

MINUTES OF THE SENATE COMMITTEE ON COMMERCE.

The meeting was called to order by Chairperson Senator Brownlee at 8:30 a.m. on January 18, 2001 in Room 123-S of the Capitol.

All members were present except:

Senator Susan Wagle (Excused)

Committee staff present:

April Holman, Legislative Research Department  
Robert Nugent, Revisor of Statutes  
Lea Gerard, Secretary

Conferees appearing before the committee:

Cal Roberts, Chairman Work Force Development  
David Strom, Chairman Economic Development

Others attending: See Attached List

Chairperson Senator Brownlee introduced Cal Roberts, Chairman Work Force Development of the Governor's Vision 21<sup>st</sup> Century Task Force.

The Task Force was made up of a cross section of business leaders, educators and government agencies that held meetings in all regions of the state to get an overview and opinions from each region. Mr. Roberts stated that the charge was to assess the needs of both employers and employees in the state, view the structure of resources available for work force training, address the needs and make five recommendations that would be beneficial to the State of Kansas. The Task Force cited a U.S. Bureau of Labor Statistics report that noted an increasing shortage of skilled labor in the State of Kansas. Cal Roberts also stated the report stressed teaching work skills between grades K through 12. The task force is suggesting that in addition to basic academic standards a program of marketable work skills be initiated. Cal Roberts reviewed the five policies that the work force presented (Attachment 1).

Cal Roberts briefly summarized that Oregon and Indiana provide technical training in K through 12 and this is something the State of Kansas should look at. Most of this training would begin in grades 8 through 12 and students along with their parents would decide on what area they would like to have technical training. Some of the choices are engineering technical training, health care, business administration and computer training. With the proper skill training in a chosen field, the student has the ability to find a job, as well as earn a living using this money for further education, if desired. The conclusion is Kansas needs to move forward on a system that focuses on skill standards as well as academic standards to prepare our work force needs of the future.

Chairperson Brownlee opened the meeting for questions from committee members.

Chairperson Brownlee introduced David Strom, Chairman of the Economic Development Task Force. Conferee Strom stated the task force was made up of business people, educators and attorneys who have backgrounds in economic development and tourism. The task force accepted the charge understanding it was to review the economic development strategies and structure. Mr. Strom pointed out that the report is divided into two sections. The first three recommendations all relate to structure of economic development at the state level, the last two recommendations are focused on two opportunities that came forth as the committee interviewed the many presenters that faced them. The state is confronted with a lot of demands for funding different projects. In that regard, the task force felt it important to do the best with the money that is allocated for economic development efforts and that means creating efficiencies. It is very difficult to measure the success of economic development, it's a lot like advertising in a business. If a bank begins a large advertising campaign for loans and the federal reserve lowers interest rates at the same time, what was the value of advertising? Economic development is in some regard that way. We try to measure economic development to determine what businesses we attracted and how many jobs were created.

The task force recognized the need for reliability in financing and that brought forth our recommendation

to move financing away from the lottery, place it on the general fund and tying it to one-tenth of one percent of the Kansas economy. This seems to be a very tangible and realistic measurement for economic development. Over the years, since the mid 1980's, we have actually seen a decline in the dollars promoting economic development since they have been siphoned off for other worthwhile purposes, but nevertheless taken away. This recommendation would represent a measure of dynamic growth for economic development dollars in the state.

Chairperson Brownlee opened the meeting to questions from the committee members.

Meeting adjourned at 9:30 a.m.. The next scheduled meeting is Friday, January 19, 2001.

**SENATE COMMERCE COMMITTEE**

**GUEST LIST**

**DATE: JANUARY 18, 2001**

NAME	REPRESENTING
Tom Bell	KHA
Franie Conza	KDOA
Ray Louber	Def Admin
George & Vera	SRS
Steve Kelly	KDOCH
David Mott	"
Steve Galt	KOHR
Roger Franze	KTE
Bernie Koch	Wichita Area Chamber
Carl Roberts	workforce Task Force
Dave Strohm	Eco DEvo TASK FORCE
DEANN Spothm	VISITOR
Ed O'Malley	Governor's Office
Adrian Mullen	Kathy Damon + Assoc
Seth Bridge	Sen. Brungardt
John Walsh	Kansas Inc.
John Barbe	Travel Industry Assn. of Kansas
Ron Post	KTEC
Ben Brown	KTEC

## Workforce Development Preparing Kansans for Jobs of the 21<sup>st</sup> Century

The task force was made up of a good cross section of business, educators, and government representatives. We had legislators, college, community college, tech school, K-12, labor and business leaders involved.

We had representation from all over the State of Kansas. We held meetings in all regions of the state to get a good overview of opinions from each region.

Our charge was to assess the needs of employers and employees, review the structure and resources available to address the needs, and make five recommendations to the governor.

We found the system wasn't turning out the quality of skill sets required by today's private and public sector employers.

- Tremendous shortage of skilled employees.
- Now through 2020 the number of willing and able workers will grow at a slower pace. U.S. Bureau of Labor Statistics and the Hudson Institute.
- Students need to recognize the importance of **work**.
- We heard presentations from approximately 50 business firms, educators, government organizations and chambers of commerce.
- We heard that students come to them with deficiencies in reading, writing and arithmetic. One of the big concerns was lack of good basic skills in communication.
- One of the biggest concerns was deterioration in basic life skills such as punctuality, time management, self-discipline, responsibility, motivation, teamwork and work ethics.
- We found that a substantial number of businesses aren't interested in four-year degrees but are interested in skills training in various fields. They would like to see some skills training at grade 12 graduation and more emphasis on one to two year training with certificates of completion.
- We have a substantial shortage of qualified workers in Kansas and we need to find ways to fulfill our training deficiencies.

### **Policies**

1. An advisory or oversight committee to advise the Governor, Legislature, Board of Education and Board of Regents on the current and future employment needs of the public and private sectors.

- A non-political committee comprised of educators, business and labor leaders, government officials and interested community members to examine the proficiency of Kansas' education system in relation to the needs of the workforce.
- Determine workforce skills that are essential for today's students.

- This group needs to be selected carefully to have the right people involved that will be listened to by all concerned with education.
  - Past advisory committees have not been heard in resolving the disconnection between the education and private and public sectors.
2. The Kansas education delivery system must be reviewed to incorporate performance-based standards that help students develop employability skills required by Kansas' employers.
- Create standards for pre-K through post-secondary schools curriculum with guidance from the State Board of Education and Board of Regents.
  - Establish a series of performance standards through collaboration between the State Board of Education, Board of Regents, and Kansas business and industries.
  - Tie a portion of the school finance formula directly to performance-based standards.
  - Assess every high school student statewide in areas of core skills, using an evaluation tool like Work Keys.
  - To many students graduate from Kansas high schools without the basic knowledge and life skills necessary to perform entry-level jobs.
  - Kansas' education curriculum should include a focus on academic and employability skills integrated into the regular curriculums of K-12 coursework.
  - We must encourage outcome measures and accountability standards that reflect the input of business.
  - A handover process in which individual transcripts, attendance records, and education portfolios are transitioned to the workplace and post-secondary education.
3. The State of Kansas must embark on an aggressive campaign to develop, recruit and retain human capital within the state.
- Reduce tuition for in-state and out-of-state students to encourage enrollment in "critical need" workforce areas.
  - Provide tax credits for Kansas businesses and industries offering a structured tuition reimbursement/loan repayment program.
  - Recruit employees in international markets to fill the future workforce shortage.
  - Provide extended training for the elderly and disabled population.
  - Kansas needs to market the job opportunities in the state by targeting several groups, including former residents; in-state and out-of-state student; companies and employees; elderly and disabled; and immigrants.
  - We need to identify "critical-need" high skill employment areas and provide in-state tuition to out-of-state students who commit to remaining in Kansas for a specified number of years after receiving a degree from a Kansas post-secondary institution in a critical need area.
  - In-state students should get reduced tuition or scholarships for doing the same.
  - Presently we train students and export many of them out of the state.
  - Offer structured tuition-reimbursement—or loan-repayment—programs for new graduates from state universities, Kansas businesses and industries could receive

tax credits for hiring and paying off loans over a period of time. They could also receive tax credits for financially supporting other extended learning for employees.

- Offer training for elderly and disabled population.
- Recruitment from international markets. The immigrant population plays an increasingly important role in helping Kansas meet its future workforce needs.

4. Kansas must create a responsive post-secondary education system and make needed policy changes to enhance “just-in-time” workforce training opportunities.

- Aggressively coordinate and consolidate training programs, through Board of Regents leadership, to continually increase the quality and availability of these programs to students and employers in the state. Workforce training programs must respond quickly, the complicated and strict funding structure on non-university post-secondary training curtails the ability to provide businesses a proficiently trained workforce. The current credit-course funding formula, as well as the “seat-time” funding formula, should be evaluated to ensure allowance for post-secondary institutions to respond promptly to urgent and specific workforce training needs.
- Establish and promote an on-line resource directory, using Board of Regents expertise and inclusive of all post-secondary programs, for non-credit training.
- Provide financial incentives to businesses for ongoing workforce development through tax credit and matching funding.
- Develop a statewide business plan in order to match available resources—existing and potential—with projected business training needs.
- Redesign the governing structure of technical schools and colleges. Should keep local board members but should report to the Board of Regents.

5. The importance of technical education must be elevated, and technical education must be enhanced and better integrated into the school system.

- Upgrade equipment and support staff and faculty development at K-12, technical schools, and community colleges.
- Secure funding to render all K-12 students in Kansas with appropriate technology instruction.
- Encourage joint ventures between educators, government, and private enterprise by establishing incentives for businesses to provide hardware, software, and instructors.
- Improve capital outlay to the community colleges, technical schools, and technical colleges.
- Create a marketing campaign to enhance the public’s image of technical education.

The conclusion is we feel a need to attract new workers into Kansas. Spending reasonable sums of money to fix the system, reorganizing our present system to be more efficient and developing better funding formulas for workforce training is vital to our future economy. The companies we interviewed were distressed with the quality of both

soft and hard skills present in the candidates being delivered from Kansas' education system.

We believe a system such as the Oregon or Indiana programs should be reviewed to implement in the immediate future. Students graduating from high school should be prepared to enter the workforce, community college, technical school or four-year university. Having the proper skill training in a chosen field gives the student the ability to find a job, as well as the independence to earn a living, using this money for further education, if desired.

In the past our system has focused on academic standards. In the future, Kansas must move toward a unified system that focuses on skill standards as well as academic standards.