

Approved

April 26, 1991
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Representative Diane Gjerstad
Chairperson

3:40 ~~am~~ p.m. on Monday, March 25, 1991 in room 423-S of the Capitol

All members were present except:

Representatives Brown, Dean, Love, Wagnon and Wisdom. Excused.

Committee staff present:

Lynne Holt, Research
Jim Wilson, Revisor
Betty Manning, Secretary

Conferees appearing before the committee:

Dr. Chalres Krider, I.P.P.B.R., Kansas University
Steve Jack, Department of Commerce
Ferman Marsh, Department of Education
Kevin Robertson, AVTS
Armand Corpolongo, Department of Human Resources
Charles Warren, President, Kansas, Inc.

The meeting was called to order at 3:40 p.m.

The minutes of February 21, 26, and 28, 1991 were approved.

Chairperson Gjerstad opened hearings on S.B. 32 pertaining to establishing a workforce training office in the Department of Commerce. The Chair introduced Dr. Charles Krider first proponent who reported on the findings of his study, Work Force Training: The Challenge for Kansas. He stated one of the strengths in Kansas is human capital and steps should be taken now to preserve and strengthen this area. One of the conclusions of the study was the skill issue in Kansas with both new and current employees. Dr. Krider talked about the demographic changes. He stated more women and other minorities will be entering the workforce and these represent those with poorer quality education and skill training. He said the state must direct its educational efforts toward those individuals already in workforce and those preparing to enter the workforce. Changes in management practices have increased the need for workers to have a broader range of skills. Dr. Krider said management must now focus on human resources over workplace equipment. Workers now must be able to reason and articulate their thoughts to co-workers. The workforce study determined that in Kansas there was a severe gap between skills and job requirements. The study further indicated the need for a stronger partnership between educational institutions and the business community to ensure the programs are market-driven. Management must also be keenly aware of the global competition.

Dr. Krider asked to make a few comments also on S.B. 31 as he will be unable to attend the hearing on March 27. He stated he fully supported S.B. 31 which clarifies an earlier statute which established reporting and employment placement rates. It is important to report the placement rates so students may choose between programs to get the best one and by opening up records will result in competition between programs for improvement, resulting in more efficient allocation of resources. Attachment 1.

Steve Jack, Department of Commerce, testified in support of S.B. 32. He stated the office of workforce training would give the Department of Commerce's coordinating function increased visibility and further establish workforce training as a long-term commitment. He further stated that the addition of a

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

room 423-S Statehouse, at 3:40 ~~am~~ p.m. on Monday, March 25, 1991

second position would provide the necessary administrative support to perform these duties. He believes this legislation reinforces the importance of human capital to Kansas' economy. Attachment 2.

Mr. Jack reported on his attendance at the National Association of Industry Conference held in Minneapolis, Minnesota, March 7-8, 1991. He outlined the trends in funding, total quality management, training for existing companies, service industries, industrial location activities as well as other trends in training. Attachment 3.

Ferman Marsh, Kansas State Board of Education, stated the State Board of Education would cooperate in any way necessary to carry out the requirements of S.B. 32. He felt the training and retraining of the Kansas workforce are crucial to the economic development of Kansas. Attachment 4.

Kevin Robertson, Director of Governmental Affairs, AVTS, final proponent of S.B. 32 stated technological advances have rapidly increased the need for customized training for business and industry. He stated there is a need for a training coordinator to recruit and market customized training programs to business and industry. He further stated he felt the need for more than one position in the office of workforce training in the Department of Commerce suggesting a minimum of three new positions. He strongly urged the committee to support this legislation. Attachment 5.

Armand Corporglono, Policy Analyst, Department of Human Resources appeared before the committee on behalf of Michael Johnson, Secretary, Kansas Department of Human Resources. Mr. Corporglono referred to the report commissioned by Kansas, Inc. and compiled by I.P.P.B.R. focusing on the relationship between workforce training issues and Kansas' economic development activities. He further stated the report made it clear that human resources and job training were critical to an effective economic development strategy but felt that unfortunately the linkage between unemployed and at-risk populations and their importance to our economic future appears to have been missed in the discussions supporting the need for a workforce training program as proposed in S.B.32. He felt the legislation did not address the needs of our citizenry nor businesses without considering how these programs are tied to actual training of our workforce or program's impact on providing greater access to jobs for at-risk population. He went on to state Department of Commerce had not been able to utilize the JTPA funds to any great extent. Suggestions made by Mr. Corporglono were requiring mandatory placement of a certain percentage of at-risk individuals as part of all training contracts; establish a point system to award contracts which would give extra credit to companies willing to accept at-risk clients placements; establishment of policies and procedures within the Department of Commerce that focus on recruiting at-risk clients for placement in new and expanding industry; and return to a JTPA funded position to work with Private Industry Councils in allocating training funds to the KIT and KER pool and to promote the use of these funds to business. He further stated that under the current arrangement with Department of Commerce it is counter productive for the State to obligate JTPA training funds to KIT and KER projects. Mr. Corporglono felt a refocusing of KIT and KER funds on training is needed if we are to balance our problems of worker shortages and growing numbers of poor and welfare clients with the needs of business and industry for trained workers, Attachment 6.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT,
room 423-S, Statehouse, at 3:40 ~~am~~/p.m. on Monday, March 25, 1991

Charles Warren, President, Kansas, Inc., commented on this legislation. He stated the Office of Workforce Training in the Department of Commerce is being designed for operational coordination that is for bringing together existing programs and resources. He said policy coordination has to take place by the Governor and her cabinet and issues just discussed can be resolved through the Governor and the Governor's Council on Workforce Training which exists at policy level. The office of workforce training is not to resolve policy coordination between departments.

Chairperson Gjerstad closed the hearings on S.B. 32.

The meeting was adjourned at 4:50 p.m.

March 25, 1991

GUEST REGISTI

HOUSE

Committee on Economic Development

NAME

ORGANIZATION

ADDRESS

Michelle Lister John Peterson & Associates Topeka

Art Brown KS Lumber dealers ASSN. KC Mo.

ARMAND CORRALANCA KS DEPT. of Human Res Topeka

Steve Jack KS Dept. of Commerce Topeka

~~KEVIN FORESTER~~ AVTS Topeka

JEFF RUSSELL UNITED TEL. Co. TOPEKA

Ken Bahr Beck Aircraft Corp. Topeka

Irvin Marsh Dept ED Topeka

Dave DePue KCOVE "

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Dave Quindal KDoc TOPEKA

**THE INSTITUTE FOR PUBLIC POLICY AND BUSINESS RESEARCH
UNIVERSITY OF KANSAS**

WORKFORCE TRAINING: SENATE BILLS 31 & 32

testimony to

**Committee on Economic Development
Kansas House of Representatives**

provided by

**Charles E. Krider
Professor of Business
Director of Business Research
University of Kansas**

March 25, 1991

*Eco. Devo
Attachment #1
03-25-91*

I. INTRODUCTION

Madam Chairman and members of the House Economic Development Committee, I am pleased to have the opportunity to testify before you today regarding Senate Bills 31 and 32. I support these two bills, for reasons I will outline in a moment, and would like to begin with some background information concerning these bills and the importance of human capital programs.

II. ENVIRONMENTAL CHANGES

Workforce preparation has become an important issue over the last decade for several reasons:

- Changing Technology - developments in science and technology have altered the structure of the economy by: (a) utilizing new microelectronic products for information storage and processing; (b) integrating markets through high-speed global communications networks, enabling centralized management of global industries; (c) replacing traditional raw materials through development of new, advanced materials; and (d) bioengineering advances in health care and agriculture. Rapid technological changes continue to evolve at an ever increasing pace. Therefore, workers who were able to keep up with yesterday's technology may not be prepared or possess the skills necessary to work with today's technology.

- Global Competition - the emergence of a world economy has been the result of technological advances and export-driven economies of other nations. Kansas firms, then, must be able to compete both nationally and internationally. This means that Kansas firms must keep up with increasing rates of change, in terms of technology and innovation; provide better quality, low cost goods; and rely on better skilled workers to carry out more complex tasks.

● Demographic Changes - the labor supply growth rate is slowing for both the U.S. and Kansas and is the result of a decline in new entrants into the workforce. The percentage of new entrants into Kansas' workforce peaked in 1980 and will continue to decline. At the same time, the composition of the labor force is changing, with fewer white males entering the workforce and more women and other minorities becoming a larger share of new entrants. Unfortunately, women and minorities disproportionately represent those with poorer-quality education and skill-training. Seventy-five percent of the population which will be in the workforce in the year 2000 are adults, out of the school system, and most are already in the workforce. In essence, the data indicates that employers will have a less educated pool of applicants to choose from and the State must direct its educational efforts toward individuals preparing for and already in the workforce.

● Changes in Management Style - management has traditionally focused on workplace equipment and processes over human resources. Workers in the traditional mass production facility performed simple, repetitive tasks, and management closely supervised workers and their tasks. Today, however, an increase in production requirements, through higher levels of technology and a demand for quality, and indirect processes means that more information, parts, and products are involved, breaking down the efficiency of traditional methods. Therefore, these changes have translated into new processes where workers have increased responsibility and the authority to make decision which were once the exclusive domain of management. These new duties require that workers be able to reason, follow oral and written instructions, and articulate their thoughts to co-workers.

III. RESULTS OF WORKFORCE TRAINING STUDY

Although Kansas has traditionally had a strong, well-skilled labor pool relative to other

states, IPPBR's recent workforce training survey determined that a majority of Kansas firms:

- find that newly hired employees have a moderate to severe gap between their skills and the job requirements;
- reported that it was moderately to extremely difficult to find skilled employees today compared to two to three years ago;
- stated that technological changes will moderately or substantially affect employee skills (Table 1).

Table 1

AVAILABILITY OF SKILLED EMPLOYEES

	% Responding Yes:
Technology Changes Will Increase Level of Skills Needed?	65 %
Skill Gap Between Newly Hired & Needs of the Businesses?	58 %
Difficult Finding Skilled Employees?	51 %
More Difficult Today Than 2-3 Years Ago?	69 %
More Difficult in the Next 2-3 Years?	70 %

Source: IPPBR Business Survey, 1989.

Over sixty percent of Kansas employers stated that their employees' skills needed improvement in the following areas (Table 2): writing, listening/oral communication, problem solving, comprehension, interpersonal relations, teamwork, motivation/goals, leadership, adaptability, and work attitudes. Employers also predicted that their employees would probably need further improvement in these skill areas, as well as in microcomputer skills, five years

from now. This data shows that Kansas employers realize the need for upgrading the skills of their current employees. Furthermore, technological and competitive changes will require employers to continually retrain their employees in several important areas.

Table 2

SKILLS OF CURRENT EMPLOYEES NEEDING IMPROVEMENT ACCORDING TO KANSAS EMPLOYERS: TODAY AND FIVE YEARS FROM NOW

	% Responding	
	Today:	In 5 yrs:
Writing skills	60%	49%
Listening/oral comm.	72%	65%
Prob.solving skills	70%	72%
Comprehension skills	60%	68%
Interpersonal relations	60%	56%
Teamwork skills	70%	71%
Motivation/goals	79%	71%
Leadership	75%	68%
Adaptability	66%	72%
Work attitudes	77%	70%
Microcomputer	47%	67%

Source: IPPBR Business Survey, 1989.

IV. KEY POINTS REGARDING BILLS

Senate Bills 31 and 32 are another step in reinforcing our State's economic development strategy and our commitment to human capital. Development of human capital, one of the seven foundations, is an important issue for the State to address in developing a high skilled supply of labor while meeting the labor demands of high quality, high performance businesses.

A. Senate Bill No. 31

This bill clarifies an earlier statute which established reporting and establishing employment placement rates. Because the earlier one was ambiguous, the data has been reported

on a state-wide level instead of program by program.

It is important to report the placement rates of programs for several reasons:

- reporting rates is a way of showing effectiveness, as rated by business, of curriculum;
- reporting rates allows students to choose between programs to get the best one;
- by opening up records and allowing student to choose will result to competition between programs for improvement, and those which are unable to adequately meet the needs of the market place may fail, resulting in a more efficient allocation of resources.

B. Senate Bill No. 32

This bill will create the office of workforce training within the Department of Commerce.

Creating this office will:

- build upon the existing working relationships between various State agencies, such as the Department of Commerce, Department of Education, Department of Human Resources, and the Social and Rehabilitation Services;
- allow the DOC to increase coordinating activities. The current position in the DOC does not have the ability to carry out these duties, due to the fact that administration of KIT/KIR is a full-time responsibility;
- the entities/agencies want to coordinate
- provide Kansas businesses with a "one-stop" location for business assistance in obtaining information about workforce training.

V. CONCLUSION

Senate Bills 31 and 32 are another step in addressing the training needs of Kansas' workforce. Although Kansas has considered its human capital area relatively strong compared

to other areas, changes in technology, global competition, demographics, and management styles have created the need for updating and improving the skills of current and future employees. Other states are strengthening their commitment to human capital, through innovative programs and funding, and Kansas should also strengthen its commitment to this vital area.

TESTIMONY ON SENATE BILL NO. 32

presented by

Steve Jack
Job Training Coordinator
Kansas Department of Commerce

March 25, 1991

The Kansas Department of Commerce supports Senate Bill No. 32 which would create an Office of Work Force Training. Our agency currently administers the Kansas Industrial Training (KIT) and Kansas Industrial Retraining (KIR) programs and coordinates with several other state agencies to ensure the effective and efficient use of state resources aimed at the creation and maintenance of a well-trained work force. An Office of Work Force Training would give our agency's coordinating function increased visibility and further establish work force training as a long-term commitment by our state.

The Secretary of Commerce has been reviewing programs and priorities of our agency. The Secretary strongly believes that human capital is crucial to the economic well-being of the state. The Joint Economic Development Committee's work in this area is compelling and convincing. The Secretary believes that efforts to improve the administration of job training programs has evolved to become a priority area.

The responsibilities of the office, as proposed in SB32, parallel those existing duties of the Job Training Coordinator. The addition of a second position, as outlined in the fiscal note, would provide administrative support to perform those duties. Moreover, the establishment of the office creates a logical place for any new business training program or any new ideas to improve the effectiveness of existing programs.

*Eco-Devo
Attachment #2
03-25-91*

In the past several years, the number of industrial training projects administered by the Department of Commerce has increased substantially. As Dr. Charles Krider states in the Kansas Inc. report Work Force Training: The Challenge for Kansas, "Because the coordination functions are difficult, if not impossible, to perform because of the expansion of KIT and addition of KIR, more administrative resources must be provided." SB32 provides the vehicle by which to accomplish this.

The Department of Commerce is pleased to support SB32. We believe that this legislation reinforces the importance of human capital to our state's economy.

Report On
National Association of
Industry - Specific Training Directors
Annual Conference

Presented to
House Economic Development Committee
March 25, 1991

The National Association of Industry - Specific Training Directors (NAISTD) held its annual conference in Minneapolis, Minnesota on March 7-8, 1991. Twenty-seven program directors from twenty states were in attendance. Topics covered on the agenda included trends in state training programs and industrial location activities.

Trends in Funding

- * It was reported that of the 53 state-funded training programs in the country, five are funded by unemployment insurance taxes and four, including Kansas, utilize lottery revenues. Less than 10 percent of the states use federal funds as the primary source for industry - specific training.
- * Most programs are experiencing stable or declining revenues. The notable exception is West Virginia, which increased its training allocation from approximately \$1 million to \$5 million.

Trends in TQM

- * Total Quality Management (TQM) will become the biggest demand area in the nineties. Training in TQM includes projects involving statistical process control (SPC), just-in-time manufacturing (JIT), self-directed work teams, employee empowerment, and other areas related to improving productivity and quality in the workplace. California has had such a high demand for assistance in this area from companies that they have placed a moratorium on requests for state-funded TQM projects for industry.

Trends in Training for Existing Companies

- * Another significant trend is that states are directing more money to existing companies. Much of this training involves TQM.
- * Many of the existing companies requiring training and retraining are small. Most states require at least 10 trainees in order to enter into a training agreement because of economics of scale and issues related to project cost effectiveness. Several states address small companies' needs by clustering employees in training consortiums.

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Attachment #3
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Trends in Service Industries

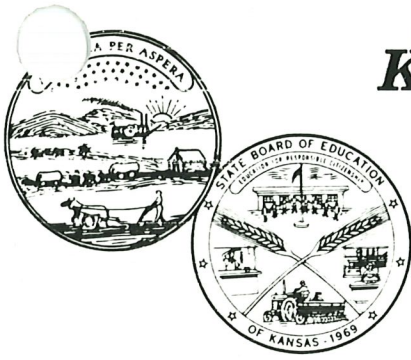
- * Demand for training has increased for service sector jobs. This demand is primarily from telemarketing and telecommunications firms. Many of these jobs are low wage, part-time, high turnover jobs. There is a trend in these companies to increase wages and increase the percentage of full time positions. Utah was the only state reporting that it does not train part-time workers.

Trends in Industrial Location Activities

- * All states reported fewer prospects. Many existing prospects which have projects pending have put these on hold because of the economy and the Gulf War. Most program directors thought the situation would improve later this year.
- * Several states have experienced a decline in Japanese activity. Kentucky reported an 80 percent decline. The Japanese are now looking at investment in Europe or joint Japanese-American or Japanese-European ventures.

Other Trends in Training

- * Literacy requirements are increasing due to changes in technology, but few states include literacy training as an eligible cost. Literacy training is viewed by many directors as a "black hole".
- * Labor availability is decreasing so many companies are doing more crosstraining.
- * Assessment, team building, and other "soft skill" training requests are increasing.
- * Requests for compliance management training (OSHA, safety, environmental) are increasing.
- * Companies are increasingly requesting computer training related to computer controlled manufacturing systems (e.g., CNC, CAD, CAM, etc.).



Kansas State Board of Education

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March 25, 1991

TO: House Committee on Economic Development
FROM: State Board of Education
SUBJECT: 1991 Senate Bill 32

My name is Ferman Marsh, Assistant Commissioner for Community Colleges and Vocational Education. I appreciate the opportunity to appear before this Committee on behalf of the State Board.

Senate Bill 32 sets up an office for work force training in the State Department of Commerce, Division of Industrial Development. As a part of this bill, the State Board of Education is required to cooperate with the Department of Commerce in providing information on postsecondary vocational and technical education.

The State Board will cooperate in any way necessary in carrying out the requirements of Senate Bill 32. The training and retraining of the Kansas work force is crucial for the economic development of Kansas.

KANSAS ASSOCIATION OF AREA VOCATIONAL—TECHNICAL SCHOOLS

Date: March 25, 1991
To: House Committee on Economic Development
From: Kevin Robertson
Director of Governmental Affairs
Re: SB 32 - Office of Work Force Training

Richard Kingston
President

Keith Stover
President Elect

Robert Stinson
Secretary

Richard McWhorter
Treasurer

Madam Chairperson and members of the committee my name is Kevin Robertson. I am Director of Governmental Affairs for the Kansas Association of Area Vocational-Technical Schools and today I am appearing before you in **support of SB 32.**

Customized training has become the buzz word in terms of vocational-technical schools relationship with business and industry. Today, a business which needs a new or upgraded skill taught its workers might contact an AVTS to see if they have the equipment and facilities available to train its employees on a new piece of machinery, technique, or skill. Assuming the school is able to respond, the school and business work together to develop a specific or "customized" program which meets the objectives of the business. These customized programs are developed specifically for business, and are not open to outside student enrollment. Over the last few years, technological advances have rapidly increased the need for customized training for business and industry.

In the IPPBR report, *Work Force Training: The Challenge of Kansas*, it is noted that 97 percent of Kansas' AVTSs and community colleges are responding to business requests for customized training, however, only 48 percent of these same schools have a training coordinator to recruit and market customized training programs to business and industry. AVTSs in metropolitan areas do have workforce training coordinators who work with local businesses to develop programs to meet their specific training needs. AVTSs in less populous areas, however, have not found that such a staff position is cost effective. Businesses and industry who need and desire customized training are out there, but they are often not aware such programs are available to them.

Senate Bill 32 would create the Office of Work Force Training within the Department of Commerce. The fiscal note provided to the Senate Committee on Economic Development during that committee's deliberations on

Eco-Devo
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this bill earlier this session suggested a single new position within the Department of Commerce to create this Office. Let me remind the committee of HB 2536 (SKILL program) which you have recommended favorably for passage. Should that new program be ultimately approved, the need for more than one new position to create the Office of Workforce Training will definitely exist. It should be noted that the *Workforce Training* study recommended that the legislature allocate \$50,000 to \$60,000 per AVTSS and community colleges to finance training coordinators at each school. In comparison, adding even three additional KDOC positions to coordinate workforce training would be a minimal expense.

The Kansas AVTSS see SB 32 as an important step in recruiting and marketing customized industry training programs in Kansas and administering the SKILL program. It creates a cost effective program to serve the needs of Kansas business and industry in the area of customized training. The Office of Work Force Training would be a clearinghouse for training information, work with post secondary vocational institutions, both public and private, to set up technical programs to train local businesses, market the availability of training opportunities to both large and small businesses, and coordinate the initial training function between the business and the institution.

Quite simply, the Office of Work Force Training would create a proactive industry training climate in Kansas and promote economic development, rather than continuing the reactive climate which exists in some areas of our state.

On behalf of the Kansas' 16 area vocational-technical schools, I urge you to support SB 32. Thank you for allowing me the opportunity to appear before you today. I will be happy to respond to any questions you may have.

TESTIMONY ON SENATE BILL NO. 32
presented by

Armand Corpolongo, Policy Analyst

on behalf of

Michael L. Johnson, Secretary
Kansas Department of Human Resources

March 25, 1991

As you know, the recommendation to establish an Office of Workforce Training first appeared in a report commissioned by Kansas Inc. The report, as compiled by KU's Institute for Public Policy and Business Research, has as its primary focus the relationship between workforce training issues and our State's economic development activities. The report very aptly brought to our attention a number of ways education and training must be used in preparing our State workforce for a highly competitive and rapidly expanding world economy.

The report pointed out that as a State we could anticipate significant worker shortages in Kansas as a result of such labor force factors as an aging workforce, fewer young people entering the job market and increased demand for skilled workers. In summary, these factors could put our State at a significant disadvantage both in attracting businesses with skilled worker demands and in keeping already established firms with needs for skilled employees.

Central to this theme was the need to provide greater access to jobs by our State's at-risk population groups as a means of addressing workforce shortage problems. By "at-risk" populations, I am referring to those groups which have traditionally faced barriers in the labor market, such as welfare recipients, minorities, women, handicapped, etc. Also noted was the need for child care, health care and other support services to enable the at-risk groups full access and greater participation in jobs requiring greater technical skills.

The report made it very clear that human resources and job training were critical to any effective economic development strategy. Unfortunately, the linkage between our unemployed and at-risk populations and their importance to our economic future appears to have been missed in the discussions supporting the need for a workforce training program such as that proposed in Senate Bill #32. In my opinion we are not adequately addressing the needs neither of our citizenry nor of business without considering how these programs are tied to the actual training of our workforce or the program's impact on providing greater access to jobs for our at-risk populations.

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Attachment #6
03-25-91

Coupled with the recommendation to establish a Workforce Training Office was the recommendation for each of the five JTPA Service Delivery Areas to set-aside \$50,000 of Job Training Partnership Act (JTPA) funds for the Department of Commerce to use in promoting job training to new and expanding industry.

The Committee should be made aware that this set-aside of funds had been done voluntarily for a number of years by the each of the State's five JTPA Service Delivery Areas (SDAs). The Department of Commerce, however, has not been able to utilize the JTPA funds to any great extent over the past few years. This has caused a number of problems for the JTPA programs which I will not get into at this point. It is meaningful, however, to understand why the expenditure of JTPA training funds has fallen off.

Approximately 5 years ago a position was established in the Department of Commerce using JTPA funds. The intent behind this funding mechanism was to promote a link between JTPA job training and the Kansas Industrial Training program. This arrangement provided for the sharing of training resources by the Departments of Commerce, Education and Human Resources. It also permitted JTPA participants access to industry specific training and jobs that they would not otherwise have had. In addition to funding the Job Coordinator position at Commerce, additional JTPA training funds came from the SDAs, each of which obligated approximately \$50,000 of training funds to this effort.

With the large increase in KIT and KER funding resulting from the lottery, it became difficult and unnecessary to promote JTPA participants for these jobs as well as carryout the necessary coordination with JTPA Private Industry Councils in utilizing JTPA funds. Since the KIT and KER funds do not have JTPA's conditions on who is to be trained, it becomes much easier to use KIT funds over JTPA funds. During the last two years, JTPA funds are rarely used, nor are the JTPA clients being hired by these companies. The KIT and KER training funds no longer guarantee access to these jobs for the unemployed and at-risk populations. Their primary intent appears to be as an incentive to industries to relocate or to expand to Kansas.

My only question to you would be are we investing these monies wisely and are we spending training funds on business' and individuals who actually need training? Are we training the unskilled long term unemployed or are we merely providing job specific training to an already qualified individual or employee of the firm?

This shift in training philosophy for our State's training funds is subject to increasing criticism that the training program is being used to offset costs that normally would have been paid for by the company. I have heard in early Senate testimony that it is impossible to assess an employer's intentions or to prevent this from happening.

My response to you is that you can have a say in preventing this from occurring. You can also guarantee that we are getting maximum return on our training investments. The Office of Workforce Training could and should be focusing its efforts on training those who most need our help. This will guarantee our resources are directed at addressing our current and future workforce shortage needs and providing a means for our at-risk populations to be self-sufficient.

These issues may be addressed by one or all of the following actions concerning Senate Bill #32:

1. Requiring mandatory placement of a certain percentage of at-risk individuals as part of all training contracts;
2. Establishing a point system in the awarding of such contracts which would give extra credit to companies willing to accept at-risk clients placements;
3. The establishment of policies and procedures within the Department of Commerce that focus on recruiting at-risk clients for placement in new and expanding industry; and,
4. The return to a JTPA funded position to work with Private Industry Councils in allocating training funds to the KIT and KER pool and to promote the use of these funds to business.

Under the current arrangement with the Department of Commerce it is counter productive for the State to obligate JTPA training funds to KIT and KER projects. A refocusing of KIT and KER funds on training is needed if we are to balance our problems of worker shortages and growing numbers of poor and welfare clients with the needs of business and industry for trained workers. This, in my opinion, is our State's best opportunity to show a substantial return on our economic development investment.