

Approved February 15, 1990
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Elizabeth Baker at
Chairperson

3:37 ~~xx~~ p.m. on Thursday, February 8, 1990 in room 423-S of the Capitol.

All members were present except: Representatives Barkis, Chronister, Heinemann, Gregory, Dean and Foster. 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 by Chairperson Baker at 3:37 p.m.

Representative Baker recognized Jim Schwarzenberger of Wichita/Sedgwick County Partnership Growth (WISE).

Mr. Schwarzenberger responded to the committee on questions asked by the Joint Committee on training needs. Attachment I.

Mr. Schwarzenberger responded to questions from the committee.

The meeting adjourned at 4:11 p.m.

Elizabeth Baker

Report to the Kansas
Joint Committee on Economic Development

Strategies for Increasing Business Commitment
and Partnership in Post-secondary Technical Education
in Kansas

February 8, 1990

compiled and presented by
Jim Schwarzenberger
WI/SE Partnership for Growth

*House Eco. Dev. Committee
Attachment 1 2/8/90*

INTRODUCTION

The WI/SE Partnership for Growth in Wichita is currently working to attract a travel reservations company to the Wichita/Sedgwick County area. This company is also considering several other locations for its operation. As with most prospects, we have been given a menu of different selection criteria upon which to base our marketing. The head of the site selection team for this company while reviewing this criteria said "determine what percent of your population can identify more than 50% of the states in the union simply by their location" he went on to say he was confident that it would not be more than 5%. My first reaction was to chuckle and then, upon reflection, to say to myself, "I hope this guy doesn't have a clue what he's talking about." This is just one of a growing number of instances where economic development prospects voice specific concerns and exhibit knowledge about the labor force in terms of either or both its' quality and its' quantity. Our preliminary work to research the above allegation reveals our prospect may not be very far off the mark. However, we can take some encouragement from the fact that his assessment probably applies to most any metropolitan area in our country.

These labor-related questions are being asked more and more often not only by firms in the telemarketing industry but across the board in all market sectors, manufacturing, retail and services. The questions deal with everything from academic and technical skills, to manual skills to basic attitudinal and motivational concerns.

This lesson raises important questions for us too. If our prospect is right, how do we turn this negative into a positive? Assuming this involves training, who takes the lead in developing the program? A community college?

A vocational technical school? A coalition of businesses? All of the above.
How do we develop and implement a long term solution to the problem?

During the next few minutes I will discuss some possibilities for securing commitments from the business community to partner with post-secondary technical education. Most of my experience in the arena is limited to activities in Wichita, however much of what we've learned in Wichita could be applied in other individual Kansas communities, through leadership, to the state as a whole. More than anything else our research and program planning and implementation in Wichita has shown us the importance of the initiative and how much more needs to be done to bring about productive partnerships.

The goal of increased business commitment and partnership in post-secondary technical education in Kansas, according to the Krider report, is to ensure that the system is market driven and responsive to work force training needs.

Policy Option 1 suggests that businesses be represented by CEO's and top management level people on high level school advisory committees. This is fine in theory but is made challenging to two respects. First, most vocational technical schools operate directly under the authority of local school district boards of education which prioritize K-12 general education requirements rather than vocational technical training. Only a small percentage of high school students are enrolled in the vocational technical school curriculum. Upper management in business is concerned, discouraged or at least ill-informed about this governing structure and is not inclined to get involved especially when they believe that any significant decisions made can easily be overruled or ignored. Secondly, CEO's and top management generally have severe time limitations which have prohibited or inhibited significant investment of time in serving on advisory groups. Their limited time outside the working environment is often dedicated to other personal or community development interests which they view as more important priorities.

As the need for quality employment and training programs becomes more apparent and more clearly is negatively reflected on the bottom line, more CEO's are becoming inclined to be voluntarily involved. Supporting the improvement of education and training is moving from being perceived as another social service activity on the part of business to being considered a necessary business development decision. A major part of our task continues to be to create awareness in the business community that we are in a crisis

and that a business commitment to partnership is mandatory. This should be a role for state and local, private and public agencies alike.

As far as operating structure is concerned I would suggest that other systems be studied. For example in Oklahoma the vocational technical education system is served by boards at the local and state level separate and apart from the K-12 school system. This allows for more flexibility in program planning and budgeting and results in much more involvement by top business management. It also has resulted in significant partnership initiatives in program design, equipment funding, equipment sharing, faculty enrichment, etc.

If the restructuring of the governance of vocational technical education is not feasible or is a long term issue, local boards of education should be strongly encouraged to extend the authority of high-level advisory committees as much as possible in areas such as competency requirements, faculty selection and evaluation, funding, etc. This authority should be stated clearly in writing and formally approved by the respective boards of education.

In Wichita the WI/SE Partnership for Growth, which is the lead organization for economic development in Sedgwick County and is staffed by the Wichita Area Chamber of Commerce has placed employment, training and education as its top priority. Chambers across the state should be encouraged to do the same. All of the other incentives provided new or expanding business for economic development are worthless if an adequately trained work force is not in place or readily available through the provision of timely and quality training. And our supply of qualified workers is dwindling nationally and locally.

A possible method to mobilize the business community is to secure a well respected and well recognized CEO to act as spokesperson and a recruiter of his/her colleagues. This could be done in partnership with a local chambers. A single well-known and respected CEO could attract business participants throughout the state to promote and directly contribute time and talent to enhancing technical and occupational training. In support of economic development through worker training and retention, the state should formally establish the "Kansas worker" as our key to economic growth. I believe business would rally around this cause and develop their own in-house initiatives to support this. Much of the emphasis should be on the blue collar, technically trained worker.

There are five Private Industry Councils in Kansas serving identified geographic regions and acting ^{As The Administrators} ~~primarily in an advisory capacity~~ over JTPA funding and programming. These PIC's, by statute, are made up of at least 50% representation from upper management business representatives. For the most part the councils limit their programming to initiatives which are funded through JTPA dollars. The PIC's could do much more by leveraging their limited funding with other public and private dollars. This could serve to revitalize the PIC's and foster increased business commitment and partnership. The state could provide the needed guidance and encouragement to take advantage of this opportunity

Policy Option 2 states that businesses should place a high priority on assessing the training needs of their employees and provide skill upgrade training either directly or in cooperation with technical training institutions. It is also suggests that KCCI and Chambers of Commerce play a key role in encouraging this initiative.

This policy is already being acted upon among our very large employers who benefit from staff who dedicate time and other resources to long-range human resource planning and who are well versed in manpower needs and opportunities. But what about our small companies...the 95% of our businesses which employ over 80% of our workers. Simple encouragement won't work because most of these businesses do not have the expertise and financial resources to respond.

An process is needed which can be easily incorporated by, or plugged into by small business. I believe community colleges and vocational technical schools can play a key role in creating this process. For example retraining or upgrading models could be developed by the schools with input and guidance from industry advisory groups and Chamber-facilitated employment and training committees. Programs could then be modified to meet the specific needs of each employer. Flexibility would be needed to offer this training on-site, off-site or in combination thereof. Proven models could be incorporated state-wide through the State Department of Education in vo-techs and community colleges. KCCI could take the lead in state-wide advocacy of the programming while individual chambers solicit local support and involvement.

In Wichita CNC Programming training is an example of such a model. This program, targeting the upgrading of existing employees, was developed through the Center for Technology Application, an initiative of the WI/SE Partnership for Growth. Key players include The Wichita State University and a coalition of local machine shops. A very significant amount of one-on-one orientation and trust building preceded the formation of the partnership and the implementation of the program. Each partner contributed \$25,000 to the initiative for a total of \$75,000. The training initiative currently serves to upgrade employers of area machine shops.

Another program begun in 1989 was the Machinist Apprentice Training (MAP) Program. Under the guidance of the Center for Technology Application and the National Tooling and Machining Association (NTMA), a partnership was formed between a coalition of local machine shop owner/operators, and the Wichita Area Vocational Technical School. The coalition, simply known as the Machinist Employer Group, secured the commitment of the Kansas Association for Small Business to be administrator for the program and then approached WI/SE for "kick start" funding. Now fully operational the program also receives funds from contributions from participating employers based on a percentage of the hourly wage of the apprentice. In addition these employers cover books and tuition at WAVTS. Major manufacturers also help fund the training. MAP is designed to crank out journeyman machinists after four years and involves about 8,000 hours of OJT and 580 hours of classroom instruction. Through successful completion of the MAP program, participants are eligible to receive 45 hours of academic credit through Butler County Community College. Other community colleges are pursuing involvement at this time. This training initiative can only work through business coalition and a partnering with vocational technical training institution.

The previous two examples result from a common agreement that the skill shortages being focused on are of crisis proportions. A greater challenge lies in rallying the troops to address the broader need for basic skill upgrading. Reading, writing and computation skill deficiencies are increasingly becoming obvious and are having a measurable negative effect on productivity. Persons with these deficiencies have little chance to enter specialized technical training programs as outlined above. Business is increasingly aware of this major problem and is becoming more open to collaborative strategies.

Attention needs to be given this subject and the problem of declining work attitudes, however for the purpose of this report suffice to say that many of the same partnership strategies employed in structuring the MAP and CNC programs could be used in attacking the basic skill crisis as well as other specific work skill concerns.

Policy Option 3 advocates for an increased flow of information on skill needs to vocational education institutions.

Our experience in Wichita shows that this activity can not only be an important end in itself but can also be a catalyst for business involvement in program design and implementation.

During the past ten years The Chamber in Wichita has initiated several extensive labor surveys designed to identify and measure work force needs. These studies, which have been expensive in terms of actual cash outlay and staff time commitment, have in all cases lost most of their credibility within three to six months of completion due to the changing local economic climate. They also have not generated what I call "ownership of the challenge" by the business who typically communicate their needs individually by mail.

In early 1989 we opted to bring together a group of human resource specialists who collectively represent employers employing well over 40,000 people in our area. The Employment and Training Strategy Group is comprised of persons representing manufacturing (large and small), health care, finance, retail and construction. Their charge was to a) reach common agreement on the skills which will be in short supply in their respective industries, b) rank order these skill needs with those in most critical short supply at the top, and c) assist staff in developing recommendations for resolving these shortages. The groups first report was completed in March of 1989 the result of about six meetings with homework between meetings.

We found this an effective method to obtain needed information and also and effective tool to build coalition. Several programs are now being planned which will involve the cooperative efforts of most or all of these industry representatives. Through the Employment and Training Strategy Group, we now have in place a mechanism to obtain an annual update of critical work force needs in a fairly standardized fashion. A spin-off of our 1989 report was a comparison of identified needs and program offerings through the Wichita Area Vocational Technical School (Attachment A). This is distributed through WAVTS, WI/SE and other channels. The group has begun the development of its 1990 report which will be expanded to include retraining and upgrading needs and basic skill needs.

The most effective means to determine the needs and concerns of small to medium-size business and to secure commitments is through one-on-one contacts. Through the Business Growth Program, a partnership among WI/SE, The Chamber and the SDA IV Private Industry Council about 60 volunteers conduct personal business visits in Sedgwick county. A questionnaire (Attachment B) guides the volunteers through the employer interview. Conducted since 1985, the 1990 program for the first time, will give major focus to the issues of employment, training and education. A recent compilation and ranking of skill needs resulting from the Business Growth Program reveals that declining work attitudes and basic skills are the primary skill deficiencies cited by our local companies (Attachment C). Systems are now being put in place to a) ensure that volunteers have thorough orientation regarding the available and potential means for business to partner with training and education institutions and b) to ensure that these organizations, including the Wichita Area Vocational Technical School, are ready to meet with interested with companies and discuss training/education options. Business Growth volunteers

will personally visit 500 businesses in 1990. Every company will receive personal follow up and technical assistance from staff as needed. Responses to survey questions are stored in a data base and are periodically used to confirm current employer skill needs, expansion plans, general concerns, etc. This years' information on employment, training and education allow us to better assess where employers are at in human resource planning and secure participation.

In the world of training, the customer, if we're referring to the student is not always right. The processes outlined above center more research and ongoing contact with the employer who is communicating needs rather than the student who is often only communicating desires. As stated in the Krider report student demand may not reflect available or projected jobs.

This business contact program could be implemented through chambers across the state. Some communities have such programs but few operate them year round and few if any give a major emphasis in determine employment and training needs and opportunities.

CONCLUSION

In summary, the environment in Wichita for partnerships between business and training providers has been enhanced significantly within the last two years. This has been fostered through a candid sharing of concerns and a willingness by both parties to meet halfway and certainly an increased awareness of the crisis at hand. Much can be done through the simple communication of industry needs and training opportunities. Our work force challenge is a major concern but it should be viewed as a great opportunity to build partnership and needed training initiatives.

CAREERS

Where are the career opportunities . . . the jobs? This question was answered in a recent report compiled by the Wichita/ Sedgwick County Partnership for Growth.

And, if you're making a career decision, the answer is doubly important. While there are no guarantees, it makes dollars and sense to select an occupation where a shortage of workers exists. These occupations are listed under the column titled, "Critical Skill Needs."

The Wichita Area Vocational-Technical School provides the training needed to enter the majority of these occupations. Surprised? This training is listed under the column, "Post-Secondary WAVTS Programs." Along with program title, the length and location are provided.

Summary of
Reported Critical Skill Needs
for
Wichita/Sedgwick County
and
Training Opportunities
available
at the

Wichita Area Vocational-Technical School

2-1-12
2/8/90

CRITICAL SKILL NEEDS (CAREER OPPORTUNITIES)

HEALTH CARE

1. Registered Nurses
2. Respiratory Therapists
3. Occupational Therapists
4. Physical Therapists
5. Radiation Therapy Technologists
6. Pharmacists
7. Medical Technologists _____

8. Licensed Practical Nurse (LPN) _____

9. Nurse Assistants _____

10. Cardiovascular Perfusionists
11. Medical Physicists

LARGE MANUFACTURING

1. Tool and Die Makers _____
2. NC / CNC Machinists _____
3. Standard Machinists _____
4. Engineers— Design and Technical
 - Low Observable Technology
 - Computational Fluid
 - CAM _____

5. Numerical Control Equipment Repairers _____
6. Avionics Technicians _____
7. Sheet Metal Assemblers _____

POST-SECONDARY WANTS PROGRAMS

HEALTH CARE

Medical Laboratory Technician, 12 mos. Central Vocational Building

Practical Nursing, 12 mos., Central Vocational Building
Graduates are eligible to take the Kansas State Board of Nursing exam for licensure.

LPN Refresher Course, 2 1/2 mos., Central Vocational Building
Completion of course results in relicensing for LPN's whose license has lapsed.

Mental Health Technician, 36 wks, Central Vocational Building
Geriatric Aide, 110 hrs., Central Vocational Building
Medication Aide, 72 hrs., Central Vocational Building
Home Health Aide, 33 hrs., Central Vocational Building

LARGE MANUFACTURING

Computer Integrated Manufacturing Technology, 36 wks.,
Vocational Technical Center

Machine Shop and CIM, 72 wks., Vocational Technical Center

Machine Shop, 36 wks., Vocational Technical Center

Computer Integrated Manufacturing Technology, 36 wks.,
Vocational Technical Center

Engineering Technology, 2 yrs., Schweiter Technical School

Engineering Technology, 2 yrs., Schweiter Technical School

Aircraft Sheet Metal, 2-4 wks., Vocational Technical Center



NEEDS IMMEDIATE CONTACT!

Check here

SECTION I: GENERAL INFORMATION

Company Name: _____ Address _____
City _____ State _____ Zip _____ Phone _____
Contact/Title _____
Product/Service _____ No. of years in Wichita/S.C. _____

SECTION II: EXPANSION PLANS

1. Is your company planning to expand within the next 12 months? Yes No Beyond 12 months? Yes No ;
New equipment \$ _____; Facility expansion (sq. ft.) _____; Additional jobs _____;
Comments: _____
2. Which of the following expansion incentives would interest you?
 Employment and Training Incentives Creative Capital
 Job Expansion and Investment Incentives Utility Incentives
 Property Tax Exemption Exporting Services
3. Are environmental concerns affecting the expansion of your business? Yes No ;
If yes, describe _____

SECTION III: EMPLOYMENT/TRAINING/EDUCATION

1. Number of employees: Now _____; Six months ago _____; In six months _____;
Projected 1991 year end _____
2. How would you rate the basic skills (reading, math, communications) of entry-level workers?
Excellent Good Average Below Average Poor Comments: _____
3. Do you find specific work skills in short supply in the local work force? Yes No ;
If yes, what are they? _____
4. Would you be interested in information regarding hiring a person with a disability? Yes No ;
Comments: _____
5. Are you currently involved in a business/education partnership in support of our K-12 education system?
(check category): Mentoring , J.A.'s Project Business , Student tours of your business ,
Classroom presentations , Hiring a teacher intern (summer) , Math/Science Tutoring , Other?
If not involved, would you like more information about business/education partnerships? Yes No ;
If yes, specify _____

A-1-13
2/8/90

6. Do you have a need and interest in employee training? Yes No

If yes, training at your facility? Training at another site?

Types of training: (check your area of interest)

Skill specific training

Training for existing employees

Basic skill training
(reading, writing, computation)

Pre-employment training for prospective employees

Attitude, motivation training

What training arrangements would you prefer? On company time ; Off-time at company expense ;

Off-time at employee expense ; Split expenses

Comments: _____

7. Are you, or do you anticipate, recruiting workers from outside the immediate area? Yes No ;

If yes, what type of workers? _____

SECTION IV: BUSINESS ENVIRONMENT

1. What are the most important business advantages Wichita/Sedgwick County offers your business? _____

2. What are the disadvantages of doing business in Wichita/Sedgwick County? _____

3. How does your current business position compare with last year at this time? Up Down Same ;

Comments: _____

SECTION V: MISCELLANEOUS

1. Do you know of a company which might consider expanding to our area? Yes No ; If yes, name of company and contact: _____

2. Are you currently purchasing products/services from outside our area in significant amounts? Yes No ; If yes, specify: _____

3. Do you need assistance in identifying or implementing new technology for new products or processes? Yes No ; If yes, describe: _____

4. Which tax is the biggest burden on your company? KS Corporate Income Tax , Property Tax , Sales Tax

5. What major issues related to government (state, local or federal) and affecting your business should The Chamber/WI/SE take action on? _____

6. Has the WI/SE Partnership For Growth made a positive difference locally? Yes No Don't Know If yes, how? _____

SECTION VI: NOTES

SPECIFIC WORK SKILLS IN SHORT SUPPLY

1. Dependable, Willing to Work, Motivated People
2. Basic Math, Reading, Writing Skills
3. Sales Representatives
4. Machinists - Tool & Die Makers
5. Mechanics
6. Clerical Skills (shorthand, typing, etc)
7. Computer Skills
8. Electrical Technicians
9. Molders/Welders - experienced
10. Construction/Carpenters

Note: Most critical skill needs in order of most frequent response. Result of 750 personal surveys of Sedgwick County businesses during 1988.

December 9, 1988

a-1-14
2/8/90