

**INTERLOCAL AGREEMENT AMONG
THE KENTUCKY COUNTIES OF**

**Anderson, Bourbon, Boyle, Clark, Estill, Franklin, Garrard, Harrison, Jessamine,
Lexington-Fayette, Lincoln, Madison, Mercer, Nicholas, Powell, Scott and Woodford**

THIS INTERLOCAL AGREEMENT ("Agreement") is made among and between THE KENTUCKY COUNTIES OF Anderson, Bourbon, Boyle, Clark, Estill, Franklin, Garrard, Harrison, Jessamine, Lexington-Fayette, Lincoln, Madison, Mercer, Nicholas, Powell, Scott and Woodford (hereinafter referred to as "Parties"), all entities being bodies corporate and politic of the Commonwealth of Kentucky.

WITNESSETH THAT:

WHEREAS, the Kentucky Interlocal Cooperation Act (hereinafter referred to as "State Act"), KRS 65.210 through 65.300 permits the Parties to make the most efficient use of their powers by enabling them to cooperate on a basis of mutual advantage and thereby provide services and facilities in a manner and form that will best accord with geographic, economic, population and other factors which influence the needs and development of local communities; and

WHEREAS, the Workforce Innovation and Opportunity Act (hereinafter referred to as the "Federal Act"), enacted by the Congress of the United States, provides for federal United States Department of Labor funds to be granted to the several states for the delivery of services and programs under the Federal Act; and

WHEREAS, the Parties wish to increase the effectiveness of the area's workforce development system under the Federal Act; and

WHEREAS, the purpose of this Agreement is to specify the respective roles of the individual chief local elected officials pursuant to Section 107(c) of the Federal Act as amended or modified from time to time, and to comply with the state and federal law and regulations on Interlocal Agreements as amended or modified from time to time; and

WHEREAS, the Parties desire to terminate and replace all prior Interlocal Cooperative Agreements with this Agreement, provided this Agreement is: (a) adopted by all Parties; (b) is approved by the Department for Local Government in accordance with the provisions of KRS 65.210; and (c) a certified copy is filed with the Kentucky Secretary of State pursuant to KRS 65.290.

NOW, THEREFORE, in consideration of the mutual covenants and understandings contained herein, the parties agree as follows.

1. EXECUTION OF AGREEMENT AND EFFECTIVE DATE. This Agreement shall become effective upon: (a) Its approval by Anderson, Bourbon, Boyle, Clark, Estill, Franklin, Garrard, Harrison, Jessamine, Lincoln, Madison, Mercer, Nicholas, Powell, Scott, and Woodford County Fiscal Courts and the Lexington/Fayette Urban County Government, and due execution pursuant thereto by each County Judge/Executive (the "Judge Executives") and the Mayor of the Lexington/Fayette Urban County Government (the "Mayor") (the Judges and Mayor are hereinafter referred to collectively as "Local Elected Officials" or "LEOs"), (b) upon approval of the Kentucky Commissioner of the

Department for Local Government (the “Commissioner”) under provisions of the State Act as amended or modified from time to time; (c) a copy of this Agreement, after its full approval being filed with the Kentucky Secretary of State's Office and with the Kentucky Education and Workforce Development Cabinet (the “EWDC”).

2. AGREEMENT DURATION. The term of this Agreement shall be from July 1, 2025, through June 30, 2030. The Parties will begin discussions regarding a new Agreement no later than six (6) months prior to the expiration of this Agreement, and will execute a new Agreement and have it duly approved by all Parties and the Commissioner and recorded in the appropriate government offices prior to June 30, 2030.

3. GOVERNING BOARD.

A. A Governing Board of LEOs shall consist of the 16 Judge Executives and the Mayor. An Executive Committee is established to include the following: the Co-Chief Local Elected Officials ("CLEOs"), who shall serve as the Co-Chairs of the Governing Board and as the Co-Chairs of the Executive Committee (with the Co-Chairs alternating as Chair for each meeting), plus five (5) additional members. The additional members shall be selected from a majority vote of the Governing Board as set forth below. Members of the Executive Committee who are not the co-CLEOs shall serve for a term of two-years and may serve one (1) additional two year consecutive term.

The Governing Board has Bylaws in place and are filed with the EWDC.

- B. The Governing Board shall, in accordance with federal and state law as amended or modified from time to time, and federal and state regulations and policies as amended or modified from time to time, by a duly called meeting of the Governing Board take the following actions:
- i. Selection of the Co-CLEOs, provided, however, the Mayor shall always be one of the Co-CLEOs;
 - ii. Selection of Executive Committee Members
 - iii. Designation of the fiscal agent;
 - iv. Designation of a grant subrecipient;
 - v. Authorization for the Co-CLEOs to request the Governor's consent for the local workforce development board (the "LWDB") to be the direct service provider;
 - vi. Approval of the LWDB annual budget; and
 - vii. Selection of the one-stop operators.
- C. Unless otherwise provided herein, Co-CLEOs shall jointly make all other decisions and perform all other duties and functions assigned to the Chief Local Elected Official by the Federal Act, or by implementing federal or state regulations or policies as amended or modified from time to time. If the Co-CLEOs cannot agree on any matter, the Executive Committee will make the decision by a 2/3 super majority vote of all Executive Committee members.
4. PARTICIPATING LOCAL ELECTED OFFICIALS. Attached hereto and incorporated herein are the names, representation, and contact information for each LEO in the workforce development area and the Co-CLEOs. The information shall be updated as

necessary by submitting such updates to the LWDB and to the EWDC's Department of Workforce Investment.

5. DESIGNATION OF CO-CHIEF LOCAL ELECTED OFFICIALS

A. The following selection or appointment process shall be followed:

- i. The Governing Board shall elect a LEO to serve as an At-Large Co-Chief Local Elected Official (CLEO) to serve with the LEO of the Lexington-Fayette Urban County Government as the other Co-CLEO. To be elected as the At-Large CLEO, the At-Large member shall receive a simple majority of the votes of the LEOs present at a meeting where there is a quorum.
- ii. The Co-CLEOs shall not serve as the highest-ranking officer on any Board or other entity that governs any local grant subrecipient, local fiscal agent, or service delivery provider.
- iii. The Co-CLEOs shall not derive any personal benefit or gain, directly or indirectly, by reason of his or her participation as the Co-CLEO of the local workforce development area.
- iv. The Co-CLEOs shall disclose to the Governing Board any personal interest which he or she may have in any matter pending before the organization and shall refrain from participation in any decision on such matter.
- v. The Co-CLEOs and his or her immediate family members shall not be a participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with the local workforce development area which results or may result in a personal benefit.

- vi. The Co-CLEOs shall not be a recipient, directly or indirectly, of any salary payments, loans, gifts of any kind, any free service, discounts, or other fees from, or on behalf, of any person or organization having transactions with the local workforce development area.
 - B. The term of the At-Large CLEO shall be two (2) years and may serve one (1) additional consecutive two-year term.
 - C. The Co-CLEOs shall jointly serve as the signatories for the LEOs related to Federal Act matters, unless the action has been approved by the Governing Board of LEOs, in which case either Co-CLEO may serve as the signatory for the LEOs related to Federal Act matters.
 - D. All duties or functions of the Co-CLEOs must be performed jointly, unless the action has been approved by the Governing Board of LEOs in which case either Co-CLEO may execute such documents or take such action as necessary to carry out the direction of the Governing Board of LEOs. No such matter shall be submitted to the Governing Board for a vote unless one or both Co-CLEO's report that they are unable to reach agreement and request a vote of the Governing Board.
6. DISPUTE RESOLUTION. If there is a dispute between the Co-CLEOs, either Co-CLEO shall call a meeting of the Executive Committee and the Executive Committee shall resolve the matter by 2/3 majority vote of all the Executive Committee members. If one of the Co-CLEOs is not satisfied with the resolution of the Executive Committee, then the unsatisfied Co-CLEO shall call a meeting of the Governing Board within five (5) business days of the Executive Committee meeting, and the Governing Board shall resolve the dispute by a 2/3 super majority vote of all the members. Other than Co-CLEO disputes, whenever any

dispute arises between the Parties, under this Agreement, the Parties may invoke Dispute Resolution and agree to seek resolution of such dispute as follows:

- A. The Parties will seek in good faith to resolve any such dispute by arranging a meeting between the Parties with authority to resolve the matter within five (5) business days after either Party receives notice of a dispute. If the Parties are unable to resolve the dispute informally within 10 working days, either Party may request the assistance of a mediator. The person selected as mediator shall be mutually agreed upon by the Parties. If the Parties cannot agree, then a mediator will be selected by the Executive Committee of the LEO's. If possible, the services of a volunteer, unpaid mediator should be utilized.
 - B. If it proves impossible to arrive at a mutually satisfactory solution through mediation within 30 working days of the request for the mediator, and any Party may refer the dispute to an arbitrator, and all Parties will be required to submit this matter to the arbitrator, who will be authorized to make a decision regarding the dispute, and that decision will be final and binding on the Parties.
7. FISCAL AGENT OR GRANT SUBRECIPIENT DESIGNATION. The Governing Board shall designate the Fiscal Agent and Grant Subrecipient in accordance with federal and state law and federal and state regulations and policies as amended or modified from time to time.

Selection by either designation or procurement shall not relieve the LEOs of the liability for any misuse of grant funds as apportioned in this Agreement.

8. **LIABILITY:** The local jurisdictions of each LEO shall always remain liable for misuse of funds. In the event of a determination that a misuse of funds has occurred, the following priorities for recouping those funds shall apply:
 - A. **First Priority:** fiscal agent or grant subrecipient shall attempt to recover funds from the contractor, agent or third party causing the liability;
 - B. **Second Priority:** fiscal agent or grant subrecipient shall attempt to recover funds from an insurance carrier or bond issuer;
 - C. **Third Priority:** fiscal agent or grant subrecipient shall attempt to obtain a waiver of liability or offset liability against current or future grant revenues;
 - D. **Fourth Priority:** fiscal agent or grant subrecipient shall repay the liability from its funds to the extent permitted by law; and,
 - E. As a last resort and only to the extent required by the Federal Act as amended or modified from time to time, the Parties agree to cover unmet liabilities to the state and federal governments. The parties shall share liability to the state and federal governments equally.
9. **LOCAL AREA SERVICE DELIVERY PROVIDER.**
 - A. As authorized in Section 107(g)(2) of the Federal Act as amended or modified from time to time, LWDB may provide career services described in Section 134(c)(2) through a one-stop delivery system or be designated or certified as a one-stop operator only with the agreement of the Co-CLEOs and Governor. The Governor's agreement must be obtained by the Co-CLEOs, after authorization by the Governing Board, in accordance with the Federal Act and state regulations as amended or modified from time to time.

- B. In cases where the LWDB does not seek to provide career services, any one-stop operator shall be designated or certified by the Governing Board through a competitive process in accordance with the Federal Act and state regulations and policies as amended or modified from time to time. The process shall be outlined in a Partnership Agreement between the LEOs and the LWDB. The LWDB shall enter into a Memorandum of Understanding for the one-stop delivery system in compliance with 20 CFR Sec. 678.500, as amended or modified from time to time, and/or other federal and state laws, regulations and policies.

10. COMMUNICATION.

- A. The Executive Committee shall meet quarterly to discuss the activities within the workforce development area and to complete their responsibilities under the Federal Act as amended or modified from time to time. The Executive Committee also shall meet upon the request of the Co-CLEOs, the Governing Board, or a majority of the LEOs on the Executive Committee. The meetings shall be conducted in accordance with the Kentucky Open Meetings Act as amended or modified from time to time.
- B. No less than once a year, the LEO Governing Board and Bluegrass Workforce Innovation Board will conduct a joint meeting. The meeting will be held to jointly discuss strategic efforts and operations for the coming year as well as any updates from both organizations and other business as may be necessary. The chair of the meeting will rotate between one of the Co-CLEOs and the Workforce Board Chair. The Co-CLEOs and the Workforce Board Chair will jointly develop the agenda for

a joint meeting. The Workforce Board Chair will serve as Chair for the first joint meeting.

- C. The Co-CLEOs shall keep the LEOs informed regarding LWDB activities by the following process and procedure: draft minutes of any Governing Board or Executive Committee meeting shall be distributed to all LEOs within five (5) business days using the contact information provided in this Agreement with final minutes being distributed with the next meeting packet. Meeting minutes will be produced by the administrative staff to the LEOs. Additional information that the LEOs desire to review will be requested from the LWDB as outlined in the Partnership Agreement.

11. LOCAL WORKFORCE DEVELOPMENT BOARD BUDGET APPROVAL. The Governing Board shall review and, if acceptable, approve the local workforce development board annual budget pursuant to the following process:

- A. A meeting will be held among the Co-CLEOs and the members of the Executive Committee of the LWDB to reach agreement on a budget format and have a discussion regarding strategic priorities to be taken into consideration in the budget development process.
- B. A draft budget will be developed by the LWDB for review by the Co-CLEOs.
- C. The Co-CLEOs will review the proposed budget and provide feedback to the LWDB.
- D. The Executive Committee of the LWDB will review the feedback and develop a final draft budget to be presented to the Co-CLEOs.

- E. The Co-CLEOs will present the final draft budget for review by all LEOs and approval by the Governing Board.
- F. The final budget shall be presented and approved at the LWDB meeting. The LWDB chair and both CLEOs will then sign the final budget which will be presented to the fiscal agent and the grant subrecipient. If one of the Co-CLEO's will not sign the approved budget, one Co-CLEO may sign the budget upon approval of the Executive Committee of the LEO's. Upon passage, the approved budget and signatures will be forwarded to the EWDC.

12. LOCAL WORKFORCE DEVELOPMENT BOARD REPRESENTATION.

- A. The LWDB's member nomination, selection and confirmation shall comply with the Federal Act and state regulations and policies as amended or modified from time to time.
- B. The process for determining the initial size of the LWDB is as follows: the Co-CLEOs shall establish the initial size in accordance with the Federal Act and state regulations and policies as amended or modified from time to time, after consideration of fair and equitable representation.
- C. The process for selecting, appointing, removing or reappointing LWDB board members is as follows:
 - i. All local workforce development board members shall be appointed in accordance with the criteria established between the Governor and the Kentucky Workforce Investment Board in accordance with the Federal Act and state regulations and policies as amended or modified from time to time.

- ii. Local workforce development board members who no longer hold the position or status that made them eligible local board members must resign or be removed by the Co-CLEOs immediately as a representative of that entity (i.e., no longer work in the private sector, or no longer with an educational institution). For example, an appointee serving because of his or her employment in the private sector must resign or be removed if he or she retires or moves to the public sector.
- iii. The local workforce development board members must be actively engaged and employ staff in the sector in which they were appointed to represent.
- iv. Local workforce development board members replacing out-going member's mid-term will serve the remainder of the out-going member's term. A mid-term appointment shall represent the same industry sector that created the vacancy. A LEO Executive Committee board member replacing an outgoing member mid-term will also serve the remainder of the outgoing member's term once selected by the LEOs.
- v. Local workforce development board vacancies must be filled within a reasonable amount of time of the vacancy as determined by the local workforce development area, but no later than 90 days from occurrence. The Co-CLEOs are authorized to make all jointly agreed appointments and reappointments of members. Reappointments must be made within a reasonable time of the term expiration, but no later than 90 days thereafter. Waivers are to be requested in writing to the Division Director, Department of Workforce Investment with an explanation of why a vacancy was not filled

in the defined timeframe and a description of the process underway to fill the vacancy.

- vi. Local workforce development board members must be removed by the Co-CLEOs if any of the following occurs: documented violation of conflict of interest, failure to meet local workforce development board member representation requirements defined in the Federal Act and state regulations and policies as amended or modified from time to time, or documented proof of fraud and /or abuse. Local workforce development board members will be removed for not meeting attendance guidelines as set forth in local workforce development board bylaws.
 - vii. Local workforce development board appointments do not require the signature of the LEOs, but rather only the signature of both the CoCLEOs. Co-CLEOs will jointly agree to and sign workforce development board appointments and jointly notify the LEO Executive Committee at the next committee meeting of the appointments. If the Co-CLEO's are unable to agree to an appointment, the Executive Committee of the LEO's may approve an appointment and one Co-CLEO may sign the appointment.
- D. The term of office for local workforce development board members shall be staggered three (3) years based on initial appointments.
- E. Local workforce development board members or members of a standing committee in accordance with Section 107(h)(i)(1) and (2) of the Federal Act as amended or modified from time to time, may not: vote on a matter under consideration by the local board

- i. Regarding the provision of services by such member (or by an entity that such member represents); or
 - ii. That would provide direct financial benefit to such member or the immediate family of such member; or
 - iii. Engage in any activity determined by the Governor to constitute a conflict of interest as specified in the state plan; or
- F. A local workforce development board member may not have been an employee of the fiscal agent, grant sub-recipient or other contracted partner at any point or for any amount of time during the previous three (3) years.
- G. The Local Workforce Development Board shall notify the LEOs of any changes desired to LWDB's By-Laws. The LEOs have the responsibility to confirm that By-Laws conform to the state and federal law, including but not limited to 20 C.F.R. sec. 679.310(g). No changes to the By-Laws will be effective until approved by the LEOs.

13. LOCAL WORKFORCE DEVELOPMENT BOARD COMPLIANCE WITH FEDERAL LAW AND PARTNERSHIP AGREEMENT

- A. The Governing Board will enter into a Partnership Agreement with the LWDB to address the various Federal requirements relating to the process for development and approval of a local plan, including the review and approval of the local plan as required by 20 CFR Sec. 679.370(a) and WIOA Sec. 107(d)(1). If the local area is part of a planning region that includes other local areas, develop and submit a regional plan in collaboration with other local areas. If the local area is part of a planning region, the local plan must be submitted as a part of the regional plan.

- B. The Partnership Agreement shall also address: (1) the LWDB role in providing oversight of youth workforce investment activities authorized under WIOA sec. 129(c), adult and dislocated worker employment and training activities under WIOA sec. 134(c) and (d), and the entire one-stop delivery system in the local area; (2) ensure the appropriate use and management of the funds provided under WIOA subtitle B for the youth, adult, and dislocated worker activities and one-stop delivery system in the local area; (3) ensure the appropriate use management, and investment of funds to maximize performance outcomes under WIOA sec. 116; and (4) the process by which the LWDB will negotiate and reach agreement with the Co-CLEOs and the Governor on local performance indicators.

14. SELECTION OF A NEW CO-CLEO. When a new Co-CLEO is selected in accordance with this Agreement, the newly selected Co-CLEO must submit to the LWDB and the Department of Workforce Investment, a written statement acknowledging that he or she:

- A. Has read, understands and will comply with the current Interlocal Agreement; and
- B. Has apprised the Department of Workforce Investment of the change in Co-CLEO designation.

15. SELECTION OF A NEW LEO. When a new LEO is elected within the local workforce development area, the newly elected official must submit to the local workforce development board a written statement acknowledging that he or she:

- A. Has read, understands, and will comply with the current Interlocal Agreement; and
- B. Reserves the option to request negotiations to amend the Interlocal Agreement at any time during the official's tenure as a LEO.

16. AMENDMENT. This Agreement may be amended by written consent of all the Parties subject to approval and recording in accordance with the State Act as amended or modified from time to time. A copy of any amendment approved in accordance with the State Act as amended or modified from time to time, shall be submitted to the EWDC and the local workforce development board.
17. INCORPORATION BY REFERENCE. The following documents, as such may be amended, modified or replaced in the future, are incorporated herein by reference and made a part of this agreement: the Federal Workforce Innovation and Opportunity Act; Kentucky Workforce Innovation Board Policy 15-001; Kentucky Workforce Innovation Board Policy 15-002; and Kentucky Workforce Innovation Board Policy 15-003.
18. SIGNATURES. By signing this Agreement, each local elected official certifies that his or her signature has been duly authorized by official action of his/her governmental body. The agreement may be executed in one or more counterparts, each of which, when combined with all other counterparts, will constitute a completely executed agreement subject to approval by the Department for Local Government and the EWDC.

NOTE: Upon approval, please sign below your county name.

ANDERSON COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

BOURBON COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

BOYLE COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

CLARK COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

ESTILL COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

FRANKLIN COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

GARRARD COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

HARRISON COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

JESSAMINE COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

LEXINGTON-FAYETTE COUNTY	
<i>Rinda Gorton</i>	
<i>Mayor</i>	<i>7/17/2025</i> <i>Date</i>

LINCOLN COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

MADISON COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

MERCER COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

NICHOLAS COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

POWELL COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

SCOTT COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

WOODFORD COUNTY	
<i>County Judge/Executive</i>	<i>Date</i>

DEPARTMENT FOR LOCAL GOVERNMENT	
<i>Commissioner</i>	<i>Date</i>