



MATTHEW G. BEVIN  
GOVERNOR

EXECUTIVE ORDER

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Secretary of State  
Frankfort  
Kentucky

2016-664  
August 30, 2016

ALISON LUNDERGAN GRIMES  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY R. Adler

**AMENDED ORDER RELATING TO THE CREATION OF THE KENTUCKY  
WORK READY SKILLS INITIATIVE AND WORK READY SKILLS  
ADVISORY COMMITTEE**

**WHEREAS**, it is imperative that the Commonwealth of Kentucky increase the education and skill levels of its workforce and its workforce participation rate; and

**WHEREAS**, the Commonwealth of Kentucky is committed to supporting and promoting the development of a highly trained workforce in the Commonwealth by providing resources to partnerships between employers and educational institutions that collaborate on projects designed to provide the necessary facilities, equipment, programs, and curriculum to train and educate workers to meet the workforce needs of Kentucky's employers now and in the future; and

**WHEREAS**, the creation of an organizational structure in the form of a restricted fund will promote and achieve greater economy, efficiency and improved administration of the development of a highly trained workforce in the Commonwealth; and

**WHEREAS**, HB 303, passed by the 2016 Regular Session of the General Assembly, appropriated funding for workforce development construction pool bond funds:

**NOW THEREFORE**, I, Matthew G. Bevin, Governor of the Commonwealth of Kentucky, by virtue of the authority vested in me by Sections 69 and 81 of the Constitution of the Commonwealth of Kentucky and KRS 12.028 and otherwise, do hereby Order and Direct the following:

- I. The Kentucky Work Ready Skills Initiative ("Fund") is hereby created as a separate restricted fund, to be administered by the Education and Workforce Development Cabinet. The Fund may receive the proceeds from grants, contributions, appropriations, and any other moneys that may be made available for the purposes of the Fund.



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- II. Bonds, the proceeds of which will be used to finance the Fund shall be issued by either the State Property and Buildings Commission or the Kentucky Asset/Liability Commission in accordance with KRS 56.450 or KRS 56.863, respectively.
- III. Moneys deposited in the Fund shall be used for the purposes set forth in this Executive Order and shall not be used or transferred for any other purpose.
- IV. Amounts contained in the Fund not expended at the close of a fiscal year shall not lapse but remain in the Fund from the effective date of this Executive Order unless and until superseded by a subsequent Executive Order or Act of the General Assembly.
- V. The Work Ready Skills Advisory Committee ("Committee") is hereby created and shall be attached to the Education and Workforce Development Cabinet for administrative purposes.
- VI. The Committee shall be composed of:
  - A. The Secretary of the Education and Workforce Development Cabinet who shall serve as chairperson of the Committee;
  - B. The Secretary of the Labor Cabinet or designee;
  - C. The Secretary of the Cabinet for Economic Development or designee;
  - D. The chairperson of the Kentucky Workforce Innovation Board ("KWIB") or designee, who shall be another member of the Kentucky Workforce Innovation Board;
  - E. Four (4) members with experience in the private business sector, at least two (2) of whom shall currently be active as private sector employers, appointed by the Governor;
  - F. One (1) member appointed by the President of the Senate, who is not a member of the General Assembly; and
  - G. One (1) member appointed by the Speaker of the House of Representatives, who is not a member of the General Assembly.
- VII. The term of appointed Committee members shall be four (4) years, except the terms of the initial members shall be staggered so that for appointments made by the Governor, one (1) appointee shall serve for one (1) year, one (1) appointee shall serve for two (2) years, one (1) appointee shall serve for three (3) years, and



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one (1) appointee shall serve for four (4) years. The initial appointment made by the President of the Senate shall be for four (4) years, and the initial appointment made by the Speaker of the House shall be for three (3) years.

- VIII. At the end of a term, a member shall continue to serve until a successor is appointed and qualifies. A member who is appointed after a term begins shall serve the remainder of the term and until a successor is appointed and qualifies. A member who serves two (2) consecutive four (4) year terms shall not be reappointed for at least four (4) years after completion of those terms.
- IX. A majority of the full authorized membership shall constitute a quorum, and a vote to recommend a partnership project for funding shall require the favorable vote of a majority of quorum of the Committee. In the case of a tie vote, the decision of the chairperson shall be final.
- X. The Committee shall meet as needed to develop policies and procedures for the administration of this Executive Order, and to review, consider and approve applications for funding as provided for in this Executive Order. The chairperson shall set the agenda, place, and time of meetings, which shall be held a minimum of two (2) times per year.
- XI. The Committee shall establish bylaws to govern its operation.
- XII. Committee members shall not be compensated for serving on the Committee, but shall be reimbursed for ordinary travel expenses, including meals and lodging incurred in the performance of their duties, in accordance with regulations and policies established by the Finance and Administration Cabinet.
- XIII. The Committee shall perform the following functions in accordance with this Executive Order:
- A. Establish an application process for partnerships seeking state support from the Fund for partnership projects, including application deadlines and requirements;
  - B. Establish an application review process; and
  - C. Review, consider and approve applications for funding.
- XIV. A partnership is a collaborative group that includes, at a minimum, a (1) private employer, (2) a postsecondary education partner, and (3) a public school or school district, all of which must be located in the Commonwealth,



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and which also may include other private employers, postsecondary education partners, public school districts located in the Commonwealth, governmental entities, workforce development organizations, and other economic development partners.

- XV. A postsecondary education partner shall include:
- A. A public state university located in the Commonwealth; or
  - B. The Kentucky Community and Technical College System or any of its affiliated institutions.
  - C. A private post-secondary institution accredited by the Southern Association of Colleges and Schools Commissions on Colleges headquartered in the Commonwealth of Kentucky.
- XVI. A partnership project is a project proposed by a partnership that includes:
- A. The construction and equipping of a new facility for the purpose of providing workforce training and education;
  - B. The renovation or upgrade of an existing facility; or
  - C. The purchase of new or upgraded equipment and furnishings.
- XVII. Equipment and furnishings include equipment, machinery, furnishings, office equipment, computers, software, fixtures, telecommunications infrastructure, or other items necessary to equip a facility to provide workforce training and education programs proposed as part of a partnership project.
- XVIII. The Committee, in collaboration with Kentucky Economic Development Finance Authority (KEDFA) staff, shall establish the requirements and qualifications for a partnership project to be considered for grant funding.
- XIX. The requirements for a partnership project, which shall be addressed in the application, shall include but not be limited to the following:
- A. The name of the applicant, including all partners involved in the partnership, a description of how each partner will be involved in the project during construction and development, and how each partner will be involved with providing workforce training and education after the project is complete;



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- B. A detailed description of the partnership project, including:
1. Its location, including the physical address where the partnership project is located;
  2. Total project investment, with a breakdown of investment by partner;
  3. Total eligible costs for which grant funding is being sought;
  4. The ownership of any facilities and equipment upon completion of the project;
  5. A description of the workforce training and education that will be offered at the facility for which grant funding is sought, including:
    - a. The total number of program participants that can be served at any one (1) time, and the anticipated number of participants that will complete the workforce training and education annually;
    - b. The intended program beneficiaries, which may include high school students, adult learners, long-term unemployed, a different group, or, preferably, a combination of these groups;
    - c. The certificates, credentials, or degrees that participants will receive upon completion of the workforce training or education program;
    - d. Whether dual credit opportunities are available; and
    - e. Whether any certificates, credentials, or degrees earned through participation in the workforce training or education program will be portable or transferable;
  6. A description of the marketing plan that will be used to attract participants to the program; and
  7. A five (5) year plan for the facility and the workforce training and education that will be offered at the facility, including information about how the program will be sustained and funded;
- C. If new construction is being proposed, a review of existing facilities within the local area where the partnership project will be located, including facilities owned or operated by an educational institution participating in the project, and an explanation of why it is more efficient or will be more effective to construct a new facility rather than renovate or retrofit an existing facility;
- D. The amount of the partnership match, which shall be at least ten percent (10%) of the overall project cost, including a detailed list of cash and all



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noncash items included in the partnership match. If the partnership match will include items other than cash, such as equipment, land, fixtures, program materials and supplies, existing facilities, or other assets, the description shall include the value of such items, and how the value was determined;

- E. Identification of the specific industry sectors and career pathways in which workforce training or education will be provided, why those sectors and career pathways were selected, how those pathways are aligned with the identified industry sectors, and why existing programs are not addressing the employment needs in the identified sectors;
  - F. A description of the data that will be collected and reported relating to the project, the metrics that will be used to evaluate the project, and how the data metrics correlate with the data and metrics required by the Education and Workforce Development Cabinet;
  - G. A statement explaining why public support is needed for the project to be undertaken;
  - H. The expected length of time between commencement of the project and when workforce training and education provided at the facility will be available; and
  - I. Any other criteria the Committee determines are necessary to obtain all of the information needed to review and evaluate a proposed project.
- XX. Eligible costs shall include:
- A. Obligations incurred for labor and amounts paid to contractors, subcontractors, and builders in connection with the partnership project;
  - B. The cost of acquiring land or rights in land and any cost incidental thereto, including recording fees;
  - C. The cost of contract bonds and of insurance of all kinds that may be required or necessary for completion of a partnership project which is not paid by a contractor or otherwise provided for;
  - D. All costs of architectural and engineering services, including test borings, surveys, estimated plans and specifications, preliminary investigations, and supervision of construction, as well as for the performance of all duties required for the partnership project;



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- E. All costs incurred for construction activities, including site tests and inspections; subsurface site work; excavation; removal of structures, roadways, and other surface obstructions; filling, grading, and providing drainage and storm water retention; installation of utilities; off-site construction of utility extensions to the boundaries of the project site; or similar activities the Committee determines are necessary for the partnership project;
  - F. All costs associated with the purchase of equipment and furnishings; and
  - G. Marketing expenses for the first year of the project.
- XXI. In addition to the other requirements established by this Executive Order, the Committee shall require assurances from the partnership that the partnership project will be aligned with, and supportive of, the strategic plan developed by the KWIB.
- XXII. Before the Education and Workforce Development Cabinet or the Work Ready Skills Advisory Committee takes final action on any contract or agreement by which grant funding for a partnership project is awarded, the beneficiary of the grant funding shall file with the Education and Workforce Development Cabinet a disclosure statement which shall contain:
- A. The identity of the beneficiary of grant funding for the partnership project and any person employed to act on its behalf in its dealings with the Education and Workforce Development Cabinet or any board or authority within or attached to that cabinet regarding the matters to which the contract or agreement refers; and
  - B. The details of any financial transaction as defined in KRS 11A.201(5)(a) between the beneficiary or any other person listed as an employee or agent of the beneficiary as required by the paragraph above and any agent or public servant of the Education and Workforce Development Cabinet, any member of any board or authority within or attached to that cabinet, or any other public servant involved in the negotiation of the grant funding for the partnership project.

The Education and Workforce Development Cabinet may file the disclosure statement with the Executive Branch Ethics Commission.



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- XXIII. The Committee shall, in collaboration with KEDFA staff, establish review standards to be used in considering applications for funding partnership projects.
- XXIV. The Committee shall establish a schedule to receive applications up to two (2) times each year when funding is available.
- XXV. Upon receipt of all applications, the Committee shall review the applications that include all required components, along with all other information submitted. Upon review and confirmation that all necessary information has been provided, that the conditions established by this Executive Order have been met, and to the extent funding is available, the Committee may, by resolution, approve grant funding for a partnership project and authorize the execution of a funding agreement with the partnership.
- XXVI. Upon final approval of a partnership project, the Education and Workforce Development Cabinet shall establish an agreement with the partnership as provided for in this Executive Order. The Committee, in collaboration with KEDFA staff, shall monitor the partnership project, and all reports submitted by the partnership shall be provided to the Education and Workforce Development Cabinet.
- XXVII. The terms of the agreement shall include but not be limited to the following provisions:
- A. The amount of grant funding available, and the timing and conditions under which the funds will be made available;
  - B. The date by which the partnership project shall begin, and the date by which the partnership project shall be completed;
  - C. That a minimum of ten percent (10%) of the total project cost shall be provided by the partnership match. A partnership match may include cash contributions or items other than cash, such as equipment, land, fixtures, program materials and supplies, existing facilities, or other assets;
  - D. Identification of which partner or partners will own any buildings, fixtures, and equipment that are a part of the partnership project;





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- E. Identification of which partner or partners will be responsible for the upkeep and maintenance of the partnership project facilities, fixed assets, and equipment upon completion of the partnership project;
  - F. That the Committee shall have access to all books, records, and documents relating to the partnership project during the term of the project and for three (3) years following completion of the partnership project;
  - G. That the partnership shall provide financial reports or other documentation satisfactory to the Education and Workforce Development Cabinet in the form and format required by the cabinet as part of the agreement. However, reporting shall be provided at least annually during the construction phase of the project, with a final accounting provided at the conclusion of the project;
  - H. A commitment by the partnership that it will report all data and metrics requested by the Education and Workforce Development Cabinet at the time and in the form and format required by the cabinet;
  - I. The contents of a partnership's filings under this program shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884; and
  - J. Any other provisions consistent with this Executive Order determined to be necessary or appropriate by the parties to the agreement.
- XXVIII. The Committee may promulgate administrative regulations pursuant to KRS Chapter 13A as necessary to administer this Executive Order.
- XXIX. The Finance and Administration Cabinet, the Personnel Cabinet and the Governor's Office of Policy and Management shall take all necessary action to effectuate the provisions of this Order, which shall take effect immediately.

  
MATTHEW G. BEVIN, Governor  
Commonwealth of Kentucky

  
ALISON LUNDERGAN GRIMES  
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**REORGANIZATION PLAN**

**INTRODUCTION**

The Education and Workforce Development Cabinet (EWDC) is seeking to create the Work Ready Skills Advisory Committee (Committee) to oversee the Kentucky Work Ready Skills Initiative (Fund) in order to develop a highly trained, modernized workforce in the Commonwealth to meet the needs of employers and promote sustainable incomes for Kentuckians.

**SUMMARY OF THE PLAN**

HB 303, passed by the 2016 Regular Session of the General Assembly, appropriated funding for workforce development construction pool bond funds. This \$100 million statewide bond program is aimed at developing a highly trained, modernized workforce in the Commonwealth to meet the needs of employers and promote sustainable incomes for Kentuckians.

The Committee is attached to the EWDC for administrative purposes. Additionally, the EWDC will administer the Fund. The EWDC was designated because of its unique organizational structure that includes both educational and workforce programs.

The Fund will help support locally developed projects that are tailored to the education, workforce, and industry needs of the area. The Committee will establish an application process for partnerships seeking state support from the Fund for partnership projects and an application review process, as well as review, consider and approve applications for funding. Partnerships are a collaborative group which must include at least a private employer, a postsecondary education partner (a public state university located in Kentucky, KCTCS or any of its affiliated institutions, or a private post-secondary institution accredited by the Southern Association of Colleges and Schools Commissions on Colleges headquartered in the Commonwealth of Kentucky), and a public school or school district. All must be located in the Commonwealth. Partnerships may include other private employers, postsecondary education partners, public school districts located in Kentucky, governmental entities, workforce development organizations, and other economic development partners.

Partnership projects may include the construction and equipping of a new facility for the purpose of providing workforce training and education, the renovation or upgrade of an existing facility, or the purchase of new or upgraded equipment and furnishings. Partnerships must match at least ten percent (10%) of the overall project cost.

Finally, the Committee will work with the Kentucky Economic Development Finance Authority (KEDFA) staff to establish review standards to be used in considering applications for funding partnership projects and to monitor the progress of the partnership projects.



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**PERSONNEL AND FISCAL IMPACTS**

At most, the Cabinet may find it necessary to hire one additional employee to support administration of the Initiative. The current budget of the EWDC should support the funding of such employee if it is deemed necessary.

**NET EFFECT**

The establishment of the Committee and the Fund will allow Kentucky to equip its citizens with the skills necessary to compete globally and to build a stronger economy.