

## **The Kentucky Digital Health Tech & Artificial Intelligence Innovation Coalition Phase 2 Overarching Narrative**

**Vision:** “While Louisville has the assets to bet big on AI and the data economy in the health realm. . .Efforts to make Louisville a stronger and more inclusive data economy hub must contend with a deeper level of local racial exclusion than exists in most peer metro areas. Black (and Brown) workers in Louisville are heavily underrepresented in computer and mathematical jobs, reflecting historically high levels of residential, educational and occupational segregation. Louisville has even more work to do than other cities to ensure its future technology economy is more racially equitable.”<sup>i</sup> In 2021, Brookings and Louisville Metro Government (LMG) created a strategic roadmap, “How Louisville Can Become a Stronger and More Equitable Hub for AI and Data Economy Jobs.”<sup>ii</sup> The report pointed to three strategies for the region to pursue: 1) broaden and diversify the data and AI talent pipeline; 2) support AI adoption and adaptation in Louisville’s businesses; and 3) develop and market Louisville’s AI niche in the region. Thus, The Kentucky Digital Health Tech & Artificial Intelligence Innovation Coalition (The Coalition) adopted this vision: To establish the region as a nationally-competitive hub for digital health tech and AI by accelerating business adaptation and innovation, building equitable pathways into family-supporting jobs, and attracting venture capital investment, all while sustaining pandemic recovery, increasing equity and leading to resiliency for future economic fluctuations.

**Cluster Description:** “Louisville’s health care cluster appears to be significantly more data-economy-oriented than the same industry in peer cities (1.5%) or nationally (1.2%). This likely reflects the presence of (a number of) healthcare company headquarters in Louisville - functions for which data economy skills are highly relevant.”<sup>iii</sup> The region has “stronger-than-average collaboration in multiple areas that, by facilitating data access, funding, training, and business development, can form the basis for a powerful AI strategy.”<sup>iv</sup> In 2020, Louisville ranked first for health and medical companies.<sup>v</sup> The region is comprised of companies from the entire continuum of care (e.g., hospital systems, health insurers, post-acute care sites, and end-of-life care).

**Coalition Members/Additional Partners:** The Coalition is led by Louisville Healthcare CEO Council (LHCC) comprised of the region’s top 14 healthcare companies: Anthem, Apellis Pharmaceuticals, Atria Senior Living, Baptist Health, BrightSpring Health Services, Galen College of Nursing, Hosparus Health, Humana, LHC Group, Norton Healthcare, ScionHealth, Signature HealthCARE, Trilogy Health Services, and University of Louisville (UofL) Health. Other Coalition members are: Academy of Music Production Education and Development (AMPED), Greater Louisville Inc. (GLI), Kentuckiana Regional Planning and Development Agency (KIPDA), LMG, Louisville Urban League (LUL), Metro United Way (MUW), and UofL. Other partners include - but are not limited to - the region’s county seats as well as Amazon Web Services, Community Coordinated Child Care (4-C), El Toro, Endeavor Louisville, General Assembly, IBM, Jefferson County Public Schools, KentuckianaWorks, Microsoft, Productive Edge, Render Capital, Sheltoewee Angel Network, StoryLouisville, and TECH-Nique. Regarding partner coordination, The Coalition will utilize governance structures designed to provide a process for decision making, responsibility delegation and handling disputed matters, and ensure accountability, transparency, empowerment, diversity, equity, and inclusion. As evidence, The Coalition developed a Coalition Operating Agreement and Guiding Principles that document its implementation of a systematic approach to decision making, management and ensuring Component Application (CA) success. (See Governance Attachments)

**Component Application Projects:** CA #1a and #1b, Innovation Corridor: NuLu and Russell Stations, will build geographically strategic program spaces and provide connecting points for executives, technologists and entrepreneurs from diverse groups. CA #2, Workforce Development with Wrap-Around Supports, will increase and diversify the talent pipeline by mitigating barriers to training and employment. CA #3, Digital Health Entrepreneurship, Innovation and Commercialization Programs, will increase the region’s capacity to support high-growth startups, corporate innovation and IP commercialization. CA #4, Digital Health Applied Research Program, will focus on applying AI, machine and deep learning to solve challenges related to industry-identified healthcare priorities while focusing on increasing talent pipeline diversity. All CAs will tie to a “Digital Corridor,” physical satellite locations in KIPDA regional counties with in-person training and wireless access for anyone in any county - rural or urban.

**Projects Support CEDS:** CEDS identifies healthcare as a strategic target sector. CA projects support CEDS Goal #1 “to create a sustainable regional economic development strategy that encourages urban and rural collaboration, diversified growth, and entrepreneurial support” by stimulating economic growth via regional-driven workforce development programming, wrap-around supports, commercialization, and applied research; Goal #2 “to foster a skilled and flexible workforce that successfully meets the needs of existing and emerging industries and technologies” per Brookings’ roadmap, and Goal #5 “to encourage and support the development of a region with a diversified economy where all residents can live healthy and productive lives, regardless of age or ability by promoting sustainable development measures such as diversifying the local healthcare industry and preparing it for the emerging AI and data economy.”

**Additional Initiatives:** To promote diversity, equity and inclusion, LMG Ordinance No. 19 Series 2021 requires that all Metro agencies complete an Equity Impact Statement every year using the “Department Equity Impact Statement” form. In order to assist in determining equity goals as part of this statement, the Office of Equity developed a required “Equity Budget Assessment Tool and Questionnaire.” In the private sector, LHCC’s Center for Healthcare Workforce Innovation (CHWI) will implement a systems-level healthcare workforce strategy and link to the Health Equity Innovation Hub, an initiative by UofL and Humana focusing on research, talent development and entrepreneurship deliberately focusing on health equity, social determinants of health, and digital health and AI. LHCC’s \$50M Strategic Investment Fund (SIF) will advance the work in CA #3. To build a robust talent pipeline, LouTech Works (a collaboration of JCPS, employers, higher ed, and nonprofits) offers career pathways and training focused on IT, including AI. The Better Kentucky Plan will assist in the creation of an expected 10,000 new jobs using \$300M in American Rescue Plan Act state funds to expand broadband access. Broadband access is critical for the achievement of The Coalition’s goal to ensure that all groups - both rural and urban in the seven-county KIPDA region - have full access to each CA.

**Metrics of Success and Timeline:** “Black workers are more underrepresented in Louisville’s data economy than in most peer regions. The resulting disparity is larger than all but two of Louisville’s peer cities.”<sup>1</sup> Hence, the main success metrics are to close the tech workforce equity gap in ½ by 2027 (going from 8% Black tech workers to 11% with parity at 14%), create and fill 6,000 new tech jobs by 2027 and achieve gross domestic product (GDP) growth of \$456M. Projects will be executed during 48-months with construction complete by October 2026 and sustainability by September 2027. Specific metrics and timelines are detailed in CA narratives.

**Description of Location and Region:** All Component Applications are located in the Metro Louisville, Kentucky area and will serve the seven-county EDA-designated economic development district known as Kentuckiana Regional Planning and Development Agency (KIPDA). This region represents roughly one-fifth of the population, one-fourth of the jobs in Kentucky and only 22% have a Bachelor’s degree or more (see Figure 1). The primary service

area is home to just over 1 million people and 58,000+ businesses and includes counties identified by these names and 5-digit FIPS Codes: Bullitt (21029), Henry (21103), Jefferson (21111), Oldham (21185), Shelby (21211), Spencer (21215), and Trimble (21223). Note that all of the proposed work will target individuals from historically excluded populations, racial minorities and women, especially those from west Louisville as well as Trimble, Henry and Bullitt counties – distressed

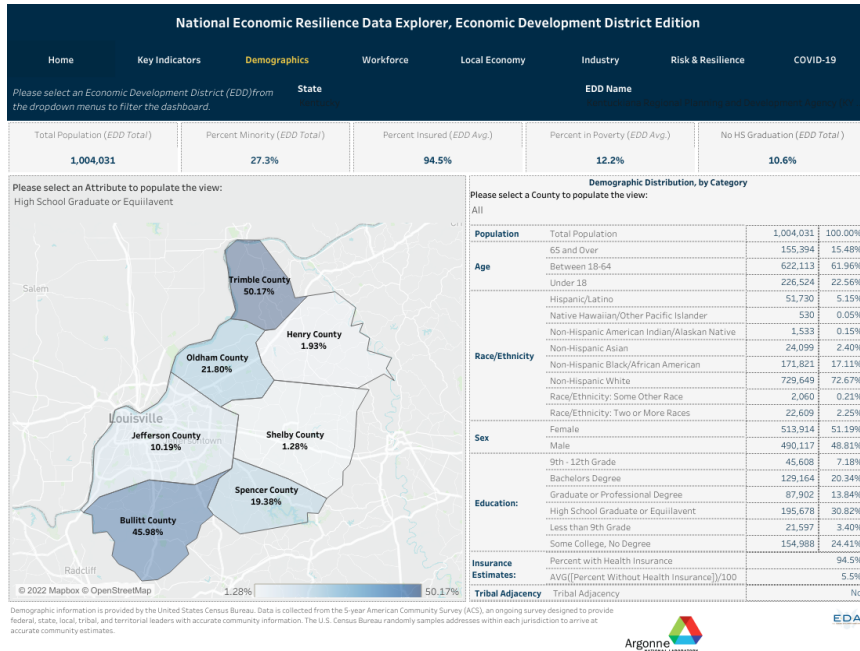


Figure 1. National Economic Resilience Data Explorer, Demographics, KIPDA

counties which fall well below national averages on per capita personal income (PCPI) and per capita money income (PCMI).

The region has been hard hit by the economic impact of COVID-19 per the Bureau of Labor Statistics. Low-wage workers have been stricken, with jobs paying below median wage down 18% versus pre-pandemic levels per Opportunity Insights. Louisville lost 15% of its childcare capacity in the pandemic, and wrap-around supports like this are essential for Coalition CA success.

**Economic Distress Criteria**

24-month Avg. BLS Unemployment Rate ending December 2021  
 2020 Per Capita Personal Income (BEA PCPI)  
 2019 Per Capita Money Income (ACS 5-year PCMI)

|                      | 24 Month Unemployment | Threshold Calculation | BEA PCPI | Threshold Calculation | ACS 5-Year PCMI | Threshold Calculation |
|----------------------|-----------------------|-----------------------|----------|-----------------------|-----------------|-----------------------|
| Selected Region      | 5.38                  | -1.32                 | \$56,815 | 95.5                  | \$33,323        | 97.7                  |
| U.S.                 | 6.70                  | 0.00                  | \$59,510 | 100.0                 | \$34,103        | 100.0                 |
| Bullitt County, KY   | 5.28                  | -1.42                 | \$46,618 | 78.3                  | \$29,333        | 86.0                  |
| Henry County, KY     | 4.66                  | -2.04                 | \$43,426 | 73.0                  | \$25,202        | 73.9                  |
| Jefferson County, KY | 5.59                  | -1.11                 | \$57,863 | 97.2                  | \$33,251        | 97.5                  |
| Oldham County, KY    | 4.02                  | -2.68                 | \$68,986 | 115.9                 | \$42,272        | 124.0                 |
| Shelby County, KY    | 4.46                  | -2.24                 | \$50,602 | 85.0                  | \$32,468        | 95.2                  |
| Spencer County, KY   | 4.83                  | -1.87                 | \$49,066 | 82.4                  | \$33,661        | 98.7                  |
| Trimble County, KY   | 5.48                  | -1.22                 | \$44,227 | 74.3                  | \$27,237        | 79.9                  |

Figure 2. EDA’s Stats America Measuring Distress County Tool

A priority area is west Louisville.

“West End residents are more likely to live in poverty than residents in other areas of the city. Poverty rates in eastern Louisville tend to fall below 10%, while poverty rates in the Russell neighborhood (in west Louisville) are over 80%.<sup>iii</sup> 86% of LUL clients are African American and 59% are female. 93% have an income less than 80% of the area median income, 62% live on an income less than \$25,000, and 55% live in Louisville’s poorest zip codes. Also, a priority are the region’s rural counties; all, except Oldham, fall below national averages (see Figure 2).

**Participation Description and Commitments:** The Coalition is proud to report that it has obtained hiring commitments from all 14 LHCC member healthcare companies. Collectively, via the training avenues detailed in the Component Applications, LHCC will recruit and place 2,000 individuals (500 per year) in health tech jobs earning an average annual salary of \$60,028.80 (aligned with the number of health tech jobs open annually according to Bureau of Labor Statistics projections). Furthermore, The Coalition has received matching commitments from all Coalition members, in addition to other commitments, as detailed in Table 1 below:

| Coalition Partner | Responsibilities Relative to Overarching and Component Applications   |
|-------------------|---|
| LHCC              | Committed \$4,154,887 in matching funds (cash)<br>Run HIVE Commercialization Program (launch 4 new ventures with \$20M in equity financing)<br>Run pre-seed and seed accelerator (40 pre-seed stage and 20 seed stage companies completing programs, average \$1M raised)<br>Manage access to the LHCC Health Data Hub (8 interventions scaled with average of \$50M revenue and 50 new jobs per intervention)<br>Connect programs to industry champions<br>Member companies committed to hiring 2,000 (500 per year) qualified workers trained in the programs |
| AMPED             | Committed \$500K in matching funds (cash)<br>Recruit and enroll at least 400 participants<br>Support health tech job placement of at least 375 participants<br>Cover operating expenses for Russell Station   |
| GLI               | Committed \$215,813 in matching funds (in-kind)<br>Hire Workforce Success Navigator<br>Coordinate Healthcare Enterprises Network & TechFirst programs with The Coalition's Ecosystem Coordinators<br>Co-manage the Racial Equity and Inclusion Consultant program with LMG  |
| KIPDA             | Committed \$118,155 in matching funds (in-kind)<br>Submitted RFP for Regional Broadband Feasibility Study to assist with broadband expansion efforts<br>Secured pledges from the 6 Work Ready Committees in the surrounding region to connect their citizens to training programs<br>Secured pledges from the 6 surrounding county public libraries to serve as satellite locations in the Digital Corridor<br>Manage the Regional Work Ready Coordinator<br>Monitor the 6 satellite locations in the Digital Corridor<br>Recruitment outreach                  |
| LMG               | Committed \$3,786,000 (\$3M cash + \$786K in-kind) in matching funds<br>KentuckianaWorks Code Louisville recruit and enroll at least 800 participants<br>Support health tech job placement of at least 500 participants<br>TARC circulator bus route along Innovation Corridor<br>Run the Train the Instructor program with UofL - training 160 instructors who will reach 4,800 learners<br>Co-manage the Racial Equity and Inclusion Consultant program with GLI<br>Cover operating expenses for NuLu Station   |
| LUL               | Committed \$308,868 in matching funds (in-kind)<br>Manage Empowerment Navigators<br>Recruitment outreach  |
| MUW               | Committed \$500K in matching funds (cash)<br>Administer and partner with Community Coordinated Child Care (4-C)<br>Advise and support the development and expansion of sustainable employer-based childcare programs<br>Manage technology platform to connect participants to wrap-around services (United Community)<br>Recruitment outreach   |
| UofL              | Committed \$3M in matching funds (cash)<br>Conduct industry-aligned research & development programs<br>Run the Train the Instructor program with LMG - training 160 instructors who will reach 4,800 learners<br>Train 15 underrepresented computer science students at HIVE Commercialization per year   |

Table 1. Commitments Across The Coalition

As shown in the Letters of Commitment for The Coalition's Phase 2 Application, The Coalition has also secured significant commitments from global technology leaders such as Amazon Web Services, Google and IBM as well as a continued partnership commitment from Microsoft for the Louisville Future of Work Initiative and for LHCC and UofL-based, product-focused research and development projects. Also, The Coalition has secured multiple other partnerships and commitments from many of the entities described throughout the narratives.

**Sustainability:** The Coalition was intentionally assembled not only with equity in mind, but with sustainability strongly considered. Hence, its members are diverse and have tremendous institutional stability. Most Coalition members have decades - if not more than a century - of history in the region. Even LHCC, which began as a collective organization in 2017, represents several longstanding institutions that are the bedrock of Louisville's largest industry cluster (e.g., Norton Healthcare incorporated in 1886; Baptist Health in 1924; Humana in 1961). And most critical, LHCC members have committed to the hiring of 2,000 individuals for digital health and AI jobs as a result of The Coalition's detailed plan described in the CA narratives.

Letters of Commitment from Kentucky Governor Andy Beshear, Louisville Mayor Greg Fischer, numerous Kentucky State Senators, and leaders in the region's county seats, demonstrate local government commitment to ensuring the sustainability of The Coalition's efforts. The CAs are fully aligned with existing public and private investments, including the American Rescue Plan Act, positioning the region for sustained success post grant funding.

KIPDA has committed to assist with broadband expansion efforts in the region. It has submitted Request for Proposals (RFP) for a Regional Broadband Feasibility Study to determine the need and cost to expand internet services in its regional counties. Improving broadband infrastructure will improve equitable access to technology that will sustain the growth of regional digital health and AI jobs and allow previously underserved groups access to high quality tech job opportunities.

Per the Brookings roadmap, The Coalition aims to transform the Louisville digital health and AI economy via workforce development, private sector engagement, and applied research and commercialization – all of which build on existing foundations. For workforce development, LMG, LUL, AMPED, GLI, and UofL all have existing tech job initiatives with robust programming. Given their track records of local institutional support in combination with the permanent spaces created along the Innovation and Digital Corridors bookended with the NuLu and Russell Stations, these projects will continue to exist post grant funding.

For private sector engagement, LHCC is self-sustaining and will continue to support corporate engagement efforts on digital health innovation post grant funding. The infrastructure expansion and outcomes from the CAs will allow LHCC to demonstrate clear ROI to its membership and maintain the operations of the digital health entrepreneurship and innovation efforts as a part of LHCC's expanded operational budget. Also, the \$50M LHCC SIF will provide healthcare entrepreneurs, growth and early-stage companies with capital access by investing not more than 10% of the total fund amount into any single deal, with a maximum investment of \$5M into any one company. On the applied research and commercialization front, LHCC has a deep relationship with UofL, including significant healthcare innovation and entrepreneurship work. UofL has a robust and well-funded infrastructure for technology development, innovation, entrepreneurship, and expert evaluation that solidifies long-term sustainability and is currently funded with commercialization-affiliated income in excess of \$20M annually.

Finally, by following Brookings' "Five Traits of Successful Cluster Initiatives," The Coalition expects to create a self-sustaining positive feedback loop of agglomeration, spillover effects and local multipliers. Given the multitude of existing initiatives, public and private funding streams, and buy-in from key partners described above, the Louisville region will spur a virtuous economic cycle with a sustainable - and more equitable - digital health tech and AI cluster.

**Engagement of Community-based Organizations and Labor Unions:** The Coalition’s plan to engage community-based organizations, labor unions and labor organizations focuses on 1) community engagement activities; 2) strategies for labor standard compliance; and 3) connections and collaborations with labor organizations.

### **Community Engagement**

The Coalition recognizes that community and stakeholder engagement is an essential and even mandatory part of having successful Component Applications. Via community engagement, The Coalition will be able to bring to life the mission/vision/values of The Coalition’s Phase 2 Application and engender a sense of community ownership, pride and stewardship of the component projects. The Coalition will engage the public in the development of a strong shared vision and inform them about its Phase 2 Application activities, especially construction projects. The Coalition will not only partner with Work Ready Communities but hire a Regional Work Ready Coordinator to assist with outreach and to connect people to supports. Also, in collaboration with local organizations such as the West Louisville Dream Team and the Louisville Independent Business Alliance (LIBA), it will educate impacted communities on the reason for its projects, along with their accompanying risks and benefits. In addition, The Coalition will build into its processes the principles of placemaking and the creation of precincts.

### **Labor Standard Compliance**

To date, The Coalition is not structured as a corporate entity or nonprofit organization. The Coalition also does not have any employees. Thus, there are limited situations in which it will be required to comply with federal, state, or local labor and employment laws. With that said, it is committed to compliance with applicable labor laws and to working with its contractors to ensure their compliance with applicable labor and employment standards. The Coalition will take the following actions: 1) understand which labor laws apply to its activities and the activities of its contractors; 2) create a compliance checklist; and 3) perform a periodic review of its practices to ensure labor law compliance. Note The Coalition may consult with a company with expertise in labor law compliance or an attorney to help it comply with applicable labor laws.

### **Connections and Collaboration with Labor Organizations**

The Coalition operates under the notion that although compliance with the law is surely an aspect of its ethical obligation to be a responsible organization, it is important to remember that laws and rules establish only minimal standards of what is ethical or right. As such, The Coalition will always strive to do more than the law requires to improve the communities it serves, and it is committed to using or influencing other organizations to set standards of compliance or performance that far exceed standards set in the law. For example, in regard to its construction projects, The Coalition will use local hire and targeted hire policies. Local hire refers to programs that require direct hiring of residents of specific local areas; targeted hire refers to hiring requirements for target groups, such as minorities, women or low-income workers. Local hire is tied solely to a specific geographic region, while targeted hire is broader, encompassing different segments of the population across geographic regions. While a targeted hire initiative might require hiring workers from an economically disadvantaged zip code, a local hire program might require hiring workers who live within five miles of the construction project.

To put these policies into place, The Coalition will build hiring practices into its agreements with its vendors and contractors. Also, it will work with local entities such as Jesus and a Job to identify companies and disadvantaged workers who can be hired for jobs related to its projects.

**Plan to Ensure Benefits are Equitably Shared:** According to Brookings, “In metro areas with similar levels of data economy underrepresentation for Black workers (Charlotte, NC; Memphis, TN; Nashville, TN; and St. Louis, MO) roughly 2,000 or more Black individuals are employed in these occupations (digital health tech and AI), versus fewer than 900 in Greater Louisville. Even in regions such as Tulsa, OK and Omaha, NE - where fewer Black individuals overall work in the data economy - they are proportionally represented in those occupations. This points to a significant challenge and imperative for Louisville to address inequitable access to data economy opportunities as it builds out an AI-readiness strategy.”<sup>i</sup>

Therefore, The Coalition will engage with underrepresented groups who have historically lacked access to power, self-determination and decision-making regarding the benefits of its Component Applications. A failure to engage could limit or even derail collaboration with affected communities and result in projects and programs not being effective in improving the lives of residents and the economy in the Louisville region. To start, all members of The Coalition have signed a Letter of Commitment pledging to the following diversity, equity and inclusion policy statement: “*Ensure that our strategies, goals and objectives are developed and executed through an equity lens that makes a significant, positive economic impact on women, people of color, and other underrepresented populations in the region.*”

Furthermore, The Coalition will use the following plan to ensure the benefits of the cluster are equitably shared across all historically underserved communities:

1. Engage in honest internal dialogue that causes The Coalition members to reflect, listen to each other, and learn from each organization’s experiences with underserved communities and the successful strategies that have a positive impact on underserved communities.
2. Become embedded in these communities to identify community leaders and organizations that work within these communities. The Coalition will then engage with these leaders and organizations as well as local residents to understand trends, opportunities and needs. In addition, The Coalition will host meetings and a “Listening Tour” to get community input and make an effort to attend conversations and gatherings happening in the community, listen deeply and follow the lead of community members to identify solutions that will make the biggest difference.
3. Engage residents and community leaders in setting grant and funding priorities; helping communicate those opportunities; and in some cases, make funding and grant decisions.
4. Educate the residents in these communities about digital health and AI programs, including the purpose and benefit of such programs, how to access them and the supports available.

Specifically, per the Brookings report recommendations, The Coalition will benchmark the participation of Black workers in local data economies through an “equity ratio.” This ratio expresses the share of Black individuals employed in data economy occupations against the share of all individuals employed in such occupations. Values over 1.0 indicate that the region’s Black workers are more likely than workers overall to be employed in computer and mathematical occupations, while values under 1.0 reflect that Black workers are underrepresented in those jobs. In this respect, the ratio indicates not only the diversity of the local data economy’s current workforce, but also how successfully over time it has promoted Black students’, trainees’ and workers’ preparation for, and access to, those job positions.

**Outcome Overview:** The Coalition’s Component Applications are interrelated solutions designed to support its central guiding vision. Each one engages for the full 48-month grant period, and then continues sustainably. Some of the most important milestones, deliverables and outcomes are summarized below but detailed extensively in the CA narratives.

**CA #1a and #1b - Innovation Corridor: NuLu Station and Russell Station**

While these CAs budget for months 1-36 that lead to the opening of NuLu and Russell Stations in the Innovation Corridor and the satellites in the Digital Corridor, the real outcome is the increase in social capital for the new diverse community that is built in these anchor spaces. Lack of social capital is among the top reasons that nine out of ten startups fail.<sup>iv</sup> It is also the reason why qualified candidates from underrepresented groups aren’t hired.<sup>v</sup> We also anticipate that an increase in social capital will also increase human capital since the network further advances innovation by merging ideas from individuals with diverse backgrounds and lived experiences.

**CA #2: Workforce Development with Wrap-Around Supports**

The Coalition will 1) develop five health tech career pathways for multiple LHCC companies that lead to higher paying jobs averaging \$28.86 per hour; 2) recruit and enroll 1,800 people in training aligned with health tech career pathways (400 via AMPED + 800 via KentuckianaWorks + 600 more, accounting for attrition); 3) graduate 160 instructors via “Train the Instructor” program leading to the training of 4,800 students; 4) increase the number of Black tech workers from 8% to 12% and double the number of Hispanic tech workers from 2% to 4%; and 5) recruit and place 2,000 individuals (500 per year) in health tech jobs earning an average annual salary of \$60,028.80.

**CA #3: Digital Health Entrepreneurship, Innovation and Commercialization Programs**

Equity is a central outcome across The Coalition’s entrepreneurship, innovation and commercialization work. The pre-seed and seed accelerators, both focused on supporting historically underrepresented founders, leverage the \$50M SIF and Aging2.0 network. Through this CA, 15 underrepresented computer science students will be trained at HIVE per year. Economic growth outcomes are also central. The four cohorts of five digital health startups that complete the seed stage accelerator will result in an average of \$1M in capital raised and five jobs per startup. This project will launch four new ventures with sales of \$20M per solution adopted and 50 jobs per venture; and will raise \$20M in equity financing for new ventures.

**CA #4: Digital Health Applied Research Program**

A key deliverable is to fund and manage up to 30 product-focused digital health R&D projects per year for four years. Every R&D project will be partnered with an industry collaborator who will ensure that the focus of the CA stays on product or service commercialization. Importantly, to enhance the diversity of the digital health workforce, all projects will support students, post-doctorates and researchers from diverse backgrounds, including those from groups that are underrepresented in health sector research.



**Overview of the Work Conducted Between Phase 1 and Phase 2:** During the time between the Phase 1 Award and the Phase 2 Application submittal, The Coalition discussed and determined the actions and activities it needed to take to have equitable-driving, effective and sustainable Component Applications. Based on these discussions, The Coalition has undertaken the following:

- Refined The Coalition’s vision
- Adopted The Coalition’s Governing Principles, Guiding Principles and Diversity, Equity & Inclusion Statement
- Held regular Coalition and CA Workgroup meetings that utilize these governance protocols
- Convened LHCC’s Workforce Innovation Committee (a coalition of senior HR executives from LHCC companies collaborating to develop industry-driven workforce solutions)
- Exercised Coalition votes on key decisions:
  - Adoption of vision statement, Governing Principals and Guiding Principals
  - Obtained consensus from The Coalition on the type and number of CAs to be submitted
  - Obtained consensus from The Coalition on issuing RFIs for NuLu and Russell Stations
- Met with developers of current and future real estate developments
- Issued RFIs for construction quotes to obtain cost and design information for the Stations
- Consulted with the EDA’s Technical Assistance Team on numerous occasions (including Bruce Katz whose work on industry cluster development and innovation districts has shaped much of The Coalition’s approach)
- Educated private and public organizations about The Coalition’s Phase 2 Application
- Identified key partners - including new ones - who provided letters of commitment, including (but not limited to) Aging2.0, Amazon Web Services, Appwell, CareAscend, General Assembly, Google, IBM, KSTC, Sheltowee Angel Network, UofL EXcITE, and Waystar
- Invited key partners into the Phase 2 application process including participation in CA workgroups including Aging2.0, Amazon Web Services, Amplify, Appwell, CareAscend, General Assembly, Gener8tor, Google, IBM, KSTC, Louisville Central Community Center, Microsoft, Sheltowee Angel Network, UofL EXcITE, Waymaker Group, and Waystar
- Used procurement procedure to select a company to perform an accelerator feasibility study
- Secured letters of commitment
- Updated and refined the budget - including matching commitments from all Coalition members - and commitments as follows:

| Component Application | Total Cost           | Requested from EDA   | Match                | Match / Total Cost | Source of Match | Sustainability  |
|-----------------------|----------------------|----------------------|----------------------|--------------------|-----------------|---|
| 1A                    | \$ 8,750,000         | \$ 7,000,000         | \$ 1,750,000         | 20%                | LMG             | Cover operating expenses thru Co-working membership fees; Commercial rent of office space |
| 1B                    | \$ 7,750,000         | \$ 6,200,000         | \$ 1,550,000         | 20%                | AMPED; LMG      | Cover operating expenses thru Co-working membership fees; Commercial rent of office space |
| 2                     | \$ 19,921,673        | \$ 15,920,623        | \$ 4,001,050         | 20%                | LHCC; LMG       | Corporate sponsorship   |
| 3                     | \$ 14,964,000        | \$ 11,976,000        | \$ 2,988,000         | 20%                | LHCC            | Equity positions; Licensing revenue; Institutional support                                |
| 4                     | \$ 14,433,436        | \$ 11,433,436        | \$ 3,000,000         | 21%                | UofL            | Licensing revenue; Institutional support; Corporate sponsorship                           |
| <b>TOTAL</b>          | <b>\$ 65,819,109</b> | <b>\$ 52,530,059</b> | <b>\$ 13,289,050</b> | <b>20%</b>         |                 |   |

Table 2. Budget & Assessable Matching Funds by Component Application

**Changes to the Vision and Proposal Since Phase 1:** The Coalition understands that organizational change is necessary to succeed and grow. In addition, managing change can drive the successful adoption of the change within the organization and help its members to understand and commit to the shift and work effectively during it. Therefore, The Coalition included in its meetings a discussion of strategic decisions made during the development of the Phase 1 Concept Proposal such as the vision statement; type and number of Component Applications; who would be a member of The Coalition; identification of key partners; use of workgroups; development of governance process and procedures; how to build equity into The Coalition's goals and objectives; strategies to ensure projects benefit the entire Louisville region and cluster; and The Coalition members' funding match. Below are specifics on the three main changes.

#### **Change: Collected New Commitments or Investments**

While it was not necessary to commit matching funds for a Coalition member to have an equal vote on The Coalition, all the members saw the value and committed matching funds (see Table 2). Furthermore, since the Phase 1 proposal, LHCC has developed CHWI which will be an integral part of each CA. Most recently Humana and UofL have announced their partnership for the Health Equity Innovation Hub which will also pair perfectly with The Coalition's efforts. Furthermore, KIPDA has committed to assist with broadband expansion efforts in the region which will improve equitable access to technology that will sustain the growth of regional digital health and AI jobs and allow previously underserved groups access to high quality tech job opportunities. And importantly, commitments within the American Rescue Plan Act will also benefit The Coalition's efforts. Overall, The Coalition recognizes that partnerships with other community organizations and private sector entities will increase the effectiveness and sustainability of its Component Applications; and thus, it has been intentional in determining which partnerships to pursue and solidify.

#### **Change: Refined the Vision Statement**

The Coalition recognizes that a vision statement defines the core reason for an organization's existence. The vision sets forth what it could be if it has the right structure, the right leadership, adequate funding, and a group of organizations that believe in the vision. The vision statement speaks to the organization's purpose and why it is important for the organization to exist. Therefore, The Coalition took time to refine its vision statement: To establish the Louisville region as a nationally competitive hub for digital health and AI by accelerating business adaptation and innovation, building equitable pathways into family-supporting jobs, and attracting venture capital investment, all while sustaining pandemic recovery, increasing equity and leading to resiliency for future economic fluctuations.

#### **Change: Five Projects Rather Than Four Projects**

The Coalition decided to separate its construction CA into two (#1a and #1b). Separating the CAs allowed The Coalition to put more emphasis on the vision for each CA. Also, The Coalition learned that without a standard workflow or project planning process, each project would be likely managed differently. As a result, deliverables would be inconsistent, time would be wasted setting up a new process each time, and work would be more likely to fall through the cracks.

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<sup>1</sup> Berub, A., & Bouchet, M. (2021). How Louisville Can Become a Stronger and More Equitable Hub for AI and Data Economy Jobs. [https://www.brookings.edu/wp-content/uploads/2021/03/20210406\\_BrookingsMetro\\_Louisville-AI-Data-Econ-Jobs\\_Final.pdf](https://www.brookings.edu/wp-content/uploads/2021/03/20210406_BrookingsMetro_Louisville-AI-Data-Econ-Jobs_Final.pdf)

<sup>2</sup> Furmanek *et al.* (2020). The City of Louisville Encapsulates the United States Demographics. <https://ir.library.louisville.edu/jri/vol4/iss2/4>

<sup>3</sup> <https://www.greaterlouisvilleproject.org/factors/poverty/>

<sup>4</sup> <http://fortune.com/2014/09/25/why-startups-fail-according-to-their-founders/>

<sup>5</sup> <https://www.forbes.com/sites/forbescoachescouncil/2018/05/01/why-you-mistakenly-hire-people-just-like-you/?sh=6006eb313827>