to provide a unified service delivery approach.

Our Business Service Teams are inconsistent throughout the state and do not have a full comprehension of the varying needs of business. To respond to the needs identified by stakeholders and businesses throughout Kentucky, it is critical that we develop these teams to be solutions driven and provide each team member with the tools to be successful.

We understand that trusting relationships must be made with internal and external stakeholders and decisions must be inclusive of system partners at state and regional levels that can impact the change desired. We want to not only move from “stakeholders” to “stockholders,” we want to change from the multiple unrelated programs to The Kentucky Skills Network singularly focused on meeting our individual and employer customers’ needs.

STRATEGIC APPROACH

In January 2014, the Kentucky Skills Network was unveiled formally by Governor Beshear. The Network was created to transform the Commonwealth’s approach in meeting the needs of our current and future businesses and grow a thriving workforce based upon specific market demands. It is a partnership of the CED, the EWDC, LC and KCTCS. This group has concentrated efforts to align goals, branding, and common visions. This partnership is clearly moving forward at the state level by restructuring our status quo “government minded” ways to a business centric, solutions-based and unified approach. The four entities have worked to align targeted state sectors and develop a coordinated strategic approach to service delivery; however, this partnership has not yet progressed to an overhaul of our respective service-delivery system at the local level.

Project Outcome Goals As we move to operationalize the Kentucky Skills Network in the field, efforts will be based on strong partnerships, regionalism and leveraged resources to create an innovative approach and reset executive, regional and local policies, operations and practices. Now we must advance to an increasing outcome based system which evaluates the progress made, increases efficiency and quality oriented outcomes and continues our cultural change.

Outcome 1 – Crosswalk Data Analysis for Targeted Sectors: Targeted sectors have been identified statewide and regionally, but must be regularly reviewed and updated. The Network must also be responsive to changing business needs. We will take a systems approach by cross walking, analyzing and sharing sector data from all partners at the state and regional levels. This approach will enable us to more efficiently understand programs and resources available to advance sector work and the needs of employers. We will also analyze data as it relates to demand occupation lists and individual training account issuance supporting career pathways and talent pipeline development. Expected Outcomes – robust, integrated data that informs sector policy and investments; career pathways aligned to support targeted sectors and occupations; and alignment of education policy around career pathways for the emerging workforce.

Outcome 2 – Institute Effective Management of Business Intelligence: All four entities learn about business demands and company talent needs through different vehicles and manage the data using different customer relationship management platforms. Because the different Customer Relations Management (CRM) technologies are not synched, each entity has its own intake system, actions are not coordinated, and companies may hear from any or all of the different service providers with different offers to assist. Thus, a CRM system is essential to unify our efforts, improve communications, act collaboratively and improve quality outcomes. A CRM will also allow us to analyze business service outcomes, monitor progress and refine policy, practice and deliverables as needed. We will issue a RFP to consolidate systems and/or implement a system that will be utilized by all partners. Expected Outcomes – a solutions-based business services approach; increased employer market penetration; increased data sharing among partners; more sophisticated business intelligence; and streamlined communications throughout the Network.

Outcome 3 – Strengthen our Unified Business Services Approach: The Network will employ five individual facilitators to assist with the implementation of a Unified Business Services Approach at the regional level. Each facilitator will work with two local workforce investment areas. Their specific goals are to: 1) assess the current strengths and challenges of the existing Business Service Team (BST); 2) support strategic partnering and overcome internal barriers in the BST; 3) identify in collaboration with the BST management areas to target around business services as well as key regional performance indicators and desirable employer outcomes; and 4) deliver specific training and assistance on the new CRM system. We expect the facilitators to assist BSTs in developing skills and abilities to work in a true team environment, address service delivery gaps and move to trust and solutions-based approach to business services. All BSTs will consistently evaluate feedback on the value and impact of services received, and be accountable for adjusting and enhancing services and services delivery as needed. Expected Outcomes – effective BSTs; viable industry partnerships in the targeted sectors; decrease in employers leaving the state because of workforce quality; increase in number of new employers; increase in leveraged resources for training in identified sectors; increase in quality of workforce with skills required by target industry sectors; and increase in incumbent worker retention rates within targeted sectors.

Outcome 4 – Finalize Policy on Minimum Business Services Criteria: We must determine which elements of the framework are essential in all regional implementation models, and which may be adapted to reflect unique regional environments and needs. The goal is to set minimum criteria in all regions throughout Kentucky to ensure the systemic approach envisioned by employer customers. The KWIB has adopted the Kentucky Career Center Certification standards including business services minimum qualifications. These standards will serve as a launching point for the Kentucky Skills Network standards. In addition, as we gather vital information while working to achieve the first three outcomes of this proposal, standards will allow us to identify common strategies, challenges and processes. We are committed to convening evaluation groups to resolve any issues of alignment between and among related

statewide policies, programs and initiatives. We want to ensure The Kentucky Skills Network's Unified Business Services Approach aligns and leverages efforts already underway among the partners. Some key policy and funding areas include partners' state-level policies, funding guidance and/or investment priorities and related strategies and activities. Expected Outcomes – a statewide vision and measurable goals; a business service framework; business service resource guides; and protocols for supporting existing and new business. But in addition, our outcomes will align with the Workforce Innovation Goals as per the WIF Request for Proposal (*See Chart 1 on page 7*).

Project Type and Strategic Approach 1) **The Kentucky Skills Network project is Project**

Type A because this is a state level strategy to support new and untested ideas. It is unique in its diversity of statewide and regional partners.












2) **Kentucky's strategy** can be found in the *Logic Model, Attachment B*.

3) **Proposed activities and interim outputs related to the project outcome are as follows:**

Outcome 1 - The Network will plan for and conduct the data crosswalk around targeted sectors.

The information garnered will support and promote the use of industry-led, state and/or regionally defined sector-focused partnerships that build and shape the workforce. Cataloguing and integrating our data sources will ultimately enable us to provide more effective and efficient services to our employer customers and assist our BSTs. A critical activity tied to this goal will be to advance existing industry partnerships from strategic planning to implementation. On the technical assistance front, we will assess skill needs in targeted sectors; expand and leverage sector strategies' website and toolkit; align grants to Industry Partnerships with KWIB and KCED strategic plans and targeted regional sectors; and develop target sector profiles. **Outcome 2** – Our proactive approach means that as The Kentucky Skills Network team we must make a significant shift in our approach to business services at every level of the enterprise to be truly solutions based. The activities tied to this goal are focused on developing the strategic tools required to make

Chart 1: Strategic Approach, Factor 1, Meeting Workforce Innovation Goals

Workforce Innovation Goals	Project Deliverables Associated to Goals	Measurables
Better Results for Jobseekers and Employers	<ul style="list-style-type: none">  Increased awareness and need for industry recognized credential attainment per sector  Increased knowledge base of what specific sectors demands are as related to education, labor, and economic development  Increased competitiveness of employers within sectors  Increased willingness of employers to strengthen partnerships with education and workforce development to meet demands through a cohesive system 	<ul style="list-style-type: none"> • Total employers visited and assessed • % of employers who use our system resources • Total number of employers participating in a training service • Total number of participants in training per sector • Total number of job openings posted with the system • Total number of job openings filled with the system
Greater Efficiency in the Delivery of Services	<ul style="list-style-type: none">  Improved understanding of the need for a more proactive and faster reactive approach to meet employers' training needs  More realistic approach to coaching customers about career pathways as they will be more closely identified and defined by sector  Improved cooperation among partners, both internal and external to the career centers  Improved awareness of resources available and promotion of a more coordinated delivery approach 	<ul style="list-style-type: none"> • Total number of business team meetings • Total number of joint visits to employers between entities • Employer awareness of services available • Employer satisfaction of services used • Employer satisfaction of using systems resources
Stronger Cooperation Across Programs and Funding Streams	<ul style="list-style-type: none">  Establish an environment for a team based approach in meeting employer needs  Align funding mechanisms to be directed more efficiently, reducing duplication <ul style="list-style-type: none"> • Integrate operational frameworks, policies, and procedures  Improved communication among partners but also among different business sectors 	<ul style="list-style-type: none"> • Partner satisfaction with coordinated service delivery • Investments in training programs for employers • Investment in training programs for participants

that shift. We will hold planning sessions with all the partners around the identification and implementation of a single CRM tool. We will view the landscape of off-the-shelf tools versus in-house technology solutions supporting CRMs such as Executive Pulse and Sales Force. A team will use cost/benefit analysis to select the best option. We will engage stakeholders at every level to assure

development of a tool which delivers a diverse assortment of services. This engagement will assure user-friendly, intuitive interfaces and multi-dimensional input from the four Kentucky Skills Network and other key partners. This collaborative platform will support the established business visitation and contact information needs, track solutions-based service efforts and facilitate communications among team members. This tool will impact the speed, increase the quality, amplify the scope and target the appropriate relevance of needed services. Training for state and regional staff is vital to ensure effective use of the CRM for short-term and long-term goals and objectives prior to the roll-out of the new system. **Outcome 3** - The Network team will create a united set of expectation for the facilitators and then develop an RFP for the acquisition of the facilitators, review those RFPs and interview specific candidates. Once on board, facilitators will complete assessments of their assigned BSTs and work collaboratively with their assigned BSTs to take their teams to the next levels. The BSTs at the regional levels will be supported and/or trained to: effectively use real time data; facilitate the selection of regional sectors; ensure employer assessed talent needs are clear; provide organizational support to the targeted sectors; align education and training needs with sectors; align business services with target sectors; and plan for on-going continuous improvement and sustainability. **Outcome 4** - At the state level, key stakeholders will collaboratively evaluate sector strategies, review CRM implementation and usage and develop and adopt a business service framework, business service resource guides, and protocols to support and encourage consistency in business retention and expansion efforts at the local and regional levels. These standards will become foundational elements of unified BSTs across the Commonwealth. The state team will convene monthly facilitator group meetings, obtain regional input from regional Network partners and BSTs and convene policy planning sessions. The policy work and activities described will provide the tools to help local leaders form meaningful regional alliances, leverage resources and embrace new economic development strategies like sector initiatives.

4) Challenges and obstacles to success arise with any substantial system change. Several areas of concern were brought forward in conversations in the meetings and sessions held in our planning phase. Employers shared concerns pertaining to knowledge of staff and culture in our service structure. They need our system to understand their talent needs at the competency level and to provide screened and skilled workers that are well-matched to those needs. Employers want our system to deliver solutions, not programs and processes, and to be consistent and dependable, delivering on promises made. A very important thing employers want is for us to demonstrate that we understand and adapt to the environment in which employers operate today.

These business oriented, straightforward and important needs are the driving factors behind our efforts to transform the government status quo to a business friendly and demand driven approach. We know there are areas that are duplicative and inefficient. Employers have told us as much. We continue to find out areas where we are duplicating resources and not in alignment including where our interest in protecting our own turf and programs leads us back to a program-focused vs. customer driven approach. This is a significant problem. Notably, our four partners have committed to a systemic positive change and we have seen positive momentum from the initial realignment that has already taken place. We are moving forward with a “time is money and we cannot waste it” mindset and a facilitated approach to guiding, coaching and steering local BSTs will reinforce our customer driven mindset and address duplication.

Administrative hierarchy and layers of bureaucracy can pose challenges. There are numerous policies in place that can create restrictions on streamlining processes and procedures reinforcing an antiquated way of doing business. However, because of our Workforce Academy training staff and partners at all levels of system have a heightened sense of urgency, embrace problem solving approaches and do not take a “one size fits all” approach. Customer service

training is being delivered. Additionally, Kentucky Career Centers have begun evaluating and updating policy and procedures in support of our brand promise and certification standards.

As for workforce education and training providers, some employers shared that we do not do a great job of career coaching, especially around sectors and their occupations. To overcome this barrier, the Kentucky Community and Technical College system and other education entities convened regional meetings in which targeted sectors were reviewed and strategies were identified. KCTCS has been at the table at the state level during the targeted sectors identification process too. KCTCS representatives actively participate on Local Workforce Investment Boards as well as the KWIB. Workforce Solutions in KCTCS has contributed to the overall objectives of the Kentucky Skills Network via training offerings for incumbent workers and customized training.

Another barrier is that workforce entities have viewed economic development professionals as those who keep business services, expansion and recruitment efforts to themselves and see partnership with workforce entities as risky. Headway has been made through education, training and awareness as well as improved communication. We are modeling partnering among the four entities with a positive impact on the regional level. A recent conversation with an agency representative noted that within the past 6 months, 6 of the 10 LWIAs have asked for presentations from economic development staff, creating new opportunities for partnership. This shows that training efforts and modeling is beginning to have impact. We understand that many myths must be dispelled and there must be a true systems change. This is the very reason that we have undertaken many of the strategic action items that serve as the foundation for system advancement.

5) The Kentucky Skills Network has been thoughtful in the development of its four outcomes including the goals and activities. The project scope is clear for each including: objectives and deliverables, requirements, assumptions and constraints and a process for stakeholder input and analysis. Clear roles and responsibilities are outlined in project management plan as well as in the

following work plan. There is a realistic schedule reflected in the work plan as well. A communication plan is incorporated in our strategic approach detailed later in the proposal. A risk management plan was incorporated in the challenges and strategies found in the *Strategic Approach, Factor 2, Criteria 4* above. Finally, there is a project tracking methodology via the work plan and reporting efforts referenced in project management plan.

6) The Kentucky Skills Network project is a Type A project and a response is not required.

Evidence Base for Strategy: 1) Each of the four primary outcomes have some evidence and research that the Commonwealth has reviewed and built into our Unified Business Services Approach. **Outcome 1** – We know making the right strategic investment now requires quality sector data analysis In a document titled “A Statewide Strategy for Industry Cluster Development” (<http://strategies.workforce3one.org/practices/791>), a framework was presented for coordinating workforce and economic development around industry sectors in the State of Washington in order to provide state-funded support to such sectors. As stated in this proposal, Kentucky has moved in the same direction. The findings of that report showed “in order for state and local government to effectively coordinate workforce and economic development around clusters in Washington, certain steps should take place and be sustained.” Fortunately, not only has the foundation been laid in Kentucky to carry out these six steps, but progress has already in made in doing so as well. Kentucky has already implemented programs and invested direct resources, combining efforts across the four state entities to ensure progress is made. It is imperative that all four state entities work together to ensure we are sharing data and that we are using and comparing data to fully gain insight into our targeted sectors. A report titled “Putting Data to Work: Interim Recommendations from the Benchmarking Process (<http://strategies.workforce3one.org/practices/396>) included the fact that the long-term goal must identify realistic performance standards for programs in the workforce development field, using a tool that allows similar organizations to compare their job

placement and retention outcomes. The project also creates a learning community, using both the data collected and the experiences of participating organizations to discern effective program strategies.” One of the major recommendations of this report is to “Launch a multi-agency performance management system to track the activities and outcomes of the initiative.” This data is critical in making decisions about training programs, resource allocation, service delivery and state and regional policy development. We aren’t unlike any other state in terms of needing quality data; however, we set ourselves apart by taking on the challenge to cross walk data to provide critical answers to our employers’ questions as well as our training providers, our economists, and our general population. **Outcome 2** – Kentucky’s investment in a CRM around business services is supported by a study titled “Using Data in Multi Agency Collaborations: Guiding Performance to Ensure Accountability and Improve Programs” <http://strategies.workforce3one.org/practices/64>). It is stated, “Electronic data systems are a major part of the solution. They can track information about the service population, the services received (within and across collaborating agencies), who provided each service and the outcomes experienced by clients.” It also pertains to allowing us to analyze outcomes of customers which will permit us to monitor progress and adjust the system and deliverables as needed. In response to aging and increasingly inefficient central administrative computer systems, the state of Ohio created the Ohio Administrative Knowledge System (OAKS) project, partnering with Accenture to implement a suite of Oracle’s PeopleSoft Enterprise applications including Financial Management, Human Capital Management and Enterprise Performance Management. Today, Ohio’s integrated applications provide an integrated platform for handling many of the government’s primary administrative processes across 80 agencies, serving 63,000 employees and driving ongoing improvements needed to achieve high performance. We want to take lessons learned from this effort and incorporate them in our RFP process. In the Wisconsin Reemployment Connections Demonstration project, the state integrated

unemployment insurance (UI) and Workforce Investment Act (WIA) systems so that UI claimants were automatically connected with employment-related services provided through the One-Stop system, including increased personal contact, expanded workshops and increased job referrals. Evaluators found that the initiative was successful at linking the two data systems and a quasi-experimental evaluation found a modest, but significant effect on UI claimants who drew UI benefits for a shorter time and had higher quarterly earnings than a comparison group. (Almandsmith, Ortiz Adams, & Bos, 2006). We intend to attain similar employer service and outcome improvements via new data systems that measure and guide our work with employers.

Outcome 3 - The question may be asked – “Why facilitate the process?” We know that is important to identify barriers throughout the implementation process. One barrier that may arise is the fact that relationships at the regional level may not work together well or cannot envision new ways of doing things. Thus, we want to engage outside facilitators to assist with the BST implementation. In a blog convened by Michael Wilkinson, the CEO of Leadership Strategies, Inc., it was stated, “If you lead important group meetings, you know how difficult it can be to get a group engaged right from the beginning, to keep them focused and on track, to deal with difficult personalities and dysfunctional behavior, to build consensus when people disagree, and to ensure that full commitment is gained for follow through. Facilitators use facilitated sessions as a tool for addressing these issues.” Because we understand that we are embarking on a cultural mindset change, it is important that regional staff understand there is a coach, mentor and unbiased individual ready to work with the team as a whole to provide a fresh perspective and offer assistance. **Outcome 4** – Focuses on setting policy of minimum standards for highly functioning business services teams in order to form the basis for a systems model. Successful outcomes normally “begin with the end in mind,” as Peter Senge, ‘Strategist of the Century’ by the Journal

of Business Strategy states. Our overarching mission is clear, we must establish a world class talent pipeline to fuel economic growth grounded in an employer driven service model.

2) The Commonwealth is an active member in the National Governors Association's State Workforce Liaisons and Chairs groups as well as Best Practices Center and Academies. We are also fully engaged in the National Association of State Workforce Liaison and their committees. We effectively partner with the National Association of Workforce Board. Staff takes advantage of the resources available through Workforce3One. The KWIB's *WorkSmart Kentucky Strategic Plan* was grounded in best practices from across the country.

3) Kentucky has a strong working relationship with a number of national, state and local experts who have been consulted in developing this project. Strong professional relationships exist with state and local leaders in Oklahoma, Oregon, Indiana, Colorado, Missouri, Wisconsin, South Carolina, Georgia, Texas, Maryland and Washington. Close working relationships exist with leadership in national workforce firms like Maher and Maher, Thomas P. Miller, Corporation for a Skilled Workforce and IMPAQ. We actively participate in learning communities through the Aspen Institute, Brookings Institute, National Workforce Solutions Fund and Jobs For the Future.

WORK PLAN AND PROJECT MANAGEMENT

Work Plan Chart 2 on pages 17 and 18 outlines: **1)** key milestones, primary responsibilities and costs needed to carry out phases of the project within the timeline; **2)** timeframes for achieving deliverables for planning, start-up, implementation and evaluation activities; and **3)** an explanation of how the costs in the project work plan align with the proposed budget and narrative.

4) Four years of progressive business services redesign work have prepared us to take on the activities and goals outlined in this proposal. All of our progress has been achieved in collaboration with our Kentucky Skills Network partners. The substantiating documentation can be found at: <http://kwib.ky.gov/>. All are committed to moving the work to the next level.

Project Management 1) The EDWC is made up of 11 agencies including the KWIB and the Department of Workforce Investment. It oversees General, Restricted and Federal Funds of over \$10.2B supporting the programmatic, fiscal and administrative functions of its agencies. The KWIB and the Department of Workforce Investment (DWI) have specific responsibility for the project. In addition, the Kentucky Skills Network has an already established state and regional structure, so we are ready to go to the next level (*see the PMO Chart, Attachment C*).

2) The qualifications of high level leadership, project manager and other key personnel are in *Attachment D*. **Melissa A. Aguilar, Executive Director of the KWIB will serve as the initial Project Manager** (program coordinator). She has extensive experience working within all partnership categories, as detailed in the attached resume. As deemed appropriate, a permanent Program Coordinator will be added with the right required professional qualifications. In addition, a Policy Advisor (current personnel) will be assisting throughout the implementation of the project. The Network's Customer Service State Team is also in place and performing the ensuing functions. Joshua Benton, Executive Director of Workforce Development in CED encourages job growth and retention in Kentucky through workforce development and incumbent worker training through the Bluegrass State Skills Corporation. Larry Ferguson serves as the KCTCS point of contact for companies seeking workforce training services in Kentucky and supports Workforce Solutions leaders and presidents at KCTCS colleges. Ben Haydon, Business Services Coordinator in OET, is a conduit among economic development and region BSTs with an emphasis on aligning to economic development goals, simplifying the workforce system and improving customer-centric service. In addition, all other key staff included in The Network's organizational chart is on board.

3) The Kentucky Skills Network Organizational Chart is Attachment C.

4) We will escalate procuring an evaluator and publish a formal solicitation for third-party evaluation services on our eProcurement website (<https://emars.ky.gov/online/vss/AltSelfService>)

by the fourth quarter of 2014. We will also identify potential evaluators to whom we may send the solicitation directly. We will give potential bidders approximately three weeks from the date the solicitation is issued to submit their responses, review all responses to the solicitation and score them using a single rubric, and award the evaluation contract to the bidder that offers the Commonwealth the best value. Our scoring rubric will be weighted to favor bidders who demonstrate relevant experience evaluating WIF grants, those that have successfully completed high-quality EDRs for DOL in a timely fashion, and experience designing rigorous evaluations of workforce programs that focused on changes to the system aimed at better serving employers.

5) OET is responsible for submitting programmatic and financial reports on the part of EWDC. The OET grants division manages approximately 114 grant/sub grants for USDOL and reports on them monthly/quarterly through the Payment Management System and the USDOL Grantee Reporting System. We have reported 99% of these grants by or ahead of deadline.

PROJECT IMPACT

1) Our multi-faceted data collection methods will support an evidence-based approach. At the core of our data collection efforts are the following strategies: baseline data, site visits, employer survey, performance outcome data and cost allocation analysis. These methods will offer both qualitative and quantitative data to enable tracking of short-term and long-term goals outlined in the Strategic Approach section. The current business services data collection systems are: EWDC - EKOS, ERISS, Focus Talent and the WORK system; CED – COT supported databases for project activity and approved projects; LC – RAPIDS for apprenticeship, OSHA Express and an Excel spreadsheet for all other services; and KCTCS uses Salesforce. Our evaluation plan will be submitted for review and approval to the NEC. We will work with the evaluators to determine the most effective method for documenting the data gathered on the site visits as well as through the employer survey process.

Chart 2: Work Plan and Project Management, Factor 1, Work Plan

The Kentucky Skills Network - Unified Business Services Approach - Work Plan																					
OUTPUT/MILESTONES	COSTS	IMPLEMENTOR	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	
Crosswalk Data Analysis of Industry Sector Prioritization (In Kind and \$303,829 from VIF)																					
Planning Data Crosswalk	\$14,472	KSN Partners		ABF	ABF	ABF	CDF	CDF	CDF												
Cross Walk	\$86,808	KSN Partners			ABF	ABF	CF	CDF													
Final Report	\$43,404	KSN Partners						CDF	CEF	CEF											
Regional Informational Sessions and Planning	\$115,744	KSN Partners				ABF	ABF	ABF	CF	CF	CF	CF	CF	CDF	DEF	EF	EF				
Effective Management of Business Intelligence (In Kind and \$1,286,490) from VIF)																					
Planning Session for Data Merging		KSN Partners	ABF	CDF	CDEF																
Submit RFP		KSN Partners				CF															
Evaluating RFPs		KSN Partners					ABEF	CEF													
Purchase System	\$1,286,490	CEwD on Behalf of KSN Partners							CF												
Implement CRM (Pilot)		Engagement							ABF	ABF	CFD	DEF									
Training		Engagement									ABF	CF	CF	CDF	CDF	EF	EF				
Final Implementation		Engagement											ABF	ABF	CDF	CDEF	CDEF				
Increase Employer Penetration		KSN / KCC Partners											CD	CD	CD	CD	CD	CD	CDF	CDEF	CDEF
A Facilitated, Unified Business Services Approach (In Kind and \$660,000 from VIF)																					
Planning with All Entities		KSN Partners	ABF	ABF																	
Submit RFP		KSN Partners			CF																
Evaluate RFPs		KSN Partners				F															
Establish Facilitators	\$660,000	KSN Partners			CF	CDEF	CEF														
Regional Planning		Facilitators / WIAs			ABDF	ABDF	ABDF	AB	AB	AB	AB	CD	CD	CDEF	CDEF	CEF	CEF	CEF	CEF	F	F
Cross Training		Facilitators / WIAs			ABF	ABF	ABF	C	C	C	C	CEF	CEF	CEF	F	F	F	F	F	F	F

- Acronyms
- o KSN: Kentucky Skills Network
 - o KCC: Kentucky Career Center
 - o WIA: Workforce Investment Area
 - o Engagement: Contractor

- A. Data to be collected and to be a used as an evidence based approach
- B. Data will be measured and show progression of activities in reporting
- C. Show leading indicators of success
- D. Indicates data/practice will be tracked for a metric stated in this proposal
- E. Will help measure costs / efficiency
- F. Used for managing and monitoring

Chart 2: Work Plan and Project Management, Factor 1, Work Plan

Final Policy on Minimum Business Services Criteria (All In Kind)																				
Review Sector Strategies Data Crosswalk		KSN Partners / KCC Partners / WIAs					ABDF	ABDF	C	CD	F									
Review CRM Implementation		KSN Partners / KCC Partners / WIAs							ABF	C	CDE	EF	EF	F	F					
Monthly Facilitator Group Meetings		KSN Partners							ABDF	ABDF	CD	CD	CDE	F	F	F	F	F	F	
Regional Input of KCC Partners		KSN Partners / WIAs							ABDF	ABDF	CD	CD	CD	EF	F	F	F	F		
Planning for Establishing Policy		KSN Partners											ABDF	CDF	CF	EF				
Set Policy		KSN Partners														CDF	CDF	EF		
Informational Sessions		KSN Partners / KCC Partners / WIAs																DEF	DE	DEF
Evaluation (In Kind and \$450,000 from WIF)																				
Develop RFI		KSN Partners		F																
Develop Evaluation RFP		KSN Partners			AD															
Evaluate RFPs		KSN Partners			F															
Kick-off and Evaluation	\$45,000	KSN Partners / Engagement			DEF															
Analysis	\$150,000	KSN Partners / WIAs / Engagement		ADF	ADF	ADF	AD	AD	AD	AD	AD	AD	AD	AD	AD	ADEF	ADEF	ADEF	ADEF	
Reporting and Management	\$255,000	KSN Partners / Engagement		ADF	ADF	ADF	AD	AD	AD	AD	AD	AD	AD	AD	AD	ADEF	ADEF	ADEF	ADEF	

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- E. Will help measure costs / efficiency
- F. Used for managing and monitoring

2) Business services data currently collected in agency systems will be put in a data warehouse to provide our baseline data. These systems will continue with data collection until such time as the new CRM is operational (Year 3). The Kentucky Center for Education and Workforce Statistics (KCEWS) collects and links data to evaluate education and workforce efforts in the Commonwealth. It will provide other key data through its access to education data and workforce data from the Kentucky Department of Education, the Council on Postsecondary Education, the Educational Professional Standards Board, the Kentucky Higher Education Assistance Authority and the EWDC. KCEWS reports and statistical data will inform the decisions of policy makers, agencies, and the general public. This includes maintaining the Kentucky Longitudinal Data System, a statewide longitudinal data system, as well as responding to requests for data and information, and providing reports on a number of topical areas including feedback about the performance of high school graduates after they go to college, developing the Kentucky County Profiles, and information about the outcome of teacher preparation, college, adult education, and other programs. *Chart 1 on page 7* identifies short-term and long-term goals as well as the measures needed to support their achievement.

3) We will work with our evaluation contractor to develop a Performance Data Template and EDR during Year 1 for review and approval by the NEC. Following are the data collection efforts for the remainder of the years: Year 2 – baseline data, site visits, employer survey and performance outcome data; Year 3 – data collection, interim evaluation report, performance outcome data, employer surveys; Year 4 – performance outcome data; and Year 5 – final data evaluation, second round site visits, employer surveys, performance outcomes data and public use dataset. *Chart 1 on page 7* for short-term and long-term goals, as well as the measures needed to support achievement of those goals.

4) The business service indicators underscoring early success are increases in the: total employers visited and assessed; percentage of employers who use our system resources; total number of job openings posted with the system; total number of business team meetings; total number of joint visits to employers between entities; employer awareness of services available; employer satisfaction of services used; and employer satisfaction of using systems resources.

The ultimate business services outcomes through this project to be measured are an increase in: total number of job openings filled through the system; total number of employers participating in a training service; total number of participants in training per sector; partner satisfaction with coordinated service delivery; investments in training programs for employers; and investment in training programs for participants.

5) As for the data collected from the evaluator, we will work to develop the EDR that will be approved by the NEC. Means of collecting employer survey input will be both paper and online. The employer survey data will document whether employers are more engaged with the workforce system after the grant, and whether their satisfaction with the workforce system overall has improved. This data is not currently collected by the workforce system, but would be part of the evaluation.

6) The method of measuring costs and/or efficiencies will be done through a cost allocation analysis. As discussed in the evaluation plan, we will track grant costs in major categories of expenditure. To demonstrate efficiency, we will explore measures of cost per employer served by the grant. Data resources used in this process will be internal accounting systems as well as per employer cost measures. It is important to note that our project is not a program that will serve individual jobseekers, so we look forward to the insights of previous WIF grantees, our

evaluator and NEC in honing the definition and measurement of efficiency in serving our business customers.

7) Kentucky has invested significantly in getting all our internal data systems to be responsive, such as the statewide longitudinal data system, and user friendly. The data in the Statement of Need is also available to us for ongoing analysis and informing our policy and practice. One example is KCEWS working with the KWIB to develop the Kentucky Workforce Scorecard which includes workforce and workforce readiness metrics and state level goals. It is updated regularly to identify progress toward these goals including breakouts by geographic region to support grants management and decision making.

STRATEGIC LEADERSHIP

The Kentucky Skills Network team can manage all the project aspects utilizing the effective strategies and structure used to implement the *WorkSmart Kentucky Strategic Plan*.

Strategic Leadership Team - oversee and monitor implementation of all proposed plan action items; report on implementation progress and results of actions taken to the Governor.

Engagement Team - develop operations plan and coordinate implementation; provide technical support and financial accountability; facilitate strategic communications. Customer Service

Team – provides state support to regional BSTs and are state level points of contact for employers. Champions - members with a personal interest or skill set to advance a particular goal; rallies partner/stakeholder buy-in; and advocate with key elected and appointed officials.

Steering Committees - provides input, oversight and monitoring for activities and outputs;

includes key stakeholder groups; and reports progress/results to Engagement Team. Project

Managers - professionals from agencies/partners who develop and keep all contact information and project files, develop reports, organize meetings; and communicate with staff. Within 30

days of the application submittal, the steering committees and teams will convene to set meeting schedules and review deliverables. Within 60 days their work begins.

Strategic Relationships and Leadership Buy-In The acronyms for the organizations listed below is in *Attachment E*.

Organization	Roles and Responsibilities	Key Leaders
KCED	<ul style="list-style-type: none"> Senior leadership, engagement and steering teams Align policy, leverage resources Support data gathering and evaluation effort 	Sec. Hayes, Hollie Spade, Karen Lefler, John Bevington, Marlene Duffy, Joshua Benton
EWDC	<ul style="list-style-type: none"> Senior leadership and steering teams Align policy, leverage resources Support data gathering and evaluation effort 	Sec. Zawacki, Charles McGrew, Kate Akers
LC	<ul style="list-style-type: none"> Senior leadership, engagement and steering teams Align policy, leverage resources Support data gathering and evaluation effort 	Sec. Roberts, Tony Russell, Fran Davis, John Mann, Mike Donta
CPE-KYAE	<ul style="list-style-type: none"> Senior leadership, steering teams Align policy, leverage resources Support career pathways 	Vice President Reecie Stagnolia
KWIB	<ul style="list-style-type: none"> Lead Evaluation and steering teams Initial Project Manager Coordinate stakeholder input 	Chair Holmes, Hugh Haydon, James Cole, Melissa Aguilar
KCTCS	<ul style="list-style-type: none"> Senior leadership, engagement and steering teams Provide employer leadership in goal areas Support career pathways Support data gathering and evaluation effort Stakeholder outreach and communication 	President McCall, Chancellor Jay Box, Christina Whitfield, Donna Davis, Larry Ferguson, Harmony Little
KAM	<ul style="list-style-type: none"> Provide employer leadership in goal areas Stakeholder outreach and communication 	Karen Ellis
KCC	<ul style="list-style-type: none"> Provide employer leadership in goal areas Stakeholder outreach and communication 	Ali Crain, Bob Quick
KAED	<ul style="list-style-type: none"> Provide Eco. Dev. leadership in goal areas Stakeholder outreach and communication 	Hal Goode
OTS	<ul style="list-style-type: none"> Technical lead on CRM Support data gathering and evaluation effort 	Stuart Johnston
DWI	<ul style="list-style-type: none"> Serve on the engagement and steering teams Align policy, leverage resources Support data gathering and evaluation effort Support career pathways Project Manager 	Commissioner Brinly, Beth Kuhn, Project Manager
OET	<ul style="list-style-type: none"> Serve on the steering teams Provide administrative and fiscal management Support career pathways Support data gathering and evaluation effort Program lead on CRM Coordinate business services training agenda Stakeholder outreach and communication 	Buddy Hoskinson, Lori Collins, Michelle Sutton, Linda Prewitt, Ben Haydon, Tommy Wheatley, Tom Bowell
IPs/Employers	<ul style="list-style-type: none"> Serve on steering teams Provide employer leadership in goal areas Support sectors and career pathways 	Ed Holmes, Hugh Haydon, Rick Jordan, Ian Mooers, Amy Walker

	<ul style="list-style-type: none"> Stakeholder outreach and communication 	
OVR	<ul style="list-style-type: none"> Coordinate business services 	David Beach, Jane Smith
OFB	<ul style="list-style-type: none"> Coordinate business services 	Allison Flanagan, Becky McCabe
LWIB	<ul style="list-style-type: none"> Serve on steering teams Align policy, leverage resources Coordinate business services, sectors, career pathways 	Local WIB Board Chairs, Members, and Executive Directors

Strategic Communication Strategic communications plans and tools to shape policy change are critical components of The Kentucky Skills Network. Making the case for transformation to key stakeholders and influencers is an essential ingredient for our change agenda. Developing and executing an outreach/public relations plan with a consistent message is critical.

Communications platforms will include newsletters, blast emails, the VRU, UI check stubs, blogs and our websites to communicate effort to staff and customers. Specific tactics include: 1) Elevator Speech Tips - Tell our initiative’s story in a way that captivates and maximizes any brief encounter with a potential stakeholder; 2) Using Data to Build Support for The Network - Purposeful and strategic use of data to engage key audiences in support of desired policy changes; 3) State and Regional Jobs and Educational Requirement Resources - State economic regions data on labor market trends and growth of jobs that require a postsecondary credential and Tipping Point Outreach Strategy – Develop materials that convey the importance of educating adult workers and support the goal of changing policy statewide.

Integration into Formula-Funded Activities For quite some time, the four entities have intertwined federal formula resources including Workforce Investment Act, Wagner-Peyser, Trade Adjustment Assistance, Reemployment Assistance, Rehabilitation Services, Perkins and other resources, and have identified and leveraged new assets that will sustain this transformation and its components beyond the life of this grant. Key examples are KWIB strategic action items such as Sector Strategies, AOKY, Kentucky Career Center certification, Tech High, Workforce

Academy, Work Ready Communities, Entrepreneurship, Apprenticeship, Partners for Success, Team Based Case Management and Unemployment Customer Service.

BUDGET AND BUDGET JUSTIFICATION

The following narrative addresses **1), 2) and 3)**. This project includes two professional staff – a Program Coordinator and Policy Advisor. The Program Coordinator (annual salary \$32,042 without fringe) provides administrative support, convenes partner meetings, and submits reports to the partners and USDOL, among others. The Policy Advisor (annual salary \$89,250 without fringe) collects and analyzes data from project partners, distinguishes patterns, and forecasts trends to support industry sector and business services decision making. Equipment, Supplies and Other to support staff are provided in-kind. No construction is required for this project.

Program Coordinator – Percentage Worked Annually	Year 1 (40%)	Year 2 (56%)	Year 3 (40%)	Year 4 (32%)	Year 5 (20%)
Annual Salary - \$32,042	\$12,817	\$17,944	\$12,817	\$10,254	\$6,409
Fringe (65% of salary includes retirement, health, FICA)	\$8,331	\$11,664	\$8,331	\$6,665	\$4,166
Total	\$21,148	\$29,608	\$21,148	\$16,919	\$10,575

Policy Advisor – Percentage Worked Annually	Year 1 (0%)	Year 2 (56%)	Year 3 (40%)	Year 4 (32%)	Year 5 (0%)
Annual Salary - \$89,250	\$0	\$49,980	\$35,700	\$28,560	\$0
Fringe (65% of salary includes retirement, health, FICA)	\$0	\$32,487	\$23,205	\$18,564	\$0
Total	\$0	\$82,467	\$58,905	\$47,124	\$0

Travel costs are \$15,935 based on attending two meetings in Washington D.C. annually (average stay 3 nights/4 days from Frankfort, Kentucky, through Louisville, KY airport roundtrip).

Travel Cost 4 days/3 nights	Year 1	Year 2	Year 3	Year 4	Year 5

Travel Cost 4 days/3 nights	Year 1	Year 2	Year 3	Year 4	Year 5
Mileage (To/From Airport) 108 miles x .46 per mile	\$50	\$50	\$50	\$50	\$50
Airfare – Round Trip Louisville to Washington DC	\$650	\$650	\$650	\$650	\$650
Lodging – Washington DC 3 nights x \$210/night	\$630	\$630	\$630	\$630	\$630
Per Diem - High Rate Area \$36 per day x 4 days	\$144	\$144	\$144	\$144	\$144
Parking/Tolls/Cab \$30 per day x 4 days	\$120	\$120	\$120	\$120	\$120
Total Travel – Per Trip	\$1,594	\$1,594	\$1,594	\$1,594	\$1,594
Grand Total (2 Annual trips)	\$3,187	\$3,187	\$3,187	\$3,187	\$3,187

Contractors will develop and implement the Customer Relationship Management (CRM) System as well as provide appropriate training in the pilot areas, roll out regional facilitators and analyze/enhance Business Services Team (BST) strategic planning and activities and evaluate the project. These efforts will cost \$2,396,490.

Contractual Costs	Year 1	Year 2	Year 3	Year 4	Year 5
CRM System	\$80,000	\$914,500	\$85,140	\$145,480	\$61,370
BST Activities	\$0	\$220,000	\$220,000	\$220,000	\$0
Evaluation	\$45,000	\$100,000	\$100,000	\$100,000	\$105,000
Total	\$125,000	\$1,234,500	\$405,140	\$465,480	\$166,370

Indirect charges for facilities and administration, totaling \$295,144, are calculated per the Negotiated Indirect Cost Rate Agreement State Department/Agency, dated May 7, 2014 (attached) at the rate of 10.93 %.

Indirect Costs	Year 1	Year 2	Year 3	Year 4	Year 5
Facilities & Administration					
Direct Cost Amount	\$149,335	\$1,349,762	\$488,380	\$532,710	\$180,132
Direct Cost Amount x 10.93% =					
Indirect Cost Total	\$16,322	\$147,529	\$53,380	\$58,225	\$19,688