

Approved January 25, 1990
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Elizabeth Baker at
Chairperson

3:36 ~~xxx~~ p.m. on Wednesday, January 17, 1990 in room 423-S of the Capitol.

All members were present except: Representatives Barkis, Brady, Weimer, Gregory, Aylward and Dean.
Excused.

Committee staff present:
Jim Wilson, Revisor
Lynne Holt, Research
Elaine Johnson, Secretary

Conferees appearing before the committee: None

The meeting was called to order at 3:36 p.m. by Chairperson Elizabeth Baker.

Representative Baker recognized Dr. Charles Krider, Director of Business Research, Institute for Public Policy and Business Research at the University of Kansas.

Dr. Krider addressed the committee on the Kansas Research Report entitled "Work Force Training: The Challenge for Kansas" done by the Institute for Public Policy and Business Research at the University of Kansas for Kansas Inc. A copy of the complete report is on file in the Legislative Research Department, Room 545-N.

Dr. Krider's comments to the committee are Attachment 1. Dr. Krider responded to questions from the committee.

The meeting adjourned at 4:52 p.m.

Elizabeth Baker

TESTIMONY REGARDING WORK FORCE TRAINING

Presented to

The House Economic Development Committee

January 17, 1990

Presented by

Dr. Charles Krider

Professor of Business, University of Kansas

Director of Business Research,

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*House Eco. Devo. Comm.
Attachment 1 1/17/90*

I. Introduction

The availability of a well educated, skilled work force is crucial for Kansas' economic development in the 1990's. The most important incentive the state can offer companies to affect their location or expansion decisions is a trained work force to meet their current needs and a training system that is responsive to needs for future work force training and retraining. Firms will be more likely to locate or expand in Kansas if a sufficient number of employees with appropriate skills are available. Consequently, a major policy objective for Kansas should be to ensure that the technical training system remains a competitive advantage for economic development in the 1990's. The purpose of this report, funded by Kansas Inc. and the Kansas State Department of Education, is to assess the strengths and weaknesses of that system and to identify policy options to ensure that the training and retraining needs of business will be met in the next decade.

The education challenge in Kansas, and in the United States, is substantial. Basic academic skill training must be emphasized at the primary and secondary education level (K through 12) so new entrants to the labor force arrive with adequate reading, computation, communication, and problem solving skills. Because 75 percent of the work force has already graduated from the secondary education system, adult education has become and will continue to be a critical issue. Thus, this report focuses on postsecondary technical education that is primarily offered through community colleges and area vocational technical schools. These

a-1-2
1/17/90

are the public education institutions that are increasingly required to meet the needs of postsecondary and adult students who need technical training and retraining. Their training needs go beyond technical skill training. Increasing numbers of postsecondary students and adults also need training and retraining to overcome illiteracy and to upgrade reading, computation, communication, and other basic academic skills.

II. Methodology

The major goals of this study were to:

1. Develop a data base describing the current training system that could underpin policy development;
2. Propose policy options.

To achieve these goals, six broad areas of research were undertaken:

1. An analysis of the changes in the U.S. and Kansas economic environment and labor supply and the technical training implications were examined (Chapter 2).
2. A survey of Kansas businesses assessed training-retraining needs and determined how those needs were being met by institutional training-retraining providers (Chapter 3).
3. A survey of institutional training-retraining providers assessed how effectively the state's human capital needs are met. This included on-site visits, surveys, and examination of statistics collected for all state supported educational institutions that provide vocational and technical training (Chapter 4).
4. A survey of vocational-technical institutions' advisory committees assessed how business advisors impact the system (Chapter 5).
5. The Job Training Partnership Act (JTPA) and Carl Perkins Act in Kansas were examined to determine ways that

federal funding could be utilized to enhance existing state training programs and benefit state economic development plans. Literature reviews and interviews provided information for this analysis (Chapter 6).

6. An assessment of other states' training-retraining programs examined strategies used to strengthen the impact training has upon state economic development. Information was collected through on-site visits to key states and review of literature describing state programs (Chapter 7).

III. Changing Work Force

The vocational-technical training system in Kansas, and other states, must adjust to changes that are occurring in the U.S. economy. The demands on the technical education system will increase in the 1990's for several reasons:

1. Demographic changes indicate that the growth in the labor force will slow and labor shortages, not unemployment, will be a major concern.
2. The composition of the labor supply will change as most of the growth will come from minorities and women.
3. The skill requirements of business have been increasing because of technological advances.
4. Changes in management practices indicate that workers will have a greater responsibility for how their work is performed and for the quality of their work.
5. International competition, particularly from Japan and Europe, will continue. The effect of these changes is to increase the importance of technical education in the state's economic development efforts.

IV. Findings

Skill Gap

1) Fifty-eight percent of Kansas businesses surveyed reported a moderate to severe gap between the qualifications of newly hired skilled workers and the skill level required by the firm (Table 17).

2) The skill areas in which the Kansas work force needs improvement include (Tables 18, 19):

1. Writing skills
2. Listening and oral communication skills
3. Problem solving skills
4. Comprehension/understanding skills
5. Interpersonal relations skills
6. Teamwork skills
7. Goal-setting and personal motivation skills
8. Organizational effectiveness and leadership skills
9. Adaptability/flexibility skills
10. Proper attitudes toward work and work habits

Training Sources

1) Less than half of the firms surveyed indicated that they used technical or vocational training within the last five years.

2) Over 70 percent obtained training from professional association seminars and from vendors and over 60 percent obtained training from consultants and other commercial trainers, from community colleges, and from AVTS'.

3) Fifty-one percent of the firms surveyed had not utilized technical or vocational training within the last five years. Most conducted on-the-job training and developed in-house training programs. Others reported their employees did not need training, they could not find training to meet the firm's needs, and that training was too expensive.

Evaluation of Training

1) Generally, firms rated the quality of technical and vocational as adequate. Firms gave "adequate" ratings for such aspects of vocational and technical training as geographic accessibility, content of the programs and courses offered, the instructors, the equipment used, and scheduling convenience.

2) Eighty-two percent of all firms agree that customized training is more cost effective than other forms of training, even though 36 percent of the firms report having used customized training in the last five years.

3) The overall level of promotion of customized training by community colleges and area vocational technical schools over the past three years is low. Businesses reported that the most frequently used sources of customized training were consultants or commercial trainers, vendors, and in-house training.

4) When asked what would substantially increase the likelihood of using community colleges and area vocational technical schools, one third or more of the respondent sample cited making training more relevant to the firm's needs, state assistance in reducing training costs, greater flexibility in the scheduling of training programs, more up-to-date equipment, and more highly qualified instructors.

Equipment

1) Thirty percent of the firms rated having the most technically advanced equipment as important to conduct training, while 53% rated it as very important.

V. Policy Options

Basic Academic Skill Training

1) Vocational-technical training programs should integrate training of basic academic skills, such as reading, computation, communication, reasoning and problem solving, with technical skill training (page 38).

2) Students should be tested on basic academic skills at the time of program entry and completion. Predetermined competency levels should be demonstrated by students prior to entering a program and prior to obtaining a degree (page 38).

Secondary Technical Skill Training

1) Technical Preparation Programs should be established and funded in secondary schools to provide secondary vocational-technical students with a more rigorous training in principles of technology, applied math, and applied science (page 39).

Postsecondary Technological and Technical Skill Training

1) Technical courses/programs should be based on the demonstration of competency in the principles of technology underlying a discipline or field and competency in technical skills, rather than the accumulation of credit hours (page 40).

Coordination Across Agencies

1) The staff of the current KIT/KIR Training Program should be expanded and renamed the Office of Work Force Training, to serve as the primary clearinghouse for firms with work force training needs (page 42).

a-1-7
1/17/90

2) Develop a client-based coordinated information system for all training system participants (page 43).

Funding

1) Provide incentives for community colleges to offer technical programs by basing state aid for technical programs on relative costs (page 44).

2) State funding of AVTS' should be based on student aquisition of technical and academic competencies as well as some minimum number of hours of attendance (page 45).

3) KTEC Equipment Fund grants should be continued at a level of \$250,000 for FY91 to provide equipment funds for new, innovative programs.

Customized Training.

1) State support is needed for a work force training coordinator at schools generating at least 1,000 hours of customized training to market and coordinate customized training in a service area (page 46).

2) Customized training through AVTS' should be financed by a separate state budget.

Program Information and Evaluation

1) Expand the Training Information Program so wage and placement data are reported for every program at every institution providing postsecondary vocational technical training (page 48).

Job Training Partnership Act (JTPA)

1) On-the-job-training (OJT) contracts should be coordinated with customized training contracts funded by KIT (page 49).

a-1-8
1/17/90

2) All JTPA services should target development of technical job skill and basic academic skill competencies to prepare the person for meaningful employment (page 50).

V. Summary

Vocational education institutions in Kansas ranked access and cooperation with business as the most important issue facing them, followed by recruiting quality students, and better funding for vocational education. Administrators are, for the most part, attempting to position their institutions to provide the types of training needed today and into the 1990's. They are making adjustments in who they train (more adults), how they train (competency based education), where/when they train (nontraditional locations and schedules). The system is dynamic, but some changes must occur more rapidly. It is not in crisis, but serious challenges must be addressed if the system is to fulfill its mission.