

Approved February 14, 1991  
Date

MINUTES OF THE Senate COMMITTEE ON Economic Development

The meeting was called to order by Senator Dave Kerr at  
Chairperson

8:00 a.m. ~~XXX~~ on February 13, 1991 in room 123-S of the Capitol.

All members were present except:

Senator Jerry Moran  
Senator Wint Winter

Committee staff present:

Lynne Holt, Legislative Research Department  
LaVonne Mumert, Committee Secretary

Conferees appearing before the committee:

Dr. Charles Krider, University of Kansas  
Ferman Marsh, Department of Education  
Steve Jack, Department of Commerce  
Kevin Robertson, Kansas Association of Area Vocational-Technical Schools

Senator Dave Kerr, Chairman, called the meeting to order and introduced Dr. Charles Krider.

Dr. Charles Krider summarized the findings of his study, Work Force Training: The Challenge for Kansas. He said that one of the foundations of Kansas' economic development strategy is human capital. He added that this is one of the strengths of Kansas but steps should be taken now to preserve and strengthen this area. Dr. Krider stated that one of the conclusions of the study was that there is a skill issue in the state, both with new entrants and current employees. He talked about the changes in demographics and increase in technology, which has had an overall effect of increasing the need for skills. He said that changes in management practices have also increased the need for workers to have a broader range of skills and more technical skills. Dr. Krider said the study also looked at the training system in Kansas as it relates to community colleges and area vocational-technical schools (AVTS). The basic conclusion reached is that the system is working but there are a number of details that need to be addressed. Dr. Krider advised that it was concluded that the current training system is not acting as a single coordinated effort and that greater attention needs to be given to changing curriculum. He said the study indicated there needs to be greater linkage between the public and private sector and a stronger partnership between the educational institutions and the business community to ensure that the programs are market-driven.

Dr. Krider said that the AVTSs are currently required to provide students with information on placement rates and average wages for various training programs. SB 31 would require that this information be given for each school by program, rather than on an aggregate basis, as is currently done. He said that SB 32 would allow for greater coordination among state agencies who deal with work force training as well as establishing a clearinghouse for information. He said that there is coordination now, but SB 32 would be an "evolution" of the process.

SB 32 - Establish office of work force training in the department of commerce

Ferman Marsh testified in support of SB 32 (Attachment 1). He said his agency has worked closely with the Department of Commerce in coordination efforts and feels the bill would formalize the relationship.

Steve Jack testified in support of the bill (Attachment 2). He recommended that the word "assistant" in lines 14 and 16 of the bill be stricken. Answering a question from Senator Salisbury, Mr. Jack said the bill basically described his position. He went on to say that since his job was created several years ago, the Kansas Industrial Training and the Kansas Industrial

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE Senate \_\_\_\_\_ COMMITTEE ON \_\_\_\_\_ Economic Development \_\_\_\_\_,  
room 123-S, Statehouse, at 8:00 a.m./~~p.m.~~ on February 13, 1991

Retraining Programs have grown substantially, the clearinghouse responsibility has been added and the level of activity with company contacts has multiplied. Responding to a question from Senator Oleen, he noted that the need for coordination increases as the level of funding decreases. He said the position is not in the Governor's recommended budget.

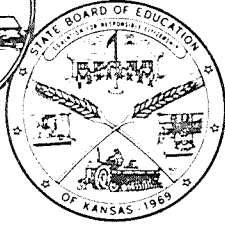
Kevin Robertson testified in support of the bill (Attachment 3). He said the office would create a proactive program rather than the current reactive one.

The Committee was provided with written testimony from Beech Aircraft Corporation (Attachment 4) and a letter from the American Society for Training & Development (Attachment 5), both in support of SB 32.

Senator Petty moved that the minutes of the February 12, 1991 meeting be approved. Senator Francisco seconded the motion, and the motion carried.

The meeting adjourned at 9:00. The next meeting of the Committee will be Thursday, February 14, 1991.





# Kansas State Board of Education

Kansas State Education Building (913) 296-3203

120 East 10th Street Topeka, Kansas 66612-1103

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District 4

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Evelyn Whitcomb  
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Kathleen White  
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District 10

February 13, 1991

TO: Senate 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.

Attachment 1  
2/13/91  
Sen. Eco. Dev.

TESTIMONY ON SENATE BILL NO. 32

presented by

Steve Jack  
Job Training Coordinator  
Kansas Department of Commerce

February 13, 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.

Over the past month, 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.

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.

One minor change in the language of the bill is recommended by the Department of Commerce. We recommend a change in the title of the head of the office. This change would involve striking the word "assistant" in lines 14 and 16. It is our feeling that it makes sense to incorporate the position's working title of "director" in the act.

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.

2/13/91  
2-2

KANSAS ASSOCIATION OF AREA VOCATIONAL—TECHNICAL SCHOOLS

Date: February 13, 1991  
To: Senate 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

Mr. Chairman 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. As I recall, during the Joint Committee on Economic Development's interim study on work force training, it

Attachment 3  
2/13/91  
Sen. Eco. Dev.

was noted that the Office could be created by adding two or three positions to the Division of Industrial Development staff. 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.

The Kansas AVTSS see SB 32 as an important step in recruiting and marketing customized industry training programs in Kansas. 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 happy to respond to any questions you may have.

2/13/91  
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TESTIMONY  
BEECH AIRCRAFT CORPORATION

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT  
SENATE BILL 32

Mr. Chairman, members of the Committee, my name is John Peterson and I am appearing on behalf of Beech Aircraft Corporation. We would urge your support for Senate Bill 32 which will establish an office of workforce training.

While reform of our educational system is important, we also need to provide coordinated programs and assistance for those currently in the workforce, 90 percent of whom will still be on the job in the year 2000. Workforce training is indeed needed and will benefit the businesses which use it, but most importantly, it will benefit the individuals who receive that assistance.

Beech Aircraft puts many resources into its training efforts. Other companies throughout the state do the same. All sectors of our state, including government, must become more involved in such efforts. The office of workforce training proposed in Senate Bill 32 is a powerful way for Kansas to provide leadership in this critical area. Such an office could not only administer the KIT and KIR programs, it could work toward bridging the gap that occurs for our young citizens when they move from the schools to the workforce.

Once again, Beech supports Senate Bill 32 and we thank you for the opportunity to offer these remarks.

Attachment 4  
2/13/91  
Sen. Eco. Dev.



American  
Society  
for  
Training &  
Development

PO Box 3985  
Wichita, KS  
67201

**SUNFLOWER CHAPTER**

February 6, 1991

Senator Dave Kerr  
State House - 3rd Floor  
Topeka, Kansas 66612

Dear Senator Kerr:

The Sunflower Chapter of the American Society for Training and Development is writing to support Senate Bill #32 to establish the office of work force training.

We have over 150 members in the field of training and education from throughout the state of Kansas. As corporate training directors, independent consultants, and educators we know the need for this office is stronger than ever.

It is a fact that investment in learning on the job has contributed more than half of all increases in the nation's productive capacity over the last 40 years. It is a fact that during the next 10 years, 75% of those working today will need retraining. It is a fact that the K-12 education system will not be able to help most people who will be working in the year 2000 because 90% of the people who will be working then are working now. It is a fact that the quality, competence, and productivity of the U.S. work force have fallen behind the demands of global competition.

No sector of our society - including the State of Kansas - can afford to ignore the facts. We face a work force crisis. One visible and productive action the State of Kansas can take to deal with this crisis is to enact and fund Senate Bill #32.

Please help us make certain your colleagues know we strongly support this bill. Thank you.

Sincerely,

Charles M. Cadwell  
Chapter President

*Distributed To  
Committee*

Attachment 5  
2/13/91  
Sen. Eco. Dev.