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Prepared Testimony Before Senate Health, Education, Labor and Pensions Committee

Chair Murray, Ranking Member Burr, and members of the committee. I am honored to be here with you today to discuss an issue that every state is facing and that is workforce. Almost two years after the beginning of the COVID-19 pandemic, thanks to help from Congress including PPP loans, federal relief packages, and a historic bipartisan infrastructure bill, our economy is well on its way to recovery. However, we will not be able to ensure a full recovery until we have an active, engaged workforce.

Workforce has been a topic of concern for business leaders and policymakers for years, but interest in the issue has surged in the past 12 to 16 months. Driving this surge has been the collapse in employment that took place with the onset of the pandemic in Spring of 2020 followed by the nationwide struggle to find workers to help rebuild the U.S. economy. In April 2020, 23 million Americans were unemployed and the national unemployment rate soared to 14.8 percent (16.9 percent in Kentucky). One year later, surveys of employers showed a record number of businesses struggling to find workers, while the U.S. saw an unprecedented 9.2 million job openings.

No wonder workforce has been such a topic of interest lately. Something is amiss. The truth is that something has been amiss for a long time. As President of the Kentucky Chamber, the Commonwealth's largest business association, the number one issue I hear from businesses across the state, of all sizes and sectors, are their struggles with workforce and finding employees. We often say "we have too many people without jobs and too many jobs without people and how do we make these two issues match?"

The pandemic and economic recovery have accelerated preexisting trends and magnified our weak points. This is especially the case in Kentucky, where the data tells us that since 2000 more and more Kentuckians have not been participating in the workforce. In fact, fewer adults in Kentucky participate in the workforce than in almost any other state in the nation. Perhaps what is more concerning is that even once Kentucky fully restores its workforce to pre-pandemic levels – which is not a certainty – we will likely still be far behind the nation and surrounding states. Kentucky's workforce challenges are exceptional, but they did not suddenly emerge in the age of COVID-19. Rather, they have been building and holding back our economy for at least two decades. There is no one singular cause of these challenges. Instead, the causes are many, and the solutions must be, as well.

I am pleased to be able to briefly highlight a few of the unique programs the Kentucky Chamber has spearheaded in collaboration with many partners to address the workforce issue and specifically how we remove barriers. And in the days of a somewhat divisive political climate, it is refreshing to be able to say that this issue really sees no side of the aisle, and we have worked with leaders from both parties toward solutions.

For the last several years, the Kentucky Chamber has been creating programs to provide employer-led initiatives to develop, expand, and strengthen our workforce to support Kentucky's economy. I would briefly like to tell you about a few of these programs that are relevant to this committee and topic.

In Kentucky we have struggled with high substance use disorder numbers, as well as high levels of incarceration. However, the Chamber and business leaders understand a key to reducing recidivism is meaningful employment. With funding from both state government as well as private entities, the

Chamber started our Workforce Recovery Program focusing on engaging the business community as part of the solution to this epidemic by reducing stigma and increasing second-chance employment opportunities across Kentucky. This program has built an employer network of over 1,200 employers and recruited almost 28,000 fair chance job opportunities statewide!

Through this program we launched the Kentucky Transformation Employment Program (KTEP) in September 2021. KTEP provides a pathway for businesses and employers to help more Kentuckians reach long-term recovery while supporting second chance employment. Employers who choose to enroll in the program receive protections from civil action regarding negligent hiring and hiring because of an employee's substance use disorder through KRS 222.215. To date, 22 Kentucky businesses have signed up for KTEP, which impacts more than 5,000 Kentucky employees.

Another barrier those coming out of incarceration face is something as simple as a lack of a proper state-issued ID. We realized that many Kentuckians coming out of incarceration are leaving to reenter society and the only form of identification they have is their mug shot. As you can imagine, this is not the form of ID one would want to use to secure housing, assistance or look for a job. The Chamber, in partnership with the Just Trust, has started a pilot project in Kentucky to give those coming out of incarceration a state-issued ID to help with their successful reentry. We are hopeful state government will fund this program for all inmates in the future.

In March of 2020, when we saw unemployment numbers skyrocket due to the pandemic, we launched a website to highlight the many open positions in all areas of the state. We would never have imagined this campaign would have resulted in 55,000 webpage visits and over 100,000 jobs posted by employers in a little over a year. Given this momentum, we launched Kentucky Talent Hub in October 2021 to create a more dynamic online experience for employers, job seekers, and workforce development professionals.

This online platform provides a space for employers to post opportunities and directly engage with applicants and job seekers. Employers across all industries post opportunities of any kind, including full-time, part-time, fair chance, freelance, and internship positions. Additionally, workforce and education partners can post events and resources to engage employers, job seekers, and anyone looking for new professional experiences and training, and highlights second chance employers. Since launching Kentucky Talent Hub in October 2021, we have almost 1,000 users and close to 1,500 job opportunities posted.

We know that creating workforce opportunities start at an early age. Knowing this, the Chamber launched a statewide initiative focused on connecting students across the state to learn more about career pathways and businesses in their communities. In partnership with the Kentucky Community and Technical College System (KCTCS) and the Kentucky Society for Human Resource Management (KYSHRM), nearly 35,000 students have engaged in this program within the 2021-2022 school year. Since the program's launch in 2019, Bus to Business[®] has engaged over 210 schools and over 110 businesses across Kentucky, impacting over 42,000 students. Students have the opportunity to tour companies, complete hands-on work-based learning activities, and speak directly with employers about career pathways available in their organizations.

And the last program I want to highlight is the first workforce program the Chamber started to help create workforce pipelines for key industries. Over four years ago, in partnership with the Kentucky

Cabinet for Education and Workforce Development, Kentucky was selected as one of three states in the nation to pilot a statewide implementation of the U.S. Chamber of Commerce Foundation's program, Talent Pipeline Management (TPM)[®]. TPM[®] is an effort to mobilize the business community to close the skills gap by applying lessons learned from supply chain management to move employers into the role of "end customers," projecting talent needs and aligning those with education and workforce development systems. Over the past four years, the Foundation's Talent Pipeline Management program has built talent solutions for five of Kentucky's key industry sectors, engaged almost 300 employers, and connected more than 3,000 Kentuckians to jobs, training, or work-based learning opportunities.

One thing about this program that I want to point out is that it is funded through federal workforce dollars, and the partnership between state government and the Chamber was originally approved by a Republican governor. Before our grant came up for renewal we had a Democratic governor, but the success of the program was so clear, the funding has continued and the partnership has strengthened and grown.

In fact, this program has proven so successful, we have expanded our portfolio to include Kentucky's signature industries, Equine and Distilling. You can't have Kentucky without horses and bourbon, right? These signature industries are systematically leveraging TPM to solve their workforce challenges by getting direct input from employers on what critical positions they need to fill and what training or education is required.

The equine collaborative has engaged forty-six employers and built programs and solutions for various industry sub-sectors. As an example of the innovative solutions employers are building, they have worked with Blackburn Correctional Facility to create and implement the Workforce Readiness and Reentry Program, where inmates gain vocational and job skill training before connecting with career opportunities. The TPM[®] work in the Equine industry has also led to a registered apprenticeship program, the development of career pathway documents for various sectors, and a vocational program for individuals in recovery.

Following in the equine industry's footsteps, the Kentucky Distillers' Association (KDA) connected with the TPM[®] team to start a pilot project in 2021. This statewide effort has engaged fifteen distilling companies and shows a projected need of 536 open jobs through 2025. Kentucky's Distilling Industry shows a projected growth of 74%, which does not include normal attrition. Maintenance specialists, tour guides/brand ambassadors, and machine operators are the industry's greatest need. This collaborative is poised to co-engineer solutions with education and workforce partners around the state. Through the success of this work, the KDA and the Kentucky Chamber Foundation have partnered to create a new position in the Kentucky TPM[®] system, dedicated to the distilling industry and modeled off the successful TPM[®] efforts with the equine industry.

Members of the Committee, as you can see, workforce is a multi-faceted problem that must have a multi-faceted solution to remove barriers and create opportunities.

Thank you for the opportunity to share a little about how collaborative partnerships in Kentucky are benefiting all of our citizens, workforce and economy.